

**PART I**

**SECTION B**

**SUPPLIES OR SERVICES AND PRICES/COSTS**

**TABLE OF CONTENTS**

	PAGE NO.
B.1 - SERVICE BEING ACQUIRED	B-1
B.2 - OBLIGATION OF FUNDS AND FINANCIAL LIMITATIONS	B-1
B.3 - PERFORMANCE AND OTHER INCENTIVE FEES	B-1
B.4 - ALLOWABILITY OF SUBCONTRACTOR FEE	B-2
B.5 - PROVISIONAL PAYMENT OF PERFORMANCE FEE	B-2

## PART I

### SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

#### B.1 - SERVICE BEING ACQUIRED

The Contractor shall provide the personnel, facilities, equipment, materials, supplies, and services, (except such facilities, equipment, materials, supplies and services as are furnished by the Government), and shall perform in a quality, timely, and cost-effective manner the requirements and work set forth in this contract.

#### B.2 - OBLIGATION OF FUNDS AND FINANCIAL LIMITATIONS

The amount presently obligated by the Government with respect to this contract is specified in Clause I.104 - DEAR 970.5232-4 - Obligation of Funds (DEC 2000). Other financial limitations are also specified in Clause I.104 - DEAR 970.5232-4 - Obligation of Funds (DEC 2000).

#### B.3 - PERFORMANCE AND OTHER INCENTIVE FEES

- (a) The transition activities shall be performed on a cost-reimbursement basis up to the amount specified in Provision H.42(d), and no fee shall be paid for these activities.
- (b) In implementation of Clause I.82, Total Available Fee, the Parties have agreed that the maximum available performance fees that may be earned by the Contractor in accordance with the provisions of Appendix B, Performance Evaluation and Measurement Plan, for the performance of the work under this contract commencing June 1, 2005 are as follows:

June 1, 2005 through September 30, 2005	- \$1,498,500
October 1, 2005 through September 30, 2006	- \$4,500,000
October 1, 2006 through September 30, 2007	- \$4,500,000
October 1, 2007 through September 30, 2008	- \$4,500,000
October 1, 2008 through September 30, 2009	- \$4,500,000
October 1, 2009 through May 31, 2010	- \$3,001,500

- (c) If DOE determines that the Contractor has earned any Award Term after May 31, 2010, in accordance with the provisions of Clause F.2 - Award Term Incentive, the Parties have agreed that the maximum available annual

performance fee that may be earned by the Contractor during the first five years of any additional Award Term shall be: \$4,500,000

- (d) The maximum available annual performance fee that may be earned by the Contractor for any additional extensions of the period of performance beyond said five years shall be subject to negotiation between the Parties consistent with the Department of Energy Acquisition Regulation (DEAR) in effect at the time the fee is negotiated.
- (e) At the end of each fiscal year, there shall be no adjustment in the amount of the maximum available performance fee based on differences between any estimate of cost for performance of the work and the actual cost for performance of the work. Fee is subject to adjustment only –
  - (1) under the provisions of the clause in Section I, DEAR 970.5243-1, entitled “Changes”; or
  - (2) for a +/- 10 percent change in the estimated fee base.
- (f) Any adjustment in the amount of the fee under the provisions of paragraph (e) for the fees specified in paragraphs (b) and (c) above, or negotiation of fee under paragraph (d) above, shall take into consideration the ratio between the Contractor’s fee specified in paragraphs (b) and (c) above of the original contract and the maximum fees specified in Section L.9(b) of the Request for Proposal No. DE-RP02-05CH11231, dated December 15, 2004.

#### B.4 - ALLOWABILITY OF SUBCONTRACTOR FEE

If the Contractor is part of a consortium, joint venture, and/or other teaming arrangement, the team shall share in this Contract fee structure and separate additional subcontractor fee for teaming partners shall not be considered an allowable cost under the contract. If a subcontractor, supplier, or lower-tier subcontractor is a wholly owned, majority owned, or affiliate of any team member, any fee or profit earned by such entity shall not be considered an allowable cost under this contract unless otherwise approved by the Contracting Officer.

#### B.5 – PROVISIONAL PAYMENT OF PERFORMANCE FEE

The Contractor may, subject to the approval of the Contracting Officer, be paid provisional performance fee payments consistent with the provisions of the clause in Section I entitled, "Payments and Advances." The Contractor shall promptly refund to the Government any amount of provisional performance fee paid that exceeds the amount of performance fee earned.