



**SPECIAL PROVISIONS – LABOR HOUR/TIME AND MATERIALS CONTRACTS
SP-19 REV 2, 1/16/2024**

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1.0 GENERAL PREAMBLE

- A. These Special Provisions are applicable in their entirety unless specifically deleted or amended in the Subcontract and are in addition to the General Provisions and other Special Provisions that apply to this Subcontract. In the event of a conflict between these Special Provisions and the General Provisions, these Special Provisions shall take precedence.
- B. These Special Provisions apply to all companies and personnel assigned to work on the Hanford site in performance of a Subcontract scope under Prime Contract No. 89303320DEM000030. All of these provisions including requirements identified in the SOW must be flowed down appropriately to all lower-tier subcontractors and assigned personnel.

Contractor shall flowdown to its subcontractors at all tiers the applicable portions of these provisions and referenced Federal Acquisition Regulation (FAR) and Department of Energy Acquisition Regulation (DEAR) clauses. Referenced Clauses are available at: <https://www.acquisition.gov/content/regulations>

2.0 SUBCONTRACT TYPE

- A. Unless otherwise identified and provided for in the body of this Subcontract, this Subcontract is a **Labor-Hour Contract** and direct labor hours are to be provided at specified fixed, fully burdened hourly rates that include wages, overhead, general and administrative expenses, and profit. The hourly rates shall be paid only for labor performed on the Subcontract that meets all applicable labor qualifications specified in the Subcontract. Labor hours incurred to perform tasks for which labor qualifications are specified in the Subcontract will not be paid to the extent the work is performed by employees that do not meet the qualifications specified in the contract, unless specifically authorized by Buyer.
- B. Other Direct Costs (ODCs) may only be charged to the Subcontract if specifically identified and authorized by the Buyer at the time of Subcontract award or by amendment to the Subcontract and/or the Buyer has identified the Subcontract type as **Time and Materials**. All ODCs charged to this Subcontract must also comply with the following conditions:

1. ODCs shall be allocable, allowable and reasonable.
2. ODCs may include direct materials and/or lower-tier subcontracting.
3. Direct materials/ODCs, as used in this Clause, are those materials which enter directly into the end product, or which are used or consumed directly in connection with the furnishing of the end product.
4. Material Handling/General and Administrative Expenses may only be added to ODCs when:
 - a. Proposed and agreed at the time of Contract award,
 - b. The Subcontractor already has an established cost recovery account that accumulates the Subcontractor's costs for obtaining material or incurring other direct costs. This account must be exclusive of all other cost recovery accounts and cannot be recovered in the labor hour rate.
 - c. The costs are consistent with the Federal Acquisitions Regulations (FAR) Part 31.

3.0 SUBCONTRACTOR INVOICES

- A. The Subcontractor's invoice(s), as a minimum, shall identify the Subcontract, release and item number(s) (as applicable) for which payment is being requested. Invoice shall indicate the name(s) of the worker(s), number of hours of billable work by date, hourly rate, and a brief statement detailing the work performed. Invoiced rates and any ODCs must be specifically authorized by the Subcontract based on the Subcontract type. Any authorized travel shall be itemized within the invoice and supported with receipts in accordance with the requirements set forth under the "Travel" and "Payments for Domestic Extended Personnel" clauses herein or as otherwise identified under this Subcontract. Unauthorized deviations may result in disapproval of the invoice, or reduction in payment until the required support documentation is provided.
- B. Submittal of an invoice constitutes Subcontractor's certification that the materials, work and/or services have been delivered as specified on the invoice in accordance with the Subcontract. Submit the invoice and supporting documentation electronically via email to Buyer's Accounts Payable at CPCCAP@rl.gov with copy to the Contract Specialist, or via hard copy to the following address:

Central Plateau Cleanup Company
Accounts Payable Mail Stop: A4-03
P.O. Box 1464
Richland, WA 99352
- C. Buyer will review each invoice and may approve or disapprove the invoice in whole or in part, or may request additional information, data, documents, or records to substantiate or otherwise support the invoice in whole or in part. Payment of invoiced amounts is conditioned upon Buyer approval. As described in this Clause, Buyer may withhold approval pending Subcontractor's provision of requested information, data, documents, or records. Buyer also may withhold and retain 5 percent (5%) of the amounts due under this Subcontract until the execution and acceptance by the Buyer of a final certificate and release by the Subcontractor as provided below.
- D. Fully Burdened Hourly Rate
 1. Unless specified otherwise, the invoiced amount shall be computed by multiplying the appropriate hourly rate prescribed in the Subcontract therein by the number of direct billable labor hours. Fractional parts of an hour shall be payable on a prorated basis. The Subcontractor shall substantiate invoices by evidence of actual payment for ODCs and by individual daily job timecards, or other substantiation approved by the Buyer.

E. Other Direct Materials

1. Allowable costs of ODCs shall be determined by the Buyer in accordance with FAR subpart 31.2 in effect on the date of this Subcontract.
2. When approved in advance, reasonable, and allocable material handling costs or general and administrative expenses may be included in the charge for material/ODCs to the extent they are clearly excluded from the hourly rate. Material handling costs are comprised of indirect costs, including, when appropriate, general and administrative expense allocated to direct materials in accordance with the Subcontractor's usual accounting practices consistent with FAR subpart 31.2.
3. The Subcontractor will apply no element of profit to direct materials or ODCs.
4. The Subcontractor shall be reimbursed for items and services purchased directly for the Subcontract only when cash, checks, or other forms of actual payment have been made for such purchased items or services.
5. Reimbursable costs shall not include any costs arising for the letting, administration or supervision of performance of subcontracts, if the costs are included in the fully burdened hourly rates identified in the Payment Schedule identified in this Subcontract.
6. To the maximum extent possible, the Subcontractor shall obtain materials and services at the most advantageous prices available with due regard to securing prompt delivery of satisfactory materials; and obtain all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and other benefits. Credit shall be given to the Buyer for cash and trade discounts, rebates, allowances, credits, salvage, the value of any appreciable scrap, commissions, and other amounts that have accrued to the benefit of the Subcontractor or would have accrued except for the fault or neglect of the Subcontractor. The benefits lost without fault or neglect on the part of the Subcontractor, or lost through fault of the Buyer, shall not be deducted from gross costs.
7. Buyer may, from time to time, request from Subcontractor any information, data, documents, or records Buyer determines, in its sole discretion, are necessary to substantiate or otherwise support Subcontractor's invoices, in whole or in part; any hourly rate or element thereof; or any ODCs. Upon Buyer's request for any such information, data, documents, or records, Subcontractor shall promptly provide to Buyer all requested information, data, documents, and records, subject to the procedures and provisions of the Clause of this Subcontract entitled "Requests for Information, Data, Documents, and Records." If Subcontractor fails or refuses to provide requested information, data, documents, or records, Buyer may withhold approval and/or payment of any invoiced amounts relating to the requested information, data, documents, or records until Subcontractor provides the requested information, data, documents, or records.
8. Each payment previously made shall be subject to reduction to the extent of amounts, on preceding invoices, that are found by Buyer not to have been properly payable and shall also be subject to reduction for overpayments or to increase for underpayments.

4.0 TRAVEL

Travel Authorization: Only when authorized in advance by Buyer as part of the Subcontract, will Subcontractor personnel be reimbursed for travel expenses incurred in performance of this Subcontract. Expense reimbursement is limited to costs incurred for lodging plus meals and incidental expenses (M&IE) considered reasonable, allowable, and allocable, and that do not exceed the maximum per diem rates in effect at the time of travel as set forth in Federal Travel Regulations (FTR). Subcontractor shall take reasonable steps to minimize the amount of travel expenses. Links to the FTRs and current per diem rates can be found on the [GSA website](#).

4.1 DOE-H-2069 PAYMENTS FOR DOMESTIC EXTENDED PERSONNEL ASSIGNMENT) (OCT 2014) (AMENDED)

- A. This Clause applies only to subcontracts for which travel costs are allowable and Buyer has authorized reimbursement.
- B. Definition. For purposes of this clause, “domestic extended personnel assignments” are defined as any assignment of Subcontractor personnel to a domestic location different than their permanent duty station for a period expected to exceed 30 consecutive calendar days.
- C. For domestic extended personnel assignments, Subcontractor shall be reimbursed the lesser of temporary relocation costs (Temporary Change of Station allowances as described in the Federal Travel Regulation at §302-3.400 - §302-3.429) or a reduced per diem (Extended Travel Duty) in accordance with the allowable cost provisions of the contract and the following:
 - 1. When a reduced per diem method (Extended Travel Duty) is utilized, the allowances are as follows:
 - a. Lodging. For the first 60 days and last 30 days of the assignment, the Government will reimburse costs associated with lodging at the lesser of actual cost or 100 percent of the Federal per diem rate at the assignment location. The intervening days’ lodging will be reimbursed at the lesser of actual cost or 55 percent of Federal per diem.
 - b. Meals and Incidental Expenses. For the first 30 days and last 30 days of the assignment, the Government will reimburse costs associated with meals and incidental expenses (M&IE) at the lesser of actual cost or 100 percent of the Federal per diem rate at the assignment location. The intervening days M&IE will be reimbursed at the lesser of actual cost or 55 percent of Federal per diem.
 - 2. Buyer will not reimburse any costs associated with per diem (except for en route travel) unless the Subcontractor employee maintains a residence at the permanent duty station.
 - 3. Buyer will not reimburse costs associated with salary premiums, per diem, lodging, or other subsidies for Subcontractor employees on domestic extended personnel assignments after three (3) years (except for the reimbursements described above during the last 30 days of the assignment).
 - 4. If an assignment has breaks within a three-year period, the calculation of the total length of the assignment will be as follows: If the break between assignments is less than 12 months, Buyer will consider the assignment continuous for purposes of the three (3) year clock. For instance, if a Subcontractor employee completes a two (2) year assignment at location A and returns to his/her permanent duty station for 12 months, a subsequent new two (2) year assignment back to location A will restart the three-year clock. The assignments will be considered two separate two (2) year assignments. On the other hand, if in the previous example the employee’s return to his/her permanent duty station was for six months, Buyer would consider the second assignment to be a continuation of the first for purposes of the three (3) year rule.
 - 5. Buyer will not reimburse costs associated with salary premiums that exceed 10 percent.

- D. Subcontractor shall include the substance of this clause in all lower-tier subcontracts in which travel will be reimbursed at cost.

5.0 SUBCONTRACTOR TIMEKEEPING RECORDS SIGNATURE REQUIREMENT

- A. Subcontractor shall provide to Buyer timecards for its hourly employees and the hourly employees of sub-tier subcontractors. Subcontractor shall provide the subcontract and sub tier timecards with every request for payment of the subcontractor costs to the subcontractors. Subcontractor's provision of timecards as required by this Clause shall be a condition of payment for subcontractor costs. The timecards must reflect actual hours worked. The timecards must be signed by the employee and certified by the employee's supervisor prior to Subcontractor providing them to Buyer. Subcontractor and sub tiers shall maintain adequate timekeeping procedures, controls, and processes for billing Government work.
- B. Subcontractor shall comply with all requests from Buyer for information, data, or documents relating to its timecards, timekeeping procedures, controls, or processes. Subcontractor shall promptly provide all information, data, and documents requested by Buyer. Subcontractor shall, at least once every three (3) years, conduct a labor audit of cost reimbursable lower-tier subcontractors and sub tiers. The audit shall be conducted to either Institute of Internal Auditors standards (if conducted internally) or generally accepted government accounting standards (GAGAS) (if conducted externally), unmodified. This clause shall be flowed down to all cost reimbursable type and non-fixed price subcontracts and sub tiers.

6.0 REFUNDS

The Subcontractor agrees that any refunds, rebates, or credits (including any related interest) accruing to or received by the Subcontractor or any assignee, that arise under the materials portion of this Subcontract and for which the Subcontractor has received reimbursement, shall be paid by the Subcontractor to the Buyer.

7.0 NOTICE OF COMPLETION AND FINAL ACCEPTANCE

- A. When Subcontractor deems the work fully completed, including satisfactory completion of such inspections, tests, and documentation as are specified in this Subcontract (or in the release Scope of Work and/or testing and acceptance plan), Subcontractor shall, within ten (10) working days thereafter, give a written Notice of Completion of the work to Buyer, specifying the work completed and the date it was completed. Within thirty (30) calendar days after receipt of said Notice of Completion, Buyer may inspect the work and shall either reject the Notice of Completion and specify defective or uncompleted portions of the work or shall give the Subcontractor a written Notice of Acceptance of the work either for the purpose of final payment only, or for the purposes of final payment and final acceptance.
- B. In the event Buyer rejects the Notice of Completion and specifies defective or uncompleted portions of the work, Subcontractor shall within five (5) working days, provide for Buyer review and approval, a schedule detailing when all defects will be corrected and/or the work will be completed and shall proceed to remedy such defective and uncompleted portions of the work. Thereafter, Subcontractor shall again give Buyer a written Notice of Completion of the work, specifying a new date for the completion of the work based upon the date such defective or uncompleted portions of the work were corrected. The foregoing procedure shall apply again and successively thereafter until Buyer has given Subcontractor written Notice of Acceptance for purposes of final payment and final acceptance.
- C. Any failure by Buyer to inspect or to reject the work or to reject Subcontractor's Notice of Completion as set forth above, shall not be deemed to be acceptance of the work for any purpose by Buyer nor imply acceptance of, or agreement with, said Notice of Completion.

8.0 FINAL RELEASE AND CLOSEOUT

- A. All invoices and charges against this Subcontract must be submitted within 60 days of completion of the work unless a longer period of time is authorized by the Buyer. Unless otherwise notified and agreed in advance, the Buyer will begin the closeout process for this Subcontract at the end of this 60-day period and no additional invoices or charges shall be submitted.

- B. At the time of and as a condition precedent to final payment under this Subcontract, Subcontractor shall execute and deliver to Buyer a certificate and release discharging Buyer of and from all liabilities, obligations, and claims arising out of or under this Subcontract. Buyer shall not be obligated to make final payment to Subcontractor until Subcontractor has delivered to Buyer a certificate and release satisfactory to Buyer that Subcontractor has fully performed under this Subcontract and that all claims of Subcontractor for the work are satisfied upon the making of such final payment, that no property of the Government or property used in connection with the work is subject to any unsatisfied lien or claim as a result of the performance of the work, that all rights of lien against the Government's property in connection with the work are released (including without limitation, if Buyer requests, releases of lien satisfactory in form to Buyer executed by all persons who by reason of furnishing material, labor or other services to Subcontractor for the work or potential lienors against the Government's property), and that Subcontractor has paid in full all outstanding obligations against the work.

9.0 ALLOWABILITY OF COSTS

Unless specifically authorized by the terms of this Subcontract or in writing by Buyer, the allowability of costs will be governed by FAR 31.2, *Costs with Commercial Organizations*, including FAR 31.205, *Selected Costs*. Costs disallowed by Buyer or DOE or determined to be unallowable through any audit or evaluation shall be grounds for backcharge or offset in the full amount of the unallowable costs.

10.0 AUDIT

At any time before or after final payment under this Subcontract, Buyer may request audit of Subcontractor's invoices and any substantiating information, data, documents, or records. Each payment previously made shall be subject to reduction or withholding to the full extent of amounts on preceding invoices that are found by Buyer not to have been properly payable and shall also be subject to reduction or withholding for overpayments or increase for underpayments.

11.0 CLAUSES INCORPORATED BY REFERENCE

The following FAR and DEAR clauses are hereby incorporated by reference to this Contract. When included herein, text of the clause is provided for convenience only. Unless a revision is indicated, the full text of the clause as written in the regulation is invoked.

FAR/DEAR REFERENCE	CLAUSE TITLE
FAR 52.216-7	Allowable Cost and Payment (Aug 2018) as modified by DEAR 952.216-7 <i>If the Contract is a time-and-materials contract this clause applies in conjunction with 52.232-7 "Payments under Time-and-Materials and Labor-Hour Contracts" (below) but only to the portion of the Contract that provides for reimbursement of materials at actual cost</i>
FAR 52.232-7	Payments Under Time-and-Material and Labor-Hour Contracts (Aug 2012)
DEAR 952.251-70	Contractor Employee Travel Discounts (Aug 2009)