



**SPECIAL PROVISIONS – LABOR HOUR/TIME AND MATERIALS CONTRACTS
SP-19 REV. 1 4/20/2021**

1.0 PREAMBLE 1

2.0 CONTRACT TYPE 1

3.0 CONTRACTOR INVOICES 2

4.0 REIMBURSEMENT OF TRAVEL EXPENSES AND EXTENDED PERSONNEL ASSIGNMENTS 3

5.0 CONTRACTOR TIMEKEEPING RECORD SIGNATURE REQUIREMENT 4

6.0 REFUNDS 5

7.0 FINAL RELEASE AND CLOSEOUT 5

8.0 CLAUSES INCORPORATED BY REFERENCE 5

1.0 PREAMBLE

These Special Provisions are requirements of any contract in which this Special Provision document is incorporated. These Special Provisions are applicable in their entirety unless specifically deleted or amended in the Contract and are in addition to the General Provisions and other Special Provisions that apply to this Contract. In the event of a conflict between these Special Provisions and the General Provisions, these Special Provisions shall take precedence.

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 CONTRACT TYPE

- A. Unless otherwise identified and provided for in the body of this Contract, this Contract 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.
- B. Without prior approval, Other Direct Costs (ODCs) shall not be charged to the Contract, *unless* specifically identified and authorized by the Buyer at the time of Contract award or by amendment to the Contract and/or the Buyer has identified the Contract type as **Time and Materials**.
 - 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 Contractor already has an established cost recovery account that accumulates the Contractor'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 CONTRACTOR INVOICES

- A. The Contractor's invoice(s), as a minimum, shall identify the Contract, 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 Contract based on the Contract type. Any authorized travel shall be itemized within the invoice and supported with receipts in accordance with the requirements set forth under the "Reimbursement of Travel Expenses" clause herein or as otherwise identified under this Contract. 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 Contractor's certification that the materials, work and/or services have been delivered as specified on the invoice in accordance with the Contract. 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 may withhold 5 percent of the amounts due under this Contract, but the total amount withheld shall not exceed \$50,000. The amounts withheld shall be retained until the execution and acceptance by the Buyer of a final release by the Contractor 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 Contract therein by the number of direct billable labor hours. Fractional parts of an hour shall be payable on a prorated basis. The Contractor 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 Contract.
 - 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 Contractor's usual accounting practices consistent with FAR subpart 31.2.
 - 3. The Contractor will apply no element of profit to direct materials or ODCs.
 - 4. The Contractor shall be reimbursed for items and services purchased directly for the Contract 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 Contract.
6. To the extent able, the Contractor 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 Contractor, or would have accrued except for the fault or neglect of the Contractor. The benefits lost without fault or neglect on the part of the Contractor, or lost through fault of the Buyer, shall not be deducted from gross costs.

4.0 REIMBURSEMENT OF TRAVEL EXPENSES AND EXTENDED PERSONNEL ASSIGNMENTS

- A. **Travel Authorization:** Only when authorized in advance by Buyer as part of the Contract, will Contractor personnel be reimbursed for travel expenses incurred in performance of this Contract. 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). Contractor 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](#).
- B. **Eligibility:** Expense reimbursements will only be allowed for contractor personnel who travel from their permanent residence, if beyond a 100 mile radius of the temporary work location, for temporary assignment to the project site.
- C. **Invoicing:** Expense reimbursement requests shall be invoiced in accordance with contract invoicing requirements in a timely manner, and shall identify the name of the traveler, destination, purpose and date of the travel as well as document any required Buyer pre-approval. Submittal of an invoice to Buyer that includes travel expenses signifies Contractor's certification to all requirements identified herein.
- D. **Receipts:** Unless agreed in advance by Buyer, invoices shall include original or legible copies of receipts to support the actual lodging and travel expenses incurred. Receipts for M&IE expenses are not typically required.
- E. **Cancellation:** When travel, arranged in accordance with these requirements, is cancelled in writing by Buyer, airline cancellation or rebooking charges may be invoiced and reimbursed provided that supporting documentation showing authorized travel and subsequent cancellation are provided.
- F. **Short-Term Assignments: thirty (30) Days or Less:** Lodging and M&IE will be paid in accordance with the rates established by the Federal Travel Regulations unless otherwise specified in this Contract.
- G. **Rates:** Expenses will be reimbursed using the following guidelines:
 1. **Transportation Other than Airline:** Reimbursement of transportation costs will be at the current FTR per mile rate, for travel by personal automobile, or actual fares for other public conveyance, reasonably incurred by contractor's personnel in traveling by the shortest and most direct route from their home office to (Hanford Site) Richland, Washington, or to other such locations and return, at the request of Buyer. When travel is by automobile the most direct route shall be used. Local mileage costs while at the Hanford Site will not be reimbursed, unless specifically authorized in advance by Buyer.
 2. **Transportation by Airline:** Every reasonable effort shall be made to plan required travel to obtain the lowest advance-purchase fares available. Actual receipts must accompany invoices for all airfare costs.
 3. **Car Rental:** Travelers shall use the least expensive compact car available. Should a compact or intermediate size vehicle not be available, use of a more expensive vehicle shall be approved in advance by the Buyer Contract Specialist and shall be limited only to the time necessary to obtain a lower cost alternative and include a certification by the employee of the effort made to obtain the compact vehicle. Actual receipts shall document all car rental and fuel costs. NOTE: A pre-paid refueling option and optional rental car insurance will not be reimbursed.

4. **Personally-Owned Vehicle:** Instead of using a rental car, a personally-owned vehicle may be used if determined to be more cost effective. However, arrangements shall be pre-approved by the Buyer Contract Specialist. Buyer assumes no liability for accidents when personally owned or rental vehicles are used. Contractor retains all risks and liabilities associated with using personally-owned or rental vehicle.
 5. **Lodging:** Lodging will be reimbursed at the current FTR rate or at the actual cost if less than the allowable FTR rate. Actual receipts shall document all lodging costs being invoiced under this Contract. If contractor employee moves from hotel lodging into residential accommodations earlier than 30 days, the lodging will be reduced to 55% of the FTR rate day effective date of establishing residential accommodations.
 6. **M&IE:** M&IE will be reimbursed at a flat rate per day; not to exceed the limits specified for the geographical location in the FTR. The daily living expense (M&IE) will be prorated per the FTR during the first and last day of travel, inclusive of weekend trips home. Weekend stay-over(s) are paid when continued work is required during the following week.
- H. **Long-Term Temporary Work Assignments – (More than thirty (30) days, but less than three hundred sixty-five (365) Days).** M&IE and lodging reimbursement limits will be reduced in accordance with DOE policy for extended travel assignments exceeding 30 days (ref. DOE-AL-2013-01 and DOE-H-2069).
1. **Lodging:** For the first 60 days and last 30 days of a long-term assignment, Buyer will reimburse costs associated with lodging at the lesser of actual cost or 100% of the FTR authorized rate at the assignment location. The intervening days will be reimbursed at the lesser of actual cost or 55% of the FTR rate.
 2. **M&IE:** For the first 30 days and last 30 days of the assignment, Buyer will reimburse costs associated with M&IE at the lesser of actual cost or 100% of the FTR M&IE rate for the assignment location. The intervening days will be reimbursed at the lesser of actual cost or 55% of the FTR rate. The M&IE will be prorated per the FTR during the first and last day of travel, inclusive of weekend trips home.
 3. **Travel Home:** When on a long-term work assignment (more than 30 consecutive days), one trip home, to the primary residence, after each four (4) consecutive weeks of assignment (on travel status) to the Contract will be reimbursed when approved in advance by Buyer as follows:
 - i. Travel home shall be booked via the most economical method and direct route in accordance with FTR guidance. If the project work assignment or an urgent situation prevents the Contractor employee from obtaining a minimum of (14) day airfare rates; approval must be obtained from Buyer prior to booking the airfare. If a personal vehicle is used to return to the primary residence, mileage will be paid at the current FTR rates up to a total not to exceed the fourteen (14) day advance airfare value.
 - ii. While traveling and at home, lodging and M&IE expenses are not reimbursable.
 - iii. The trips home are neither “bankable,” transferable nor cumulative.
- I. **Permanent Work Assignments:** Unless pre-approved by Buyer, work assignments of more than three hundred sixty-five (365) consecutive days are considered permanent. All incurred travel and living expenses, after three hundred sixty-five (365) consecutive days, are not reimbursable without written pre-approval from Buyer. The consecutive-day count for Contractor personnel who change employment to another contractor or whose break between assignments is less than 120 calendar days will not restart, but continue from the original contract assignment date.

5.0 CONTRACTOR TIMEKEEPING RECORD SIGNATURE REQUIREMENT

Contractor shall maintain adequate timekeeping procedures, controls and processes for billing work to the Buyer. Contractor shall provide monthly to the Buyer all timecards for Contractor and lower-tier subcontractor employees that perform work and charge time under this Contract.

- A. Timekeeping Records shall be provided with each invoice submittal or as otherwise directed by the Buyer.
1. In the event the Contractor is utilizing the Buyer’s Contracted Labor Time Recording System, Contractor timecards shall be submitted to a specific Buyer-designated location electronically no later than the 28th of each month.

2. Timekeeping records submitted shall be a system-generated document, or equivalent, that identifies the project (job) number, employee name, dates worked and all associated daily hours and totals.
 3. Timekeeping records shall be signed by the Contractor employee or, when applicable, lower-tier subcontractor employee and certified by the Contractor or lower-tier subcontractor employee’s supervisor.
 4. Timekeeping records must be provided for each Contract or Contract Release until all Contractor invoices are received and Work is complete.
- B. Submitting timecard records is a condition of payment under this Contract. Failure to provide timekeeping records as specified shall be a basis for Buyer to withhold Contractor payments.
- C. Consistent with the Accounts, Records, and Inspection clause of this Contract, all books of account and records relating to this Contract shall be subject to inspection and audit by Buyer, DOE, or a designee, at all reasonable times until a minimum of three years after the final payment has been made.

The Contractor shall include this clause in all cost-reimbursement, time and material, fixed hourly rate, and other non-fixed price lower-tier subcontracts where hours are billed directly to the Buyer.

6.0 REFUNDS

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

7.0 FINAL RELEASE AND CLOSEOUT

- A. All invoices and charges against this Contract 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 Contract at the end of this 60-day period and no additional invoices or charges shall be submitted.
- B. The Buyer may, following final payment under this Contract, request the Contractor to execute and deliver a [final release](#) discharging the Buyer, the Government and their officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this Contract.

8.0 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)