

**SPECIAL PROVISIONS – TIME AND MATERIALS (T&M)/LABOR HOUR (LH)
CONTRACT TYPES, SP-19 REV. 0 12/23/08**

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1.0 PREAMBLE 1

2.0 CONTRACT TYPE 1

3.0 CONTRACTOR INVOICES 2

4.0 TRAVEL..... 3

5.0 AUDIT 3

6.0 REFUNDS 4

7.0 FINAL PAYMENT 4

8.0 LIMITATION OF FUNDS 4

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.

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 hourly rates that include wages, overhead, general and administrative expenses, and profit.
- B. Other Direct Costs (ODCs) may only be charged to the Contract if 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 (T&M)**
 - 1. ODCs must 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. If billing is for an individual, identify his or her personal name, number of hours worked 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 must be itemized 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 materials, work and/or services have been delivered as specified on the invoice in accordance with the Contract. Submit the original invoice and supporting documentation to the following address:

CH2M Hill Plateau Remediation Company
Accounts Payable Mail Stop: H7-32
P.O. Box 1600
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. The rates shall include wages, indirect costs, general and administrative expense, and profit. 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 subpart 31.2 of the FAR 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 the 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 the Subcontract, 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 TRAVEL

- A. When authorized as part of the work scope on this Contract, travel expenses incurred in performance of this Contract may be reimbursed in accordance with the Federal Travel Regulations (FTR) in effect at the time of travel, this Clause, and any other provisions agreed upon in advance. Current FTR information is available on the Internet at: <http://www.gsa.gov/portal/content/104790>
- B. To be reimbursable, the travel expenses must be:
 1. Allowable under the FTR and the provisions of this Contract,
 2. Reasonable,
 3. Allocable and necessary to performance of the Contract.
 4. Travel time is NOT billable unless specified in the Contract.
- C. Travel reimbursement requests must be submitted in a timely manner, and must identify the name of the traveler, destination, purpose of the travel and days worked under the Contract as well as document any required Buyer pre-approval.
- D. Unless agreed in advance by the Buyer, invoices for travel expenses must include original or legible copies of receipts, to support:
 1. Actual airfare or other public conveyance expenses
 2. Car rental expenses for each rental day
 3. Lodging expenses
- E. The Contractor is expected to take reasonable steps to mitigate the amount of travel expense. When work assignments are such that travel for any one employee would exceed a short term (typically more than 30 days), the Contractor is expected to propose and implement lower cost alternatives (such as long term lodging, temporary relocation, long term car rental, etc.).
- F. Submittal of an invoice to the Buyer that includes travel expenses signifies Contractor's certification to the above. Failure to comply with these provisions may cause any request for travel reimbursement to be denied.

5.0 AUDIT

- A. At any time before final payment under this Contract, the Buyer may request audit of the invoices and substantiating material. Each payment previously made shall be subject to reduction to the extent of amounts, on preceding invoices, that are found by the Buyer not to have been properly payable and shall also be subject to reduction for overpayments or to increase for underpayments.

6.0 REFUNDS

- A. 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 PAYMENT

- 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 may be submitted.
- B. The Buyer may, as a precedent to final payment under this Contract, request the Contractor to execute and deliver a 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 LIMITATION OF FUNDS

- A. The Contract specifies the dollar amount authorized on this Contract, the items covered, and the period of performance the amount will cover. The Contractor agrees to perform, or have performed, work on the contract up to the point at which the total amount paid and payable under the Contract, approximates, but does not exceed the total amount authorized on the Contract.
- B. When the parties have negotiated a total award value which exceeds current funding, the authorized funds on the resulting Contract may be limited using a limitation of funding clause.
- C. The authorized funding shall be considered a ceiling price which may not be exceeded until the Buyer notifies the Contractor in writing that the ceiling price has been increased and shall have specified in the notice a revised ceiling that shall constitute the ceiling price for performance under this Contract.
- D. The Contractor shall notify the Buyer identified in the Contract, in writing, whenever it has reason to believe that the costs it expects to incur under this Contract in the next 30 days, when added to all costs previously incurred, will exceed 75 percent of the total amount so far allotted to this Contract. The notice shall state the estimated date when such allotted amount will be reached and estimated amount of additional funds required to continue performance for the period specified in the payment schedule. If, after such notification, additional funds are not obligated by the end of the estimated reach date or by an another agreed upon date, the Buyer shall upon Contractor's written request, terminate this Contract on the performance end date or the date set forth in the request, whichever is later, pursuant to the provisions of the Termination Clause of this Contract.
- E. Except as provided by other provisions of this Contract, specifically citing and stated to be an exception to this Clause:
 - 1. The Buyer is not obligated to reimburse the Contractor for costs incurred in excess of the total authorized funding, and
 - 2. The Contractor is not obligated to continue performance under this Contract (including actions under the Termination Clause) or otherwise incur costs in excess of the allotted amount of this Contract, until the Buyer notifies the Contractor in writing that the allotted amount has been increased and specifies the revised total allotted amount.
- F. No notice, communication, or representation in any form or by anyone other than the Buyer shall affect the authorized amount of this Contract. In the absence of the Contractor's notification as described above, the

Buyer is not obligated to reimburse the Contractor for any costs in excess of the total authorized funding, whether incurred during the course of the performance period, a termination, or as the result of an audit.

- G. When, and to the extent that the amount authorized by the Buyer is increased, any excess costs the Contractor incurred before this modification shall be allowable to the same extent as if incurred afterward, unless this Contract was terminated.
- H. Change Orders shall not be considered an authorization to exceed the authorized amount specified in the payment schedule, unless they identify an increased funding amount.