

**SECTION B
SUPPLIES OR SERVICES AND PRICES/COSTS**

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**SECTION B
SUPPLIES OR SERVICES AND PRICES/COSTS**

B.1 ITEMS BEING ACQUIRED

- (a) The Contractor shall furnish all personnel, facilities, equipment, material, supplies, and services (except as may be expressly set forth in this contract as furnished by the Government) and otherwise do all things necessary for, or incident to, the performance of the Statement of Work in Section C.
- (b) Reports shall be prepared and submitted in accordance with Section J, Attachment M, Reporting Requirements Checklist, other clauses in the contract which specify reporting requirements, and other directions from the Contracting Officer or designee. The content of the specified plans and reports shall be in accordance with DOE Order 1332.1A, "Uniform Reporting System". The Contractor shall employ a project management reporting system which utilizes an integrated, resource-loaded, earned value planning and reporting system to produce formats consistent with the above content. The level of detail the Contractor provides in the plans and reports shall be commensurate with the scope and complexity of the task and the reporting categories delineated in Block 4, Planning and Reporting Requirements, and Block 6, Special Instructions, on the Reporting Requirements Checklist, or in a particular clause. The Contractor shall be responsible for levying appropriate reporting requirements on any subcontractors in such a manner as to ensure an integrated, bottom-to-top planning and reporting system which will meet the Contractor's reporting requirements to DOE.

[End of Clause]

B.2 ESTIMATED COST

The total estimated cost for the performance of the work under the contract is (to be proposed by Offeror). This total amount consists of the following components:

- (a) The total estimated cost for design of two conversion facilities, including system requirements, permitting, project management, conceptual, preliminary, and final design, is (to be proposed by Offeror).
- (b) The total estimated cost for construction of the facility at Paducah, KY including site preparation, structures, equipment, pre-operational testing, operational readiness reviews, and project management is (to be proposed by Offeror).

- (c) The total estimated cost for construction of the facility at Portsmouth, OH including site preparation, structures, equipment, pre-operational testing, operational readiness reviews, and project management is (to be proposed by Offeror).
- (d) The total estimated cost for operations including cylinder management, waste/end product preparation/packaging, transportation, disposition, and project management is (to be proposed by Offeror).

[End of Clause]

B.3 FIXED FEE - DESIGN

A fixed fee of (to be proposed by Offeror) shall be paid to the Contractor for performance of the design work under B.2 (a) above. There shall be no adjustment in the amount of the fee by reason of differences between any estimate of cost for performance of the work under this contract and the actual costs for performance of that work. Fee is subject to adjustment only under the provisions of the clause in Section I entitled, "Changes." The fixed fee payable under this contract shall become due and payable in monthly installments as approved by the Contracting Officer and in accordance with the clause in Section I entitled "Fixed Fee." The fixed fee shall be applicable to the prime contractor and its members in a joint venture or limited liability company, teaming partner, and subcontractors identified and considered a part of the selection and award of this contract, if any.

[End of Clause]

B.4 INCENTIVE FEE - CONSTRUCTION

- (a) An incentive fee shall be paid to the Contractor for performance of construction work under B.2 (b) and (c) above in accordance with this clause and the clause entitled "Incentive Fee" in Section I. The target cost, target fee, minimum fee, maximum fee, and cost share ratio are shown below:

(1) Paducah, KY Facility

Target Cost	<u>(to be proposed by Offeror)</u>
Target Fee	<u>(to be proposed by Offeror)</u>
Minimum Fee	<u>(to be proposed by Offeror)</u>
Maximum Fee	<u>(to be proposed by Offeror)</u>

Cost Share Ratio Government/Contractor: (to be proposed by Offeror)

(2) Portsmouth, OH Facility

Target Cost (to be proposed by Offeror)

Target Fee (to be proposed by Offeror)

Minimum Fee (to be proposed by Offeror)

Maximum Fee (to be proposed by Offeror)

Cost Share Ratio: Government/Contractor (to be proposed by Offeror)

- (b) The target fee shall be paid to the Contractor if the actual cost of construction is within the range of 95-105% of the target cost. If the actual cost of construction is less than 95% of the target cost, the Contractor will earn fee in addition to the target fee in accordance with the cost share ratio up to the maximum fee. If the actual cost of construction is greater than 105% of the target cost, the Contractor will earn less than the target fee in accordance with the cost share ratio, but no less than the minimum fee.
- (c) In addition to an incentive fee for cost performance, an incentive fee shall be paid the Contractor for accelerating the scheduled completion date for construction specified in Section F. For every month (30 calendar days) in which the completion date is accelerated, the Contractor shall earn an additional incentive fee amount of 2% of the fee earned for cost performance not to exceed 10% of the fee earned for cost performance. For every month (30 calendar days) in which the completion date is delayed beyond the scheduled completion date in Section F, the Contractor's earned fee under cost performance shall be reduced by 2% not to exceed 10% of the earned fee for cost performance.
- (d) Any changes to the target cost, schedule, or fees shall only be made in accordance with the clause entitled "Changes" in Section I.
- (e) The Contractor will be paid a quarterly provisional fee during the period of construction as approved by the Contracting Officer consistent with the provisions of the clause entitled "Incentive Fee" in Section I, but subject to the retained amount specified in (g) below. Such payments shall be based on the target fee; the Contractor's progress toward completion of the construction effort in consideration of cost, schedule, and performance requirements; and subject to a 25% retainage.
- (f) The incentive fee earned shall be applicable to the prime contractor and its members in a joint venture or limited liability company, teaming partner, and

subcontractors identified and considered a part of the selection and award of this contract, if any.

- (g) Upon successful completion of the construction effort in accordance with the contract requirements, the Contracting Officer shall determine the total fee earned by the Contractor consistent with the Section I clauses entitled, "Incentive Fee" and "Conditional Payment of Fee, Profit, or Incentives." If the amount of the total fee earned is less than the total amount of all provisional fee payments to date previously made to the Contractor, the Contractor shall reimburse DOE the difference including the retained fee amount of 25%. If the amount of total fee earned is more than the total amount of all prior payments previously made to the Contractor, DOE shall pay the Contractor the difference up to 75% of the total fee earned. The fee retained (25%) shall be paid to the Contractor upon successful conversion of (10% of the quantity of DUF₆ proposed by the Offeror to be converted under this contract) kg of DUF₆.

[End of Clause]

B.5 AWARD FEE - OPERATIONS AND CYLINDER MANAGEMENT

- (a) An award fee shall be paid to the Contractor for performance of operations and cylinder management under B.2 (d) above in accordance with the provisions of this clause. The maximum available fee is (to be proposed by the Offeror).
- (b) There shall be no adjustment in the amount of the available fee by reason of differences between any estimate of cost for performance of the work under this contract and the actual costs for performance of that work. The maximum available fee is subject to adjustment only under the provisions of the clause in Section I entitled, "Changes."
- (c) The Contractor may be paid quarterly provisional fee as approved by the Contracting Officer and consistent with demonstrated progress toward accomplishment of requirements specified in the Performance Evaluation and Measurement Plan in paragraph (g) below. The Contractor shall promptly refund to the Government any amount of provisional fee paid that exceeds the amount of fee earned.
- (d) The fee earned shall be applicable to the prime contractor and its members in a joint venture or limited liability company, teaming partner, and subcontractors identified and considered a part of the selection and award of this contract, if any.
- (e) Fee available and evaluation periods.

- (1) Prior to the beginning of each fiscal year (or a shorter period if the first evaluation period begins within a fiscal year) under this contract for which operations or cylinder management is performed, the Contracting Officer shall unilaterally (1) allocate the amount of available fee, from the total available in paragraph (a) above, for the evaluation period and (2) determine the evaluation areas and individual requirements subject to the fee. Up to 75% of the available fee for each evaluation period may be allocated to the Contractor's performance with respect to the cost per kg of DUF₆ converted and the number of kg's processed during the evaluation period. The Contracting Officer shall modify the contract to reflect the total available fee for the evaluation period and the evaluation areas and individual requirements that are subject to the fee incentive. The evaluation periods shall be on a fiscal year basis unless a different period is mutually agreed to between the parties.
 - (2) All of the fee in paragraph (a) above shall be made available over the term of the contract to which this fee is applicable. Fee not earned during the evaluation period shall not be allocated to future evaluation periods, unless authorized by the Contracting Officer.
- (f) Determination of total fee earned.
- (1) The Government shall, at the conclusion of each specified evaluation period, evaluate the Contractor's performance against the evaluation areas and individual requirements; and the Contracting Officer shall determine the total amount of fee earned. At the Contracting Officer's discretion, evaluation of incentivized performance may occur at the scheduled completion of specific incentivized requirements.
 - (2) The evaluation of the Contractor's performance shall be in accordance with the Performance Evaluation and Measurement Plan(s) described in paragraph (g) of this clause. The Contractor shall be promptly advised in writing of the fee determination, and the basis of the fee determination. In the event that the Contractor's performance is considered to be less than the level of performance required by the Statement of Work or any other contract requirement, the Contracting Officer may, at his/her sole discretion, adjust the fee determination to reflect such performance in accordance with the clause entitled "Conditional Payment of Fee, Profit, or Incentives" in Section I.
 - (3) Schedule for fee earned determinations. The Contracting Officer shall issue the fee amount earned determination in accordance with the schedule set forth in the Performance Evaluation and Measurement Plan(s). However, a determination must be made within sixty calendar days after the receipt by the Contracting Officer of the Contractor's self-assessment, if one is submitted in accordance with paragraph (h) below, or seventy calendar days after the end of the evaluation period, whichever is later. If the Contracting Officer evaluates the

Contractor's performance of specific requirements on their completion, the payment of any earned fee amount must be made within seventy calendar days (or such other time period as mutually agreed to between the Contracting Officer and the Contractor) after such completion. If the determination is delayed beyond that date, the Contractor shall be entitled to interest on the determined total available fee amount earned at the rate established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 (41 U.S.C.611) that is in effect on the payment date. This rate is referred to as the "Renegotiation Board Interest Rate," and is published in the Federal Register semiannually on or about January 1 and July 1. The interest on any late total available fee amount earned determination will accrue daily and be compounded in 30-day increments inclusive from the first day after the schedule determination date through the actual date the determination is issued. That is, interest accrued at the end of any 30-day period will be added to the determined amount of fee earned and be subject to interest if not paid in the succeeding 30-day period.

- (g) Performance Evaluation and Measurement Plan(s).
- (1) The Government shall establish a Performance Evaluation and Measurement Plan(s) upon which the determination of the total available fee amount earned shall be based. A copy of the Performance Evaluation and Measurement Plan(s) shall be provided to the Contractor not later than thirty days prior to the scheduled start date of the evaluation period.
 - (2) The Performance Evaluation and Measurement Plan(s) will set forth the criteria upon which the Contractor will be evaluated relating to any technical, schedule, management, and/or cost objectives selected for evaluation. Such criteria should be objective, but may also include subjective criteria. The Plan(s) shall also set forth the method by which the total available fee amount will be allocated and the amount earned determined.
 - (3) The Performance Evaluation and Measurement Plan(s) may, consistent with the contract statement of work, be revised unilaterally by the Contracting Officer during the evaluation period. The Contracting Officer shall notify the Contractor of such unilateral changes at least thirty calendar days prior to the effective date of the change and at least ninety calendar days prior to the end of the affected evaluation period unless the parties mutually agree otherwise.
- (h) Contractor self-assessment. Following each evaluation period, the Contractor may submit a self-assessment, provided such assessment is submitted within 30 calendar days after the end of the period. This self-assessment shall address both the strengths and weaknesses of the Contractor's performance during the evaluation period. Where deficiencies in performance are noted, the Contractor shall describe the actions planned or taken to correct such deficiencies and avoid

their recurrence. The Contracting Officer will review the Contractor's self-assessment, if submitted, as part of its independent evaluation of the Contractor's performance during the period. A self-assessment, in and of itself, may not be the only basis for the fee determination.

[End of Clause]

B.6 OBLIGATION OF FUNDS

The design, construction, operations and cylinder management work under the contract will be incrementally funded. The amount presently obligated by the Government to this contract in accordance with the clause entitled "Limitation of Funds" in Section I is (to be filled in at time of award). Such amount may be increased unilaterally by the Contracting Officer by written notice to the Contractor and may be increased or decreased during the performance period by written agreement of the parties (whether or not by formal modification of this contract). These funds are estimated to cover the period through (to be filled in at time of award).

[End of Clause]