

U.S. Department of Energy  
Contract Management Plan for  
the Idaho National Laboratory  
Contract Number: DE-AC07-05ID14517

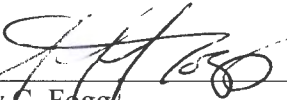


Prepared and Administered by:  
Idaho Operations Office

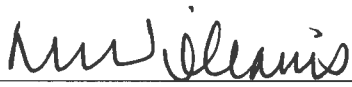
# CONTRACT MANAGEMENT PLAN

Contract No. DE-AC07-05ID14517  
Management and Operation of the  
Idaho National Laboratory

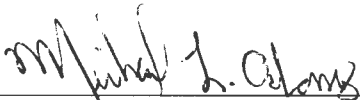
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**REVISION LOG**

Revision No.	Description of Change	Effective Date
1.0	Initial issuance. CMP revised after award of a five-year extension of the INL contract. CMP follows current template in the DOE Acquisition Guide chapter 42.5.	April 2018

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## ***Purpose of the Contract Management Plan***

1. This Contract Management Plan (CMP) has been developed to serve as a detailed reference to the Department of Energy (DOE), Idaho Operations Office's (DOE-ID) Contract Management Team (CMT) of how the oversight and administration will be conducted with respect to the management and operating (M&O) contract with Battelle Energy Alliance, LLC (BEA). A CMP is required by the DOE Acquisition Guide, Chapter 42.5 for all DOE M&O contracts.

This CMP is a living document that will be a useful tool for administering the contract; an executive summary of the roles and responsibilities for this contract's administration; a description of this contract's administration activities and responsibilities; and a flexible tool that will be periodically updated if and when circumstances change.

A key component of effective contract management under this plan will be the continued use of an integrated DOE/Contractor CMT, focused on the common goal of successful performance of the contract.

This CMP is a management tool intended solely to provide guidance to the DOE-ID CMT and should not be construed to create any rights or obligations on the part of any person or entity, including the Contractor and its employees. This CMP is not intended to be either prescriptive or inclusive of all necessary actions for execution of the contract. This CMP serves as overarching guidance for the management of the contract.

### **1.0 Contract Summary and Background of the Scope of Work**

<u>Contractor Name:</u>	Battelle Energy Alliance, LLC
<u>Contract Number:</u>	DE-AC07-05ID14517
<u>Contract Title:</u>	Management and Operations of the Idaho National Laboratory
<u>Contract Type:</u>	Cost-reimbursement plus Award Fee
<u>Performance Period:</u>	November 9, 2004 through September 30, 2024
<u>Performance Place:</u>	Idaho Falls, ID
<u>Contract Value:</u>	\$17.18B
<u>Key Personnel:</u>	<i>See Prime Contract Section J, Attachment D, "List of Key Personnel"</i>

## **1.1 The Contract**

The Idaho National Laboratory (INL) contract is a cost-plus award-fee, performance-based management and operating (M&O) contract subject to appropriate provisions of the FAR and DEAR. The Contractor is Battelle Energy Alliance, LLC (BEA) who is charged with the operation of the INL on behalf of the DOE Office of Nuclear Energy (NE). The INL is a multi-program DOE Federally Funded Research and Development Center (FFRDC) established in accordance with FAR Part 35 and managed under the provisions of FAR Part 17.6 and DEAR 917.6, and whose primary focus is to function as the lead nuclear energy research and development laboratory providing and directing resources and capabilities to support the nuclear energy, national security, and other applied energy missions of the INL. The contract was recently extended, without competition, for a period of five (5) years from October 1, 2019 through September 30, 2024. The estimated funding provided to the Contractor to support the management and operation of the INL is approximately \$17.18B.

## **1.2 Statement of Work Summary**

The contract is structured in accordance with the uniform contract format provided in FAR Part 15.204-1. Section C, "Description/Specifications/Statement of Work," is comprised of eight (8) subsections. Subsection C.4, "Laboratory Missions," is the Statement of Work (SOW) and contains four major categories: (1) Nuclear Energy, (2) National Security, (3) Science and Technology Supporting the Principal Missions, and (4) Other Programs. Due to the dynamic nature of the research activities at the INL, the SOW is not intended to be all-inclusive or restrictive, but is intended to provide a broad framework and general scope of the work to be performed at the INL during the term of the contract.

The Contractor is responsible for managing and operating the Idaho National Laboratory (INL). The INL is a multi-program Department of Energy (DOE) Federally Funded Research and Development Center (FFRDC), as defined in FAR 35.017, whose primary focus is to function as the lead nuclear energy research and development laboratory providing and directing resources and capabilities to support the nuclear energy, national security, and other applied energy missions of the INL. This contract is designed to enable the Contractor to achieve highly effective and efficient management of the Laboratory, resulting in:

- (a) A safe and secure operating environment;
- (b) Outstanding science, engineering, and technology results;
- (c) Cost effective and efficient operations; and
- (d) Enhanced accountability.



This contract reflects the application of performance-based contracting approaches and techniques that emphasize results/outcomes and minimize unilateral “how to” performance descriptions, except in instances where required by law, regulation, or DOE requirements. The Contractor is responsible for performance under the contract, including determining the specific methods for accomplishing the work and performance quality assurance. This contract provides flexibility, within the terms and conditions of the contract, to the Contractor in managing and operating the Laboratory.

The Contractor is responsible for developing and implementing innovative approaches and adopting practices that foster continuous improvement in accomplishing the mission of the Laboratory. The Contractor shall produce and maintain effective and efficient management structures, systems, and operations that achieve high levels of quality and safety in accomplishing the work, and to the extent practicable and appropriate, rely on national, commercial, and industrial standards that can be verified and certified by independent, nationally recognized experts and other independent reviewers. The Contractor shall conduct work in a manner that optimizes productivity, minimizes waste, and fully complies with applicable laws, regulations, and terms and conditions of the contract.

### **1.3 The Laboratory Mission and Vision**

In support of major DOE/National Nuclear Security Administration (NNSA) and/or other work sponsors, the Contractor shall serve as a national resource in science, technology and engineering focused on energy, national security, and the environment with special responsibility for nuclear energy research and development. The Contractor shall use multidisciplinary capabilities and apply expertise to conduct research within the capabilities and approved operational analyses for the Laboratory. The Contractor shall provide the intellectual leadership and management expertise necessary and appropriate to manage, operate, and staff the Laboratory; and to perform the work described in this Statement of Work (SOW). The DOE research areas are identified through strategic planning, program coordination, and cooperation between the Laboratory and DOE.

## **2.0 Identification of Key Contract Management Team Members, Including Roles and Responsibilities**

Cooperation between acquisition, program, project, and requirements personnel is essential to anticipate upcoming requirements, allow sufficient lead times, consider various methods of obtaining what is required, and otherwise increase the efficiency and effectiveness of contract actions. In managing the M&O contract, DOE-ID takes a “team” approach in which all personnel from the different organizations support each other by having an active role in the different stages of the acquisition process. This approach ensures effective implementation, execution, and accomplishment of successful contract management.



The following sections identify key individuals and/or organizations directly or indirectly responsible for the management, administration, and performance oversight of the contract and generally describe the corresponding roles and responsibilities. In carrying out these responsibilities, the individuals and/or organizations described below will work together to ensure the consistent dissemination of information/direction to the Contractor, and that such information/direction is in accordance with DOE Headquarters (HQ) and DOE-ID policies/strategies.

The ID Manager serves as the main operational interface in support of the Cognizant Secretarial Office, Office of Nuclear Energy (NE) and Program Secretarial Officer and the Office of Environmental Management (EM) responsibilities at the INL. The ID Contracting Officer has the legal contracting responsibility for contract administration. The CMT located at the ID office, INL site, and HQ carry out a variety of oversight activities that are prescribed by DOE regulations, DOE directives (e.g., orders, policy documents, acquisition letters, etc.), and the contract. This CMT consist of, but is not limited to contracting officers, contracting officer's representatives (COR), contract specialists, safety and operations specialists, legal counsel, project management, business, environmental, property, and finance individuals.

The CMT administers the contract and facilities for the performance of the Contractor by:

- Establishing formal requirements and expectations through the contract;
- Monitoring and evaluating Contractor performance against those expectations;
- Providing feedback to the Contractor through a variety of formal and informal mechanisms during the year; and
- Holding the Contractor accountable for its performance.

Managing contract requirements and expectations includes: (1) the creation of a CMP, (2) the establishment of an annual Performance Evaluation and Measurement Plan (PEMP), (3) the management of changes to the contract requirements and/or expectations through contract modifications, and (4) the processing of work authorizations, such as those required for DOE work and Strategic Partnerships Program (SPPs), approval of subcontracts, and the approval of the Laboratory Directed Research and Development (LDRD) funding levels and individual projects.

In addition, the CMT has many key Federal responsibilities and deliverables that are critical to the success of the Contractor. These include activities such as (1) signing permits as the facility owner, (2) reviewing and approving key operations documents, (3) approving work authorizations in a timely manner, and (4) communicating with stakeholders to gain support for a program or to resolve issues with a regulatory agency.

Performance monitoring occurs through the evaluation and acceptance of contract deliverables, conducting performance reviews, preparing performance reports, daily monitoring of ongoing activities, and the use of Contractor self-reporting. Examples of these activities includes: (1) facility representative and property administrator walk-throughs, (2)

CMT operational awareness activities, (3) program and project reviews that approve key contract milestones, and (4) accepting completed projects for startup.

Performance feedback is provided to the Contractor through formal periodic performance reports, assessments, and other feedback mechanisms, including informal mechanisms, so that deficiencies are understood and corrected. This process involves formal communications of performance results to the Contractor.

## 2.1 The Idaho Operations Office

To manage and administer the M&O contract between DOE and BEA, the CMT, as identified below, has been established and is fundamentally accountable for overseeing the entire operation of the INL, which entails monitoring the performance of the Contractor and ensuring compliance with contractual obligations. This encompasses a wide spectrum of oversight responsibilities in areas such as business systems, safety, environment, security, infrastructure, and project management. Beyond providing oversight and quality assurance at our national laboratories, site offices are responsible for the facilities infrastructure in which research is conducted and for managing the transaction process that provides program-approved funding to the appropriate M&O contractors and individual researchers. The INL contract places duties and responsibilities on both DOE and the Contractor. Identifying these roles and responsibilities, as well as applying the appropriate level of surveillance and risk mitigation is a priority for the CMT in the successful execution of this CMP.

## 1.2 Office of the Manager

Name	Position
Richard B. Provencher	Manager; Head of Contracting Activity
Alan L. Gunn	Principal Deputy Manager, Nuclear Energy
Amy E. Grose	Chief Financial Officer
Robert D. Boston	Deputy Manager, Operations Support
Eva Auman	Chief Counsel; Office of Chief Counsel
Timothy B. Jackson	Office of Public Affairs

The **ID Manager** is the senior DOE official at the INL. In addition, the Manager is the **Head of Contracting Activity (HCA)** for DOE-ID and is responsible for implementing HQ policy and direction. The Manager/HCA has line management authority and responsibility to integrate administrative and operations requirements into program missions and ensuring conduct of programs for various DOE Program Offices and other Federal agencies are consistent with program guidance and applicable local, state, and federal laws and regulations. All procurement authority at DOE-ID flows from the DOE Procurement Executive through the Manager/HCA.

All actions that require Contracting Officer authority are executed by the Manager/HCA or by Contracting Officers appointed by the Manager/HCA with the requisite warrant and authority. The Manager/HCA represents the Department in all matters related to contracts and agreements made under ID authority or assigned for execution.

As specified in contract clause I.19, “Conditional Payment of Fee, Profit and Other Incentives – Facility Management Contracts” (DEAR 970.5215-3), the ID Manager has unilateral determination authority to reduce earned fees if the Contractor does not meet minimum contract requirements.

The **Deputy Manager, Nuclear Energy (DM/NE)** (1) assists the Manager in virtually all aspects of management and oversight of the INL contract, (2) serves as the main operational interface in support of NE’s Lead Program Officer responsibilities at the INL, (3) serves as the Acting Manager in the absence of the Manager, (4) serves as the primary COR for the contract, and (4) ensures conduct of programs for various DOE Program Offices and other Federal agencies are consistent with program guidance and applicable local, state, and federal laws and regulations.

The **Chief Financial Officer (CFO)** provides a single organizational focus for key management functions in the areas of human capital, financial management, information technology, acquisition management, and performance management, as well as for selected organizational transformation initiatives. Additionally, the CFO is responsible for managing the day-to-day execution of the ID mission, including, but not limited to, staffing, organization, allocation of resources, scheduling, and procurement, through subordinate assistant managers and other personnel. The CFO is the ID financial authority responsible for making all appropriations and authorizing all expenditures for DOE-ID.

The **Deputy Manager, Operations Support (DM/OS)** provides advice and assistance to the Manager, DM/NE, and the CFO on nuclear and industrial safety for all operations. The DM/OS is the recognized ID expert in all aspects of nuclear and industrial safety for all operations. The DM/OS formulates and conducts technical safety analyses of safety programs and their programmatic impacts on operations and provides high-level professional advice on all safety issues relating to safety and risk/preventative management strategies. The DM/OS conducts risk assessments of hazards identified through operational safety oversight, Facility Representatives (FRs), or in response to accident/incidents or request from management.

The **Office of Chief Counsel (OCC)** is the ID legal office. OCC provides professional legal counsel and legal interpretations of statutes, cases, regulations, and orders applicable to ID’s programs, projects, and functions. OCC also addresses legal issues relating to management practices, economic productivity, environmental quality, national security, energy resources, and science and technology.



The **Office of Public Affairs** will assist the CMT by ensuring the implementation of a public affairs program that includes preparing communications and conducting activities that effectively and creatively convey information about the Idaho National Laboratory (INL) site to federal, state and local government agencies and interest groups. This could include drafting articles and press releases on topics consistent with the overall objectives of the contract. Such activities may involve coordination and distribution in both hard and electronic copy. The public affairs specialist may be asked to draft speeches, statements, talking points and portions or entire material for congressional testimony and other public appearances or interviews for the CMT and/or DOE senior management staff. The public affairs specialist will respond to media inquiries and requests from the general public and assist in the development of visual communications such as PowerPoint presentations, videos, and static displays that communicate DOE's mission, programs, services, etc., to various audiences.

These **Program Officials** are SMEs in their individual areas of expertise and are responsible for the programmatic, scientific, and/or technical aspects of their organizations.

### 2.3 Office of Nuclear Energy

Name	Position
Alan L. Gunn	Deputy Manager, Office of Nuclear Energy
Keith A. Lockie	Director, Nuclear Programs Division
Lance L. Lacroix	Director, Idaho Facilities Management Division

The **Nuclear Programs Division (NPD)** is responsible for the oversight of the INL and other Contractor performance on nuclear energy, education, national security, and other research and development projects and programs, including SPPs and the LDRD Program. The NPD performs oversight to ensure adherence to contract cost, scope, and schedule commitments, as well as to ensure the projects are conducted safely and efficiently. NPD also provides direct support to DOE science and technology programs not associated with the INL (e.g., University Programs).

**Technical Monitors and Project Controls** personnel assist the CMT with contract management in the areas of planning, organizing, and conducting management studies of the Contractor's programs, organization, budgetary, operational, and other administrative systems and provide technical assistance and advice on program planning, fiscal and/or human resource management. The project controls staff and technical monitors are also responsible for reviewing and preparing cost and technical evaluations of all projects and programs the Contractor proposes and/or initiates. In addition, they make recommendations for and assist in the implementation of new techniques and/or procedures to improve methods of operations, strengthen controls, and effectively utilize resources. Primary areas include project management oversight, financial management oversight, and daily operational and safety oversight.

**Technical Monitors** and **Project Controls** personnel are administrators who manage the Contractor's activities and programs. The technical monitors and project controls assist the CMT by reviewing applications, proposals, and project and program packages for completeness and conformity to requirements, laws, and regulations; ensuring that adequate numbers of reviewers with appropriate expertise are available to review any contractual documents prior to approval of projects, or throughout the lifecycle of the project; and serving as the overall point of contact for the Contractor throughout the lifecycle of the project.

Periodically, technical monitors and/or project controls staff will assist the Contracting Officer's Representative(s) (COR) by providing feedback on the Contractor's performance and/or to the quality and timeliness of contract deliverables. However, these individuals do not have delegation of authority. In situations where there are issues or concerns regarding operations or performance, technical monitors and project controls must communicate these to the COR so that the problems can be addressed and resolved immediately.

The major function of the **Idaho Facilities Management Division (IFMD)** is to lead the Integrated Project Team (IPT) in the planning, design, construction, and commissioning of projects in support of the DOE science mission. Other IFMD responsibilities include ensuring good stewardship of DOE's real property through appropriate investments with limited resources and prioritization of activities; partnering with the Contractor in the implementation of critical DOE initiatives such as sustainability goals; oversee space banking, maintenance management, Facilities Infrastructure Management System, and demolition of any non-contaminated facilities. In addition, IFMD participates in the development of project acquisition strategies, as a member of evaluation committees and the review of contracts and the approval process as appropriate.

Successful performance of DOE projects depends on effective project management by the **Federal Project Director (FPD)**. FPDs are expected to attain and maintain certification in accordance with the requirements specified in DOE Order 361.1C, "Acquisition Career Management Program," before they can be delegated the authority to serve as FPD.

The FPD bears primary responsibility for all essential aspects of the work being carried out, including a project's technical or programmatic requirements, compliance with applicable policies and regulations, and administrative tasks. A FPD generally applies all of these responsibilities to meet project requirements: determines and defines project scope, requirements, and deliverables; develops, modifies, and provides input to project plans; implements project plans to meet objectives; coordinates and integrates project activities; monitors project activities and resources to mitigate risk; implements or maintains quality assurance processes; makes



improvements, solves problems, or takes corrective action when problems arise; briefs ID management and DOE-HQ organizations on all aspects of the project; participates in phase, milestone, and final project reviews; identifies project documentation requirements and procedures; and develops and implements product release plan.

DOE Order 413.3B, “Program and Project Management for the Acquisition of Capital Assets,” establishes the procedures governing managing projects within the approved performance baseline.

The roles and responsibilities provided above are designated by the Contracting Officer and Directors of the NPD and the IFMD.

## 2.4 Office of Operations Support

Name	Position
Robert D. Boston	Deputy Manager, Operations Support
Mark D. Gardner	Director, Quality and Safety Division
Teresa L. Perkins	Director, Environment and Sustainability Division
Robert D. Newbry	Director, Operational Performance Assurance Division
SoLita M. Greene	Director, Security Division

The **Office of Operations Support (OS)** objective is to advance INL’s scientific mission by ensuring the safe and efficient operation of diverse and complex research facilities located at the INL. OS is responsible for managing those federal resources that provide contractually and otherwise required oversight of the Contractor’s operations in the areas of operational safety, work control, safeguards and security, environmental safety and health, quality assurance, nuclear safety, and information technology. OS’s responsibilities include recruiting, training, qualification, and requalification of adequate numbers of highly qualified facility representatives (FRs) and SMEs. OS partners closely with Contractor personnel to drive effective Contractor assurance and identify laboratory process improvements. OS is also responsible for providing feedback on issues and laboratory performance to ID management and up through the DOE line management chain.

OS is responsible for providing insight and oversight in the areas of:

- Facility operation
- Environmental Safety and Health (ES&H)
- Quality Assurance (QA)
- Emergency Management Safeguards and Security



## 2.5 Office of Administrative Support

Name	Position
Amy E. Grose	Deputy Manager, Administrative Support
Kelly D. Lemons	Director, Financial Services and Resources Division
Mark L. Searle	Director, Budget and Cost Management Division
Michael L. Adams	Director, Contracts Management Division
Scott D. Applonie	Director, Information Management Division

The **Office of Administrative Support (AS)** provides a comprehensive business perspective to its customers while aligning itself with the strategic goals of the ID mission to successfully manage and administer the M&O contract for the safe, secure, effective, and efficient operation of the INL. There are four (4) specific disciplines within AS – Financial Services and Resources Management, Budget and Cost Management, Information Management, and Contract Management dedicated to oversight of the INL.

The AS is specifically responsible for the oversight of the Contractor’s business and program functions. SMEs in AS cover a host of areas including finance, budget, procurement, property, human resources, SPPs, LDRD technology transfer, cyber security, utility contracting administration, and office administration. AS administers the Contracting Officer duties called for in the contract and in DOE directives including executing Work Authorizations and Inter Entity Work Orders (IEWOs), acceptance of SPP Interagency Agreements, and approval of subcontract actions exceeding the delegated threshold. AS uses a risk-based assessment approach to perform its oversight functions which rely on assessments, Contractor’s self-assessment processes, third-party assessments, and day-to-day operational awareness. AS develops this risk-based approach by considering specific guidance from the Office of Management and Budget (OMB), Government regulations (e.g., FAR, DEAR, Federal Management Regulations, DOE directives, and the Financial Management Handbook), and DOE policy.

## 2.6 Contract Management Division and Other Key Members

Name	Functional Area of Expertise
Michael L. Adams	Director, Contract Management Division
Maria M. Mitchell-Williams	Supervisor, Contract Management
Alan L. Gunn	Primary COR
Jeffrey C. Fogg	Contracting Officer
Ashley G. Perez	Contract Specialist
Scott D. Hobbs	Organization Property Management Officer
Michael L. Adams	Real Estate Specialist
Paul H. Allen	Industrial Relations Supervisor

The **Procurement Director** of the Contract Management Division (CMD) reviews and concurs with significant Contracting Officer decisions prior to implementation and correspondence requiring HCA or DOE Procurement Executive approval. The Contracting Officer consults with the Director on contractual issues as needed.

The **Contracting Officer** is delegated in contract clause G.1, “Head of Contracting Activity, Contracting Officer, and Contracting Officer’s Representative,” and has the delegated authority to enter into, administer, or terminate (if found necessary) the contract and make related determinations and findings. The authority of the ID Contracting Officer is limited to that authority necessary to carry out all actions required for site management and operation. This includes the authority to carry out all requirements of the performance-based management contract, as well as authorization to execute and manage site-related Interagency Agreements, simplified acquisitions, utility contracts, and other prime contracts.

Pursuant to FAR 1.601, contracts may be entered into and signed only by the HCA, or designated Contracting Officer(s). Pursuant to clause G.4, “Modification Authority,” of the contract, the Contracting Officer is the only individual who has the authority on behalf of DOE to take the following actions under the contract:

- Accept nonconforming work;
- Waive any requirements of the contract; or
- Take any action involving a change in the scope, price, terms, or conditions of the contract.

The Contracting Officer is also responsible for ensuring performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interests of the United States in its contractual relationships. The FAR allows the Contracting Officer wide latitude to exercise business judgement. In performing his/her duties, the Contracting Officer shall:

- Ensure that the requirements of FAR 1.602-1(b) (e.g., all requirements of law, executive orders, regulations, and all other applicable procedures, including clearances and approvals) have been met;
- Ensure that sufficient funds are available for obligation;
- Obligate funds and approve payments;
- Ensure that the Contractor receives impartial, fair and equitable treatment;
- Request and consider the advice of specialists in audit, law, engineering, transportation, and other fields as appropriate; and
- Be responsible for all contract management functions listed in FAR 42.3.

The **Contracting Officer Representative (COR)** is designated by the Contracting Officer to advise and assist in the management of the prime contract pursuant to contract clause G.1, “Head of Contracting Activity, Contracting Officer, and

Contracting Officer's Representative." The COR is designated to act as authorized representative of the Contracting Officer for specified functions, such as general or intellectual property law, surveillance, and monitoring. The Contractor will receive a copy of the written COR designation from the Contracting Officer. It will specify the extent of the COR's authority to act on behalf of the Contracting Officer. CORs will be selected for their specific area of expertise.

The COR also has the primary responsibility for providing technical direction, as stated in contract clause G.2, "Technical Direction" (DEAR 952.242-70), to the Contractor and also performs contract management and performance oversight, with support from appropriate ID management and staff.

The COR is not authorized to change any of the terms and conditions of this contract. The COR will have specific authorities related to technical guidance and inspection, and the Contracting Officer will prescribe these to him/her in writing. The specific tasks to be performed by the COR are described in detail in the COR designation letter.

DOE Order 541.1C, "Appointment of Contracting Officers and Contracting Officer's Representatives," establishes the procedures governing the selection, appointment, and termination of DOE Contracting Officers and Contracting Officer's Representatives.

The current CORs are listed in the table below. Contract Section J, Attachment T, will contain the active list of CORs and will be updated as required.

COR	Functional Area of Expertise
Alan L. Gunn	Primary COR
Scott D. Applonie	Information Management and Cyber Security Activities
Margaret Hinman	Legal Matters
Julie E. Conner	Remote-Handled Low-Level Waste Disposal Project
SoLita M. Greene	Security and Emergency Management

The **Contract Specialist (CS)** supports the Contracting Officer in the daily administration of the contract. The responsibilities of the CS include, but are not limited to, the preparation and processing of contract-related documents, modifications, and other contractual correspondence for Contracting Officer signature and/or approval; research of applicable contract requirements, laws, and regulations to assist the Contracting Officer in making sound business decisions; maintenance of contract documents and files; and the processing of Contractor requests for payment or other requests received from the Contractor.



The **Industrial Relations and Audit (IR&A)** division is responsible for the oversight of the Contractor's business program functions, specifically its human resource management. IR&A SMEs cover a host of areas including, but not limited to labor standards compliance, contractor labor relations, and contractor workforce restructuring. IR&A is responsible for the oversight of any M&O or other facility operation contracts that provide cost reimbursement for contractor human resource programs. IR&A's responsibilities include, but are not limited to determining the allowability and reasonableness of the Contractor's employee compensation and related human resource costs; evaluating the effectiveness of the Contractor's human resource management in recruiting, deploying, and retaining a reasonably priced workforce; perform risk assessments to mitigate potential liabilities associated with business or activity processes and procedures; ensure the Contractor pursues and implements the best business practices when workforce restructuring is conducted to minimize impact to programmatic activities; ensure fair treatment of workers when workforce restructuring is required; and perform workforce planning to ensure the continuity of the Department's mission.

Governing guidelines for IR&A functions include, but are not limited to:

- Application of labor laws to government acquisitions as specified in FAR Part 22;
- Cost accounting standards administration is specified in FAR Part 30;
- Collective bargaining agreements as specified in contract clause I.20, "Collective Bargaining Agreements Management and Operating Contracts" (DEAR 970.5222-1), and clause H.17, "Labor Relations; Strikes or Labor Stoppages";
- Bonds and insurance is specified in FAR Subpart 28.3; contract clause I.38, "Insurance – Litigation and Claims" (DEAR 970.5228-1); clause H.50, "Workers' Compensation Insurance"; and clause H.52, "Risk Management and Insurance Programs"; and
- Employee compensation is specified in FAR Part 31; contract clause H.49, "Employee Compensation: Pay and Benefits"; and clause I.21, "Overtime Management" (DEAR 970.5222-2);

The **Organization Property Management Officer (OPMO)** is designated by the Contracting Officer to advise and assist in the management of the prime contract pursuant to contract clause G.7, "Designation of Property Administrator." The OPMO's responsibilities include, but are not limited to, conduct overall property administration; coordinate and control the Property Management Program; ensure that required property accountability records are maintained and that required reports are submitted timely; implement property management policy and procedures and provide guidance to ID and the Contractor, as necessary, within his/her area of control; ensure that all actions are taken to ensure the integrity of the Property

Management Program and that Government property is managed to provide optimum protection against fraud, waste, and abuse; provide oversight of the Property Management Program and disseminate information to the CMT; ensure that required physical inventories are conducted within their jurisdiction and that discrepancies are appropriately reconciled; and re-designate in writing this function, if removed.

FAR 45.102, "Policy," FAR 45.104, "Contractor's Property Management System Compliance," and DOE-Property Management Regulation 109-1.5203, establish the procedures governing the Property Administrator.

The **Real Estate Specialist** assists the CMT in the review and approval process to acquire, manage, and/or dispose of real property.

### **3.0 Contract Management Processes**

The general approach used by ID to administer the M&O contract is aligned with Acquisition Management processes and procedures. Acquisition Management is divided into three (3) processes: acquisition planning (pre-award), solicitation and contract award (award), and contract management/administration (post-award), including closeout. This section provides general contract administration and performance oversight guidance required to ensure that contract requirements are being met, performance is meeting expectations, and the overall accomplishment of the post-award process. It does not capture every action that DOE will need to complete for successful contract management. It does however, set for the higher-level requirements and describes the overall process within which tasks are performed. These activities are the responsibility of the ID CMT, with the support from appropriate ID management and DOE-HQ organizations, and include oversight of the Contractor's implementation of all contract requirements.

Contract administration activities are cited in FAR Subpart 42.3, "Contract Administration Office Functions." Critical to contract management is the coordination and monitoring of regulatory, technical, quality, safety, security, and business requirements to ensure Contractor performance with the requirements, terms, and conditions of the contract. The ID CMT practices several methods of coordination and communication to ensure that all organizations that participate in the oversight and management of the contract understand both the technical and contractual requirements to streamline processes and mitigate interruptions, cost or operational impacts, and to create a dynamic acquisition environment that ensures the Contractor's successful execution of the work scope set forth in the contract. The following subsections highlight these management and administration activities and represent some of the more critical areas in managing the M&O contract.

### **3.1 Contract Communication Protocol**

Although DOE and the Contractor each has its own individual responsibilities and requirements, each is dependent on the other achieve the overall objective. Early and regular communication and coordination between DOE and the Contractor is critical to collaborative program execution. Frequent and open communication and coordination, whether formal or informal, are essential to the development of a working relationship where both Parties have the opportunity to build trust, improve understanding of issues, set the stage for sound decision-making, and resolve disagreements in a cooperative and constructive manner.

Communication protocols are commonly cross-referenced by the level of contract authority (from unlimited authority to no authority). Due to the varying degrees of authority, both formal and informal communication protocols need to be understood and carefully followed by all Parties to prevent the misapplication of effort, oversight, or direction.

#### **3.1.1 Formal Communications with the Contractor**

Formal communication and direction to the Contractor will typically be issued in writing; however, oral communication is acceptable if and when necessary. If formal direction is communicated orally, it will be confirmed in writing. Any ID personnel may initiate correspondence to the Contractor; however, all formal communication and direction to the Contractor must be transmitted by the ID Manager (as HCA), or as delegated, the Contracting Officer or the COR in accordance with contract clause G.3, "Correspondence Procedures."

The following statement should be included in the body of any formal correspondence when being issued by the COR:

"The action taken herein is considered to be within the scope of work of the existing contract and does not authorize the Contractor to incur any additional costs (either direct or indirect) or delay delivery to the Government. If the Contractor considers that carrying out this action will increase contract costs or delay of delivery, the Contractor shall promptly notify the Contracting Officer orally, confirming and explaining the notification in writing within five (5) working days. Following submission of the written notice of impacts, the Contractor shall await further direction from the Contracting Officer."

Per contract clause G.4, "Modification Authority," all formal communications interpreting the contract terms and conditions, or making changes or modifications to the contract can only be issued by the Contracting Officer.



The Contracting Officer must be on concurrence for all formal correspondence issued to the Contractor (e.g., technical direction issued by COR) and receive a copy of the correspondence when issued.

To ensure a consistent and controlled process for tracking formal correspondence issued to or received from the Contractor, the contract number, applicable contract provision, and/or Contract Data Requirement (CDR) should be included in the subject line of the correspondence. The Contractor should follow a similar contract correspondence tracking system with commitments appropriately assigned and tracked for timely completion. An information copy of all formal correspondence issued to and received from the Contractor should also be sent electronically to ID Records Management to be added to the contract file in the ID Zeus tracking system.

Regular meetings and conference calls are other methods of formal communication that are used to monitor progress of project execution, provide advice and management direction, elevate issues or disagreements, and mutually develop and agree on resolutions to avoid loss of forward project momentum.

### **3.1.2 Informal Communication**

Informal communication between ID and Contractor personnel contributes to establishing site priorities and accomplishing program execution. Informal communication can occur between any ID and Contractor personnel. This type of communication is non-binding for both the Government and the Contractor and does not constitute contract direction. Informal communication can include electronic mail, retrievable databases, telephone calls, conferences, meetings, and any other means. In their informal communication, ID and Contractor personnel need to avoid the impression that the communication is formal or intended to modify the contract.

### **3.1.3 Non-ID Communication**

During the performance of this contract, the Contractor will be required to communicate with Non-ID parties in conjunction with its responsibilities and work scope. The following parties most likely to be involved are DOE-HQ, other Federal Government agencies, the Environmental Protection Agency (EPA), the General Accountability Office (GAO), other site contractors, the general public, and officials from state agencies including the Idaho State Department of Health and Welfare.

Because these entities are outside of the contractual relationship between DOE-ID and the Contractor, they are limited to informal communication only. They may not provide direction to the Contractor and should not be construed as contractual direction to change the work scope or terms and conditions of the contract.

These other sources of communication must be coordinated and/or monitored by the responsible DOE-ID division, the ID Manager, and/or the Contracting Officer.

### **3.2 Government Furnished Property**

As stated in contract Section B, the Contractor shall provide, in a cost efficient manner, the personnel, materials, supplies, and services necessary to manage and operate the Idaho National Laboratory (INL) pursuant to Section C, Statement of Work, or as directed by the Contracting Officer.

In accordance with contract clause I.55, "Property" (DEAR 970.5245-1), the Government reserves the right to furnish any property or services required for the performance of the work under the contract.

### **3.3 Inspection/Surveillance and Acceptance Processes**

Inspection and acceptance shall be conducted in accordance with contract Section E, Inspection and Acceptance. The DOE shall perform inspections and tests in a manner that does not unduly delay the work.

Per contract Section E.3, FAR 52.246-5, Inspection of Services – Cost Reimbursement (Apr 1984), the Contractor shall provide and maintain an inspection system acceptable to the Government covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

The Government has the right to inspect and test all services called for by the contract, to the extent practicable at all places and times during the term of the contract. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

If any of the services performed do not conform to contract requirements, the Government may require the Contractor to perform the services again in conformity with contract requirements, for no additional fee. When the defects in services cannot be corrected by reperformance, the Government may –

- (1) Require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and
- (2) Reduce any fee payable under the contract to reflect the reduced value of the services performed.

If the Contractor fails to promptly perform the services again or take the action necessary to ensure future performance in conformity with contract requirements, the Government may –

- (1) By contract or otherwise, perform the services and reduce any fee payable by an amount that is equitable under the circumstances; or
- (2) Terminate the contract for default.

In accordance with contract Section E.4, FAR 52.246-9 Inspection of Research and Development (Short Form) (Apr 1984), the Government has the right to inspect and evaluate all products, reports, or services accomplished or being performed under the contract, and the premises where the work is being performed, at all reasonable times and in a manner that will not unduly delay the work. If the Government performs inspection or evaluation on the premises of the Contractor or a subcontractor, the Contractor shall furnish and shall require subcontractors to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

### **3.4 Stop-work Authorities**

DOE Employees: Due to the immediate need to stop work where the contractor's acts or failures to act cause substantial harm or present an imminent danger to the environment or health and safety of employees or the public, any DOE employee may exercise the stop work authority contemplated in Section I.22 clause entitled, "Integration of Environment, Safety, and Health Into Work Planning and Execution" (DEAR 970.5223-1).

Contracting Officer (CO): Contract section H.13, "Stop Work and Shutdown Authority," states that in accordance with Section F.5, entitled "Stop Work Order" (FAR 52.242-15), only the CO is allowed to stop work or shutdown facilities for reasons other than imminent danger to the environment or health and safety of employees and the public.

### **3.5 Contract Payment Method**

The Contractor makes draws on an established letter of credit for the reimbursement of allowable costs. The Contractor is authorized to receive a monthly provisional fee payment, not to exceed a total of seventy-five percent (75%) of the fee pool established in Section B.2, Table B-1, in accordance with the Section I clause entitled, "Payments and Advances, Alternate II, Alternate III" (DEAR 970.5232-2).

### 3.6 Performance Evaluation Measurement Plan (PEMP) and Fee Administration

The DOE intends to capitalize on the expertise and experience of the Contractor while increasing Contractor accountability for high performance and responsiveness under this performance-based contract. The performance-based fee earned is linked to the overall performance of the Contractor in meeting mission requirements and ES&H, business management, operational and other aspects of the management and operations of the laboratory. The Contractor is encouraged to propose outcome based, and where appropriate, multi-year performance measures with long-term benefits for the INL.

Where long-term outcomes are identified, fee may be paid as established interim milestones are achieved until the outcome is met. Due to the nature, variety and complexity of the work performed, opportunities exist to utilize multiple fee arrangements. The performance fee amount may consist of an incentive fee component for objective performance measures and an award fee component for subjective performance measures, or some combination of both.

Also, DOE may determine that partial fee be paid in recognition of partial achievement of a performance incentive (e.g. late delivery of a product or late achievement of an incentive) that results in a tangible benefit to the government. Fee payments for an incentive may be reduced based on DOE's assessment of the overall quality or timeliness of the performance measure deliverable provided by the contractor.

Performance-based management for this contract includes clearly identifying the goals and outcomes, which will lead to the overall success of the INL in meeting customer needs; determining performance objectives for meeting these needs; deciding what to measure and the appropriate data collection methods; establishing challenging yet realistic performance expectations; maintaining operational awareness; and collecting performance data, assessing actual performance against measures, and using the results to improve performance.

Prior to the beginning of each performance period under the contract, the CO and Primary COR will enter into negotiations with the Contractor to establish performance objectives, measures, and allocation of fee. In the event that the Government and the Contractor fail to agree on any of these PEMP areas, a unilateral determination will be made by the CO. At the conclusion of each evaluation period, the Contractor's performance of all requirements, including performance-based incentives completed, will be evaluated. Based on the Contractor's performance, a final determination of the total available fee amount earned by the Contractor will be made by the DOE-ID Fee Determination Official.

The total available fee for the contract is provided in contract Section B.2, Fee, and has been established for all contract periods. Fee is subject to adjustment only under the provisions of the clause in Section I.53, DEAR 970.5243-1, "Changes."



The contract utilizes a perform-based management system to measure progress by the Contractor in satisfying the Statement of Work and contract terms and conditions. A PEMP will be negotiated between the DOE-ID and the INL based on the vision of the Statement of Work, objectives of the Laboratory Strategic Plan (multi-year), and the Laboratory Agenda (annual). Part III Section J, Attachment K, "Performance Evaluation and Measurement Plan (PEMP)," identifies the process of establishing performance objectives and incentives by which the contractor's performance will be measured by DOE-ID.

The PEMP will establish performance requirements and measures for evaluation of performance and distribution of potential fee to be earned in accordance with Section I.17, DEAR 970.5215-1, "Total Available Fee: Base Fee Amount and Performance Fee Amount."

Contract clause H.28, "Provisional Payment of Fee/Unearned Fee," states unearned fee cannot be carried over or used to fund other incentive arrangements of this contract. Other conditions affecting the payment of contractor fee are provided at contract clause I.42 DEAR 970-5232-2, "Payments and Advances," contract clause I.19. DEAR 970.5215-3, "Conditional Payment of Fee, Profit and Other Incentives – Facility Management Contracts," and Section J, Attachment K, "Performance Evaluation Measurement Plan."

The fee allocation strategy for the laboratory contract is based on the principle that performance-based fee should be viewed as a benefit to the government; that as the contractor performs well, more fee should be earned than if the contractor did not perform well. This strategy is consistent with contract reform. This principle leads to a strategy of incrementally rewarding exemplary performance rather than incentivizing particular activities and deliverables. Such a strategy transcends a narrow focus on individual outputs and elevates the performance discussion to the allocation strategy aligned with the DOE Strategic Plan and Strategic Plan for the Laboratory. It should represent the collective wisdom, formed in partnership, of the senior leadership of DOE- HQ, DOE-ID, and the Contractor. The fee paid to the contractor will also reflect the basic principles underlying the Department's fee policy at DEAR 970.1504-1-2, "Fee Policy" that the amount of available fee should reflect the financial risk assumed.

The PEMP reporting system is a shared electronic database that is used by DOE-ID and BEA to manage PEMP performance status. The system includes reporting, change control and close-out tools that facilitate efficient management of the PEMP processes. System characteristics include easy retrieval of input performance data, system reports, electronic approval capabilities, e-mail messaging to prompt awaiting approval reviews, and document progress tracking.

DOE-ID and INL PEMP Outcome Owners (with assistance from their respective Contracting Officer or Prime Contract offices) are responsible for designating personnel who will provide input to the on-line status reporting system.

All status-reporting activities are to be completed on-line by the user at the following site: <https://pemp.inl.gov/SitePages/Home.aspx>

Quarterly Status Report - DOE-ID PEMP status information and reports are due to the HCA on a quarterly basis.

Change Control - Any revisions to the PEMP must be processed through the established change control process. Electronic approvals are completed by the DOE-ID COR and the INL Leadership Management (LM). Following these approvals, the change control Form 210.01, "PEMP Change Control Documentation" is printed for the required Contracting Officer's and Fee Determining Official's approvals, and then incorporated by contract modification.

Close-out of Measures - Upon completion of a measure/expectation, close-out is entered by the BEA person with status rights for that measure. It is then routed for review by assigned DOE-ID/BEA Technical Monitors (TM), and routed for approvals to INL Management and DOE-ID COR, the BEA Outcome Owner, and the DOE-ID Outcome Owner.

The close-out and approval of measures/fee are to be based on the specific expectation and fee statements in the performance measure. DOE-ID will also provide a quality assessment for each measure in close-out. The close-out process will not be a negotiation between INL and DOE-ID, but rather an independent evaluation of the Contractor's performance in accordance with the specified measures.

If there are any conflicts regarding the quarterly status or final disposition of performance evaluation, it should be elevated to the COR and then to the CO. The COR is requested to identify to the CO and the Prime Contract Manager any measures that require a "judgment" decision on their part, due to issues raised between INL and DOE-ID during the close-out process.

### **3.7 Conditional Payment of Fee Contract Clause**

As specified in the contract clause I.19, DEAR 970.5215-3, "Conditional Payment of Fee, Profit, and Other Incentives-Facility Management Controls," the DOE-ID Manager has unilateral determination authority to reduce earned fees if the Contractor does not meet minimum contract requirements.

### **3.8 Project Management Activities and Contract Change Control Process**

Contract Section H.23. "Project Management System" requires the Contractor to establish and maintain a Project Management System containing the policies, procedures, and tools that assure projects are completed on time and within budget.



The Contractor shall apply this system to all work scope, using a graded approach based upon the nature, complexity, risk, size, and sensitivity of the work being performed. Attributes of this system shall include the following: definition and organization of the work scope, planning, scheduling and cost estimating, work authorization, performance assessment, change management, reporting and closeout.

### **3.9 Contractor Litigation Management Plan**

The Contractor is required to submit a Legal Management Plan in accordance with 10 CFR part 719, "Contractor Legal Management Requirements," and include the items set forth in 10 CFR part 719.10, to the Contracting Officer for approval within sixty (60) calendar days of the contract award date, which it did.

The Plan describes the Contractor's practices for managing legal costs and matters for which it procures the services of retained legal counsel. The Plan, as well as applicable regulations and contract provisions form the basis for approvals by the Contracting Officer to reimburse litigation and other legal expenses. The Plan may be revised from time to time to conform to legal management rules or policies established by DOE.

### **3.10 Contractor Human Resource Management**

Contractor Human Resource Management (CHRM) has a set of annual deliverables, such as a Compensation Increase Plan (CIP), Executive Compensation Proposals, or annual Benefits Changes. Each of these are reviewed by DOE-ID Industrial Relations (IR) for compliance with any annual DOE guidance (such as MA-612's annual CIP guidance), with the relevant order, and with any applicable Acquisition Letters. IR then reviews the reasonableness of each request in relation to pertinent market data to ensure that our contractors are proposing actions that meet the objectives of the contract as well as are in alignment with the marketplace in which they compete for employees. In most cases, CHRM requests result in an annual increase in cost to the contract, so once IR has determined that a proposal is reasonable, IR provides its analysis of the proposal to the budget analysts, Project Controls personnel and Program Managers to ensure that the proposal is affordable. Then finally IR prepares a recommendation paper for the Contracting Officer that includes the background, analysis of position to market, reasonableness, and affordability. Once all parties are in agreement, an approval letter is prepared for CO signature.

There are some CHRM activities, most notably Labor Relations activities and Workforce Restructuring activities that do not occur on an annual basis. IR manages the compliance with those activities by virtue of monthly meetings with contractor counterparts in Labor Relations, and regular, though less frequent, meetings with human resource counterparts to ensure that IR is cognizant of any upcoming issues.

Once an activity is initiated in one of those intermittent areas, the review and approval process is fundamentally the same as described for routine activities.

Each of those steps in the described action will ensure that contractor activities are compliant with the H-clauses, as well as with DOE policy and guidance.

### **3.11 Contract Records**

All records acquired or generated by the Contractor in performance of this contract are the property of DOE. These records shall be delivered to DOE, disposed of or otherwise must be made available to DOE in accordance with the contract Section I.15 clause, DEAR 970.5204-3, Access to and Ownership of Records (OCT 2014).

As identified in clause DEAR 970.5204-3, the following records are considered the property of the Contractor:

- (1) Employment-related records (such as worker's compensation files; employee relations records, records on salary and employee benefits; drug testing records, labor negotiation records; records on ethics, employee concerns; records generated during the course of responding to allegations of research misconduct; records generated during other employee related investigations conducted under an expectation of confidentiality; employee assistance program records; and personnel and medical/health-related records and similar files), and non-employee patient medical/health-related records, except for those records described by the contract as being maintained in Privacy Act systems of records.
- (2) Confidential contractor financial information, and correspondence between the Contractor and other segments of the Contractor located away from the DOE facility (i.e., the Contractor's corporate headquarters);
- (3) Records relating to any procurement action by the Contractor, except for records that under 48 CFR 970.5232-3, Accounts, Records, and Inspection, are described as the property of the Government; and
- (4) Legal records, including legal opinions, litigation files, and documents covered by the attorney-client and attorney work product privileges; and
- (5) The following categories of records maintained pursuant to the technology transfer clause of this contract:
  - (i) Executed license agreements, including exhibits or appendices containing information on royalties, royalty rates, other financial information, or commercialization plans, and all related documents, notes and correspondence.

(ii) The Contractor's protected Cooperative Research and Development Agreement (CRADA) information and appendices to a CRADA that contain licensing terms and conditions, or royalty or royalty rate information.

(iii) Patent, copyright, mask work, and trademark application files and related contractor invention disclosures, documents and correspondence, where the Contractor has elected rights or has permission to assert rights and has not relinquished such rights or turned such rights over to the Government.

As identified in Section H.12 clause Privacy Act System of Records, the Contractor shall design, develop, or operate the noted systems of records within the H clause on individuals to accomplish an agency function pursuant to the Section I.1 Clause, FAR 52.224-2, Privacy Act.

### **3.12 Continuity of Operations Planning**

Key procurement, program and finance personnel are identified in the tables in Section 2.0 of this document. These employees will ensure that timely communication and decision making is continued during emergency situations through email and telephone communications. If personnel at the DOE-ID office are unable to report to the office, the key employees will telework from their homes to ensure the continuity of operations.

Additionally, the Contractor has a Continuity of Operations Plan pursuant to DOE Order 150.1A, *Continuity Programs*, which it will follow during an emergency situation.

DOE-ID has also developed a Continuity of Operations Plan (COOP), which is described in DOE-ID record 11.OD.02. The plan presents a management framework, establishes operational procedures to sustain essential activities if normal operations are not feasible, and guides the restoration of the office's full functions assuring the organization's ability to support DOE's Primary Mission Essential Functions (PMEFs) and to perform DOE-ID's Mission Essential Functions (MEFs).

The provisions of the COOP Plan can and shall be implemented, with or without notice, when an event, whether natural or man-made, causes conditions that could result in disruption of the normal function of the office to the point where essential functions are detrimentally affected. During an event, the processes set for in this COOP Plan should be performed by all ID employees, contractors, and subcontractor in accordance with applicable laws and directives and ID approved contract COOP plans. The ID COOP Plan is intended to work in harmony with the DOE COOP Plan by detailing how ID will meet the expectations of DOE O 150.1A.

#### **4.0 Contract Deliverables**

Contract Section J, Attachment I, Contract Data Requirements List. This attachment contains the contract deliverables required by the Contractor during contract performance to be submitted to DOE for review, approval, or information. The CDRL is a unique contract tool that identifies source requirements for the deliverable to DOE such as contract provisions or clauses, DOE orders, operating or policy manuals, program and management plans, interagency agreements, other contracts, or agreements. It also identifies the type of DOE submittal titles, the level of required reviews and approvals, submission dates, review time-period and responsible staff member. These deliverables provide much of the information required to monitor the contractor's performance relative to the contract requirements.

#### **5.0 Key Contract Vulnerabilities or Performance Risk Areas**

This contract is for the management and operation of the INL. There are inherent risks associated with the operation of such a laboratory. DOE provides oversight in all key areas of safeguards and security for the INL to help ensure safe and secure operations at the INL.

A common oversight principle is the determination of risk factors for being successful in achieving the requirements of the contract. Risk is defined as a possible consequence expressed in terms of severity and probability. Risk quantifies potential impacts to programs, safety and the environment. Contractor oversight will take hazards, risk, and past performance into account. The oversight of high-risk, immature, or poorly performing areas will be more frequent or in greater depth.

Oversight activities will be based on clearly communicated expectations and oversight activities. Oversight activities will be reduced in scope and frequency as DOE-ID line management gains confidence in the contractor assurance process and as performance indicators and measures are validated.

The Contractor is responsible for the safe and effective management of all Office of Nuclear Energy (NE)-owned Special Nuclear Material (SNM) presently located at the Advanced Test Reactor (ATR) Complex, the Materials and Fuels Complex (MFC), and the Idaho Nuclear Technology and Engineering Center (INTEC). These materials shall be managed in accordance with the governing DOE Orders and consistent with DOE policy. Management of SNM shall be cost effective and consistent with research and development needs. Excess SNM shall have an identified disposition path. The INL Contractor shall cooperate with the ICP Contractor on SNM management efforts.

Audits, Surveys and Inspections - The Contractor may conduct on-site audits, surveys or inspections at the site on behalf of DOE. These services may require the Contractor to convey strategy or information on DOE's behalf as part of these activities. This is considered a sensitive contracting area, because any inaccurate disclosure could place DOE or other organizations at risk.

Public Affairs/Stakeholder Relations Support - The Contractor shall provide public affairs services in accordance with Section I.1 clause, DEAR 952.204-75 Public Affairs that include, but are not limited to: stakeholder and oversight organization support, media relations, tours, visits, access to documents. This is considered a sensitive contracting area, because the Contractor could be mistaken as a DOE employee or worse could convey inaccurate information.

The Contractor is responsible for the following control measures to alleviate contract risk:

- Display badges that clearly identify themselves as contractor personnel when dealing with the public.
- Introduce themselves as contractor personnel at the beginning of interviews and public meetings.
- Prepare deliverables in accordance with DOE procedures and submit to DOE for review and approval before release.
- Comply with all the terms and conditions of the contract, DOE directives, orders, and regulations specified in the contract and otherwise as applicable.

## **6.0 Contractor Past Performance Reporting Requirements**

In accordance with FAR Subpart 42.15, Contractor Performance Information, the CO/COR will evaluate the Contractor's performance annually and at completion of the contract. The annual performance evaluation report should be initiated within 30 days of the contract anniversary date and entered into the CPARS web-based database. The CO and Primary COR will both have input into this report. The process allows the Contractor to review the evaluation report and provide a rebuttal in the CPARS system. The CO may revise the evaluation, if warranted. The evaluation is then finalized by the CO.

## **7.0 Contractor Assurance System**

Contract provision, H.4, "Contractor Assurance System," requires the contractor to develop a Contract Assurance System that as a minimum has the following key attributes: comprehensive description of risks, validation process, notification to the Contracting Officer, independent assessment reviews, trending reports with metrics and an implementation plan for the Contractor Assurance System.

Oversight is conducted from a system level or perspective. The goal is to reduce evaluations when the Contractor demonstrates an effective self-assessment program that includes self-identification, taking appropriate corrective actions, and successful follow-on action to prevent recurrence and improve performance. If the Contractor's performance is deficient, and management processes have not produced the desired results, DOE-ID can increase evaluations in order to protect the government's interest. A general exception to the systems level oversight approach will be for high hazard nuclear facilities and activities.



## **8.0 Agreements with State, Community, or Other Entities**

Contract Section C, "Relationships with Existing Site Tenants and the ICP Contractor," requires the INL contractor to assume all existing Memoranda of Understandings, other contracts for service, and support INL tenants described in Section J, Attachment J-F entitled, "Tenant Agreements."

The INL contractor is required to provide "Site Services" as required in the SOW, Section C, C.6.5, (Relationships with Existing Site Tenants and Idaho Cleanup Project (ICP) Contractor), and in Section J, Attachment F-6 entitled "Blanket Master Agreement for Services in Support of Battelle Energy Alliance, LLC & Fluor Idaho, LLC Contracts at the Idaho National Laboratory (BMA No. 804500)" and Attachment F-10 entitled "Blanket Master Agreement for Services in Support of Battelle Energy Alliance, LLC, and Spectra Tech, Inc. Contracts at the Idaho National Laboratory OUO (DE-EM0003976)"

Contract Section J-M includes "Other Site Agreements", which consist of all partnering agreements that the Contractor must comply with in meeting the requirements of the contract.

## **9.0 Unique Contract Terms and Conditions and Deviations**

Contract Section F.4 Special Assessment of Contractor Performance

- (a) Consistent with applicable acquisition regulations and clause F.1 of this contract, it is the Department of Energy's (DOE) intention to have a long-term contractual relationship with the Contractor for the management and operation of Idaho National Laboratory (INL) as a Federally Funded Research and Development Center (FFRDC). However, achieving the full contract term will be dependent on the Contractor's performance under the contract.
- (b) DOE shall conduct a Special Assessment of the Contractor's performance prior to the end of Fiscal Year (FY) 2022. This Special Assessment is in addition to the periodic performance appraisals and evaluations otherwise required by this contract.
- (c) If the results of the Special Assessment indicate, in DOE's sole discretion, that the level of the Contractor's performance has not met performance expectations, the contract term may be reduced unilaterally by the Contracting Officer. The Contracting Officer shall provide written notice to the Contractor at least one hundred and eighty (180) days prior to the revised contract expiration date. The provisions of the clause in Section I.1, entitled "Continuity of Services" (FAR 52.237-3), shall apply in addition to the provisions of this clause.
- (d) If the contract term is reduced by the Contracting Officer in accordance with the provisions of this clause F.4, the provisions of the Section I clause entitled, "Termination" (FAR 52.249-6), shall not apply to the reduction in the contract term. The



available fee under clause B.2, "Fee," shall be adjusted accordingly and consistent with the reduced term of the contract.

- (e) This clause does not affect DOE's rights to invoke the Termination clause of the contract at any time during the term of the contract.

Deviations:

DEAR 970.5203-1 Management Controls (Dec 2000) (DEVIATION)  
DEAR 970.5204-2 Laws, Regulations, and DOE Directives (Dec 2000)  
(DEVIATION)  
DEAR 970,5232-3 Accounts, Records, and Inspection (Dec 2000) (DEVIATION)

## **10.0 Other Special Emphasis Areas**

As part of the five-year extension approved in April 2018, both DOE and the Contractor conducted a very detailed review of entire contract. Special attention was given to requirements that had become no longer necessary, requirements that appeared to be duplicative, and contract terms that were not clear. Revisions were made to all sections of the contract to clarify requirements and update all applicable terms. This effort was effective in developing a common understanding of contract requirements.

DOE will continue to focus on managing the contract rather than the Contractor. This contract is a performance-based model, which allows the Contractor to utilize its expertise and experience to effectively achieve the DOE mission for the INL. DOE will continue its oversight of the work performed under the contract and take action as necessary to ensure safe and secure performance of all work.