

PART I -THE SCHEDULE

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

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SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 SERVICES BEING ACQUIRED

The Contractor shall, in accordance with the terms of this contract, provide the personnel, equipment, materials, supplies, and services (except as may be furnished by the Government) and otherwise do all things necessary for, or incident to managing and operating, in an efficient and effective manner, the Government-owned Strategic Petroleum Reserve (SPR), including operating and maintaining the facilities and related systems, located in Louisiana and Texas, as described in Section C, Performance Work Statement (PWS), or as may be directed by the Contracting Officer within the scope of this Contract.

B.2 TRANSITION COST AND TOTAL AVAILABLE AWARD FEE

(a) Transition Cost

The transition activities shall be conducted during the period specified in the clause in Section F entitled "Period of Performance" and shall be performed in accordance with the clause in Section H entitled "Transition Activities" on a cost-reimbursement basis, and no fee shall be paid for these activities. The estimated transition costs are \$1,714,103.

(b) Total Available Award Fee

- (1) The annual fee base is estimated in accordance with DEAR 970.1504-1, including estimated exclusions, adjustments, and classification factors. In the event the annual fee base deviates by more than plus or minus 15% for any fiscal year from the annual fee base set forth in Column B of the chart below, a new total available award fee for the fiscal year will be calculated by multiplying the maximum available fee for the revised annual fee base by the percentage set forth in Column D below.
- (2) All fee for this contract is performance based. There is no base fee for this contract. The Available Award Fee will be negotiated annually (or any other period as may be mutually agreed to between the parties) between the Contractor and the Government. The Available Award Fee will be equal to or less than the Total Available Award Fee offered set forth in Column E. The Available Award Fee shall be established considering the level of complexity, difficulty, cost effectiveness, and risk associated with specific objectives/incentives defined in the Performance Evaluation and Measurement Plan (PEMP). Higher or lower levels of complexity, difficulty, cost effectiveness, and risk will correspondingly allow a higher or lower available award fee. In the event the parties are unable to reach

agreement on the Available Award Fee amount, the Government reserves the right to unilaterally establish the Available Award Fee amount.

- (3) The total available award fee for the base period of the contract and the option period, if exercised, is shown below.

| A | B | C | D | E |
|--------------------|-----------------|-----------------------|-------------------|---------------------------|
| Fiscal Year | Annual Fee Base | Maximum Available Fee | Fee Percent | Total Available Award Fee |
| FY 2014 (6-months) | \$58,805,864 | \$4,437,779 | 94.0 | \$4,171,512 |
| FY 2015 | \$127,918,868 | \$9,197,264 | 90.2 | \$8,295,932 |
| FY 2016 | \$129,557,963 | \$9,199,561 | 88.8 | \$8,169,210 |
| FY 2017 | \$128,735,855 | \$9,158,721 | 87.1 | \$7,977,246 |
| FY 2018 | \$220,061,467 | \$11,554,075 | ¹ 90.6 | \$10,463,038 |
| FY 2019 | \$130,349,326 | \$9,221,476 | 84.8 | \$7,819,812 |
| FY 2020 | \$133,347,360 | \$9,325,828 | 83.9 | \$7,824,370 |
| FY 2021 | \$136,414,349 | \$9,432,582 | 83.4 | \$7,866,773 |
| FY 2022 | \$139,551,881 | \$9,541,791 | 82.8 | \$7,900,603 |
| FY 2023 | \$142,761,575 | \$9,653,512 | 82.3 | \$7,944,840 |
| FY 2024 (6-months) | \$73,022,545 | \$4,883,901 | 83.1 | \$4,058,522 |

- (4) At the end of each performance period (fiscal year) specified above, there shall be no adjustment in the amount of total available award fee based on differences between the annual fee base and the actual fee base resulting from performance of the work. Total Available Award Fee is subject to adjustment only under the provisions of the clause in Section I entitled FAR 52.243-2 “Changes – Cost Reimbursement”; and, for the circumstances in Paragraph (1) above.

B.3 AVAILABILITY OF APPROPRIATED FUNDS

The duties and obligations of the Government hereunder calling for the expenditure of appropriate funds shall be subject to the availability of funds appropriated by the Congress, which the DOE may legally spend for such purchases.

B.4 OBLIGATION OF FUNDS

Pursuant to the Section I Clause DEAR 970.5232-4 entitled “Obligation of Funds,” the total amount obligated by the Government with respect to this contract is \$844,411,702.11

¹ IAW agreed to LE 2 fee approach, 88.3% applied to Facilities maximum fee and 95% applied to LE 2 maximum fee.

B.5 SINGLE FEE

If the Contractor is part of a consortium, joint venture, and/or other teaming arrangement, as described in FAR Subpart 9.6, the team shall share in this contract fee structure. Separate additional subcontractor fee shall not be considered in an allowable cost under the contract if a subcontractor is a team member or, supplier, or lower-tier subcontractor is a wholly owned, majority owned, or affiliate of any team member, any fee or profit earned by such entity shall not be considered an allowable cost under this contract unless otherwise approved by the Contracting Officer.

The subcontractor fee restriction in the paragraph above does not apply to members of the Contractor’s team that are: (1) small business(es); (2) protégé firms as part of an approved mentor-protégé relationship; (3) subcontractors under a competitively awarded firm-fixed-unit-price subcontract; or (4) commercial items as defined in FAR Subpart 2.1, Definitions of Words and Terms.

B.6 CONTRACT VALUE

The contract value, consisting of the estimated costs and total available fee, by fiscal year (base period) is set forth below.

| Fiscal Year | Estimated Costs | Available Award Fee | TOTAL |
|---|------------------|--------------------------|----------------------------|
| Transition Period (60 days) (02/01/14– 03/31/14) | ¹ \$0 | \$0 | ¹ \$0 |
| FY 2014 (6 mos.) | \$62,336,127 | \$3,428,152 | ² \$65,764,279 |
| FY 2015 | \$135,959,596 | \$7,948,220 | ² \$143,907,816 |
| FY 2016 | \$152,347,025 | \$7,503,419 | ² \$159,850,444 |
| FY 2017 | \$218,419,757 | ³ \$9,261,238 | \$227,680,995 |
| FY 2018 | \$261,329,157 | \$10,463,038 | \$271,792,195 |
| FY 2019 (6 mos.) | \$68,788,626 | ⁴ \$3,909,906 | \$72,698,532 |
| Option Period | | | |
| FY 2019 (6 mos.) | TBD | TBD | TBD |
| FY 2020 | TBD | TBD | TBD |
| FY 2021 | TBD | TBD | TBD |
| FY 2022 | TBD | TBD | TBD |
| FY 2023 | TBD | TBD | TBD |
| FY 2024 (6 mos.) | TBD | TBD | TBD |
| TOTAL Contract Value (Transition and Base Period) | \$899,180,288 | \$42,513,973 | \$941,694,261 |

B.7 CONTRACT TYPE

This is a Cost-Plus-Award-Fee Performance-Based Contract.

¹The Transition Period Costs of \$1,391,744 are included in the FY14 costs of \$62,336,127.

²Fiscal Year Total reflects actual costs and earned award fee.

³Negotiated Available Award Fee

⁴Represents Available Award Fee ceiling for each FY of the base period. Fee will be negotiated annually IAW Clause B.2.