United States
Environmental Protection
Agency

Office of Solid Waste
and Emergency Response
Washington, DC 20460

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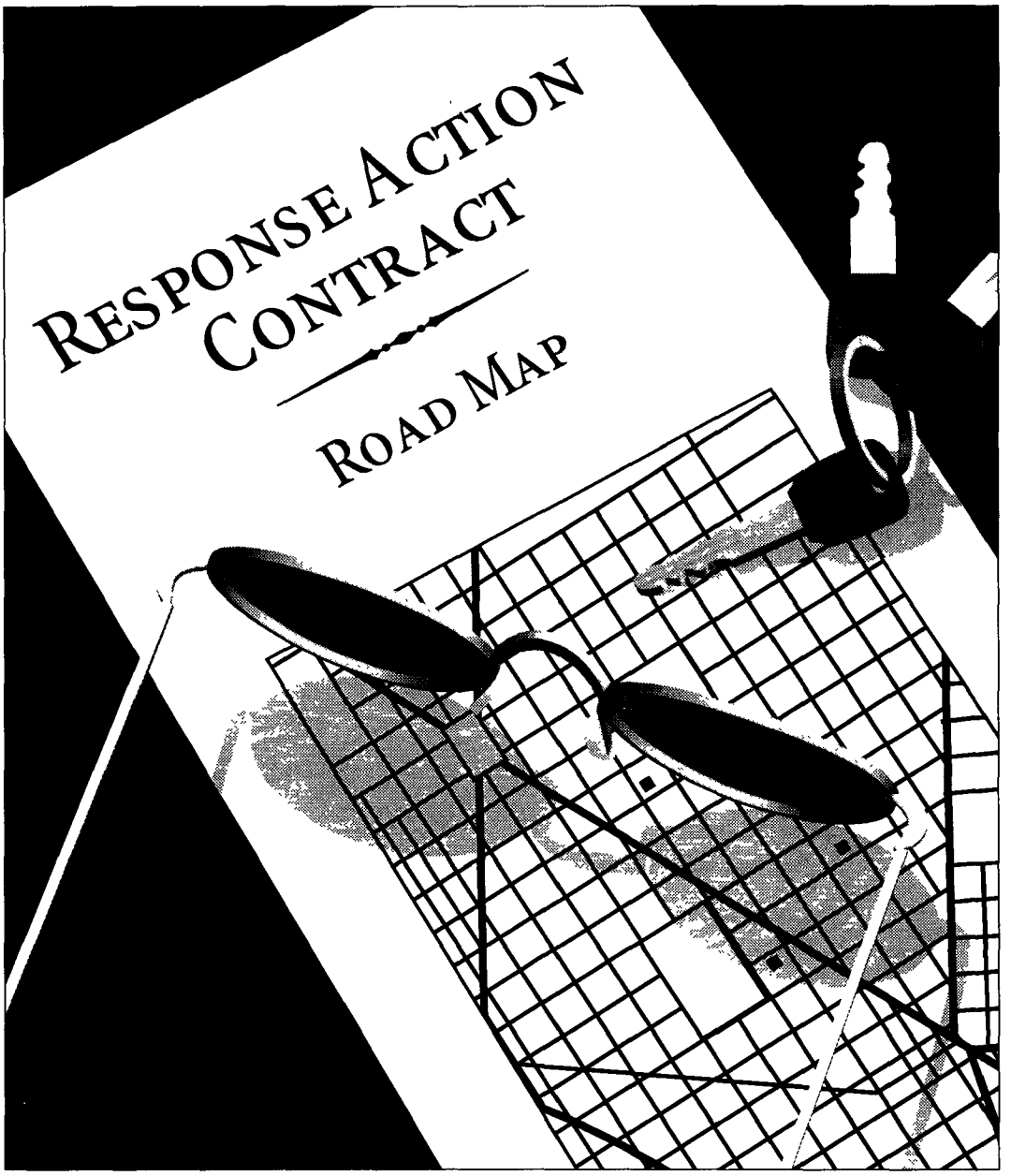
Response Action Contract (RAC) Users' Guide – Volume 1: Reference Guide



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Response Action Contract (RAC) Users' Guide – Volume 1: Reference Guide

Disclaimer

This *Users' Guide* is intended solely for use by EPA Work Assignment Managers, Project Officers, and Contracting Officers in managing and administering the Agency's Response Action Contracts (RACs). This guide does not establish Agency-wide policies or procedures. This guide is not intended to and cannot be relied upon to create any rights, substantive or procedural, enforceable by any party in litigation with the United States. EPA reserves the right to act at variance with the policies and procedures in this guide and to change them at any time without public notice. The descriptions of contractor responsibilities included in this guide are informational and do not assign or limit contractor responsibilities under RACs.

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Response Action Contract
Users' Guide

Volume 1: Reference Guide

Table of Contents

MAY 31, 1995

Foreword xv

Acknowledgments xvii

Acronyms and Abbreviations xix

Chapter 1
Introduction 1-1

1.1 Purpose of the *RAC Users' Guide* 1-1

1.2 Required, Core, and Noncore Elements of Guidance 1-1

1.3 How to Use the Guide 1-2

1.4 Content and Organization of the Guide 1-3

1.5 Where RAC Clauses Are Addressed in the Guide 1-5

1.6 Background of Long-Term Contracting Strategy and RACs 1-5

1.7 Streamlining and Contract Management Initiatives 1-6

1.8 Updates to the Guide 1-9

Chapter 2
Contract Structure, Sensitive Issues, Management Responsibilities, and Interactions 2-1

2.1 Introduction 2-1

2.2 Structure of the Response Action Contract 2-1

2.2.1 Contract Type 2-1

2.2.2 Contract Period of Performance 2-2

2.2.3 RAC Statement of Work 2-2

2.2.4 Work Assignments 2-9

2.2.5 Program Support 2-10

2.2.6 Reports of Work 2-11

2.2.7 Performance (Award) Fee Plan 2-11

2.3 Contract-Sensitive Issues 2-12

2.3.1 Conflict of Interest 2-12
2.3.2 Indemnification 2-14
2.3.3 Pollution Liability Insurance 2-16
2.3.4 Inherently Governmental Functions 2-19
2.3.5 Sensitive Contracting Areas 2-19
2.3.6 Personal Services 2-21
2.3.7 Program Support 2-22
2.3.8 Patents 2-23
2.3.9 Environmental Justice 2-24
2.3.10 Small and Disadvantaged Business Utilization, Mentor-Protege Program, and Labor Surplus Areas 2-25
2.3.11 Health and Safety 2-30

2.4 Contract Management Responsibilities 2-32

2.4.1 Headquarters Roles and Responsibilities 2-33
2.4.2 Regional Roles and Responsibilities 2-35

2.5 Contractor Interactions with Other EPA Contractors, Federal Agencies, and State and Local Agencies 2-38

2.5.1 Contractor Interactions with Other Superfund Contractors 2-39
2.5.2 Contractor Interactions with Other Federal Agencies 2-40
2.5.3 Contractor Interactions with State and Local Agencies 2-40

2.6 Bibliography 2-41

Chapter 3
Mobilization 3-1

3.1 Background and Requirement 3-1

3.2 Roles and Responsibilities for Mobilization 3-3

3.3 Bibilography 3-5

Chapter 4
Contract Administration 4-1

4.1 Introduction 4-1

4.2 Roles and Responsibilities for Contract Administration 4-5

4.3 Contract Funding 4-7

4.3.1 Background and Requirement 4-9

4.3.2 Roles and Responsibilities for Contract Funding 4-15

4.4 Exercising Contract Options 4-17

4.4.1 Background and Requirement 4-19

4.4.2 Roles and Responsibilities for Exercising Contract Options 4-21

4.5 Contract Modifications 4-23

4.5.1 Background and Requirement 4-25

4.5.2 Roles and Responsibilities for Administering Contract Modifications 4-27

4.6 Contract Claims and Disputes 4-29

4.6.1 Background and Requirement 4-31

4.6.2 Roles and Responsibilities for Handling Contract Claims and Disputes 4-34

4.7 Subcontract Review and Consent 4-35

4.7.1 Background and Requirement 4-37

4.7.2 Roles and Responsibilities in Subcontract Review and Consent 4-40

4.8 Handling Conflict of Interest Issues 4-41

4.8.1 Background and Requirement 4-43

4.8.2 Roles and Responsibilities for Handling Conflict of Interest Issues 4-43

4.9 Managing Regional Crossovers 4-45

4.9.1 Background and Requirement 4-47

4.9.2 Roles and Responsibilities for Managing Regional Crossovers 4-48

4.10 Implementing Control Measures for Vulnerable Contracting Areas 4-51

4.10.1 Background and Requirement 4-53

4.10.2 Roles and Responsibilities for Implementing Control Measures for Vulnerable Contracting Areas 4-56

4.11 Small and Disadvantaged Business Utilization, Contractor Participation in Mentor-Protege Program, and Use of Labor Surplus Areas 4-59

4.11.1 Background and Requirement 4-61

4.11.2 Roles and Responsibilities for Monitoring Contractor Compliance with Subcontracting Plan 4-61

4.12 Annual Allocation of Non-Site-Specific Costs 4-63

4.12.1 Background and Requirement 4-65

4.12.2 Roles and Responsibilities for Annual Allocation 4-66

4.13 Annual Closeout 4-69

4.13.1 Background and Requirement 4-71

4.13.2 Roles and Responsibilities for Annual Closeout 4-72

4.14 Bibliography 4-73

Chapter 5
Issuing and Managing Work Assignments 5-1

5.1 Introduction 5-1

5.2 Roles and Responsibilities for Issuing and Managing Work Assignments ... 5-3

5.3 Allocating Site-Specific Work Assignments to Contractors 5-7

5.3.1 Background and Requirement 5-9

5.3.2 Roles and Responsibilities for Allocating Work Assignments 5-11

5.4 Developing the Work Assignment Statement of Work 5-13

5.4.1 Background and Requirement 5-15

5.4.2 Roles and Responsibilities for Developing the Work Assignment Statement of Work 5-18

5.5 Preparing and Using the Independent Government Cost Estimate 5-19

5.5.1 Background and Requirement 5-21

5.5.2 Roles and Responsibilities for Preparing and Using the Independent Government Cost Estimate 5-26

5.6 Preparing the Work Assignment Package and Issuing the Work Assignment 5-29

5.6.1 Background and Requirement 5-31

5.6.2 Roles and Responsibilities for Preparing the Work Assignment Package and Issuing the Work Assignment 5-32

5.7 Work Plan Technical Review andCost Evaluation 5-35

5.7.1 Background and Requirement 5-37

5.7.2 Roles and Responsibilities for Work Plan Evaluation 5-38

5.8 Work Assignment Funding 5-41

5.8.1 Background and Requirement 5-43

5.8.2 Roles and Responsibilities for Work Assignment Funding 5-44

5.9 Establishing and Changing the Expenditure Limit 5-47

5.9.1 Background and Requirement 5-49

5.9.2 Roles and Responsibilities for Establishing and Changing the Expenditure Limit 5-51

5.10 Issuing Technical Direction 5-53

5.10.1 Background and Requirement 5-55

5.10.2 Roles and Responsibilities for Issuing Technical Direction 5-56

5.11 Amending the Work Assignment 5-59

5.11.1 Background and Requirement 5-61

5.11.2 Roles and Responsibilities for Amending the Work Assignment and Issuing Changes for a Remedial Action Work Assignment 5-63

5.12 Wage Rates and Surety Bonds for Remedial and Non-Time Critical Removal Action Subcontracts 5-65

5.12.1 Background and Requirement 5-67

5.12.2 Roles and Responsibilities for Wage Rates and Surety Bonds for Remedial Action Subcontracts 5-69

5.13 Value Engineering 5-71

5.13.1 Background and Requirement 5-73

5.13.2 Roles and Responsibilities for Value Engineering 5-76

5.14 Contractor Oversight 5-79

5.14.1 Background and Requirement 5-81

5.14.2 EPA's Relationship to Contractors and Subcontractors 5-83

5.14.3 Roles and Responsibilities in Contractor Oversight 5-83

5.15 Site Demobilization 5-85

5.15.1 Background and Requirement 5-87

5.15.2 Roles and Responsibilities for Site Demobilization 5-88

5.16 Work Assignment Closeout Procedures 5-89

5.16.1 Background and Requirement 5-91

5.16.2 Roles and Responsibilities for Work Assignment Closeout 5-92

5.17 Bibliography 5-95

Chapter 6
Administering the Performance (Award) Fee Plan 6-1

6.1 Background and Requirement 6-1

6.1.1 Base and Performance (Award) Fee Provisions 6-1

6.1.2 Documentation of Performance Evaluations 6-4

6.1.3 Development of Performance Index Rating Score 6-5

6.2 Roles and Responsibilities for Administering the Performance (Award) Fee Plan 6-6

6.3 Bibliography 6-7

Chapter 7
Using RAC Reports 7-1

This chapter will be issued at a later date.

Chapter 8
Equipment 8-1

This chapter will be issued at a later date.

Chapter 9
Delivery of Analytical Services 9-1

9.1 Background and Requirement 9-1

9.2 Roles and Responsibilities for Analytical Services Acquisition and Management 9-3

9.3 Bibliography 9-4

Chapter 10
Cost Management 10-1

10.1 Background and Requirement 10-1

10.2 Roles and Responsibilities for Cost Management 10-8

10.3 Bibliography 10-10

Chapter 11
Records Management 11-1

11.1 Background and Requirement 11-1

11.2 Roles and Responsibilities for Records Management 11-5

11.3 Bibliography 11-7

Chapter 12
Contract Closeout 12-1

12.1 Background and Requirement 12-1

12.2 Roles and Responsibilities for Contract Closeout 12-3

12.3 Bibliography 12-5

Chapter 13
Revisions to the *RAC Users' Guide* 13-1

13.1 Background and Requirement 13-1

13.2 Roles and Responsibilities for Revising the *RAC Users' Guide* 13-1

Appendices

Appendix A: Glossary

Appendix B: Contract Clause Matrix

Appendix C: *Users' Guide* Revisions

Appendix D: Directives

Appendix E: Fact Sheets

Appendix F: Forms on Diskette

Appendix G: Model Statements of Work *[Issued in a separate volume: PB95-963414]*

Exhibits

Exhibit 1-1 Chapter Summaries 1-3
Exhibit 1-2 Streamlining and Contract Management Initiatives 1-7
Exhibit 2-1 RAC SOW Work Breakdown Structure 2-4
Exhibit 2-2 RAC Conflict of Interest Clauses 2-13
Exhibit 2-3 Innovative Technologies 2-17
Exhibit 2-4 List of Inherently Governmental Functions 2-20
Exhibit 2-5 List of Sensitive Contracting Areas 2-21
Exhibit 2-6 Overview of Headquarters and Regional Roles in RACs 2-32
Exhibit 2-7 Headquarters' Roles and Responsibilities for Overseeing RACs 2-34
Exhibit 2-8 Regional Roles and Responsibilities in Administering and Managing Response Action 2-36
Exhibit 3-1 Roles and Responsibilities for Mobilization 3-4
Exhibit 4-1 IFMS Six-Field Accounting Data Structure 4-10
Exhibit 4-2 Regional Site-Specific Accounting 4-12
Exhibit 4-3 Breakdow of Work Areas by Bulk-Funding Categories 4-13
Exhibit 4-4 Work Assignment Number Structure 4-14
Exhibit 4-5 Roles and Responsibilities for Contract Funding 4-16
Exhibit 4-6 Roles and Responsibilities for Exercising Contract Options 4-22
Exhibit 4-7 Examples of Contract Modifications and Their Classifications 4-26
Exhibit 4-8 Roles and Responsibilities for Making Contract Modifications 4-27

Exhibit 4-9	Claims and Disputes Process	4-33
Exhibit 4-10	Roles and Responsibilities for Handling Contract Claims and Disputes	4-34
Exhibit 4-11	Subcontract Information	4-39
Exhibit 4-12	Roles and Responsibilities in Subcontract Review and Consent	4-40
Exhibit 4-13	Roles and Responsibilities for Handling Conflicts of Interest	4-44
Exhibit 4-14	Roles and Responsibilities for Managing Regional Crossovers	4-49
Exhibit 4-15	Roles and Responsibilities for Implementing Control Measures for Vulnerable Contracting Areas	4-57
Exhibit 4-16	Roles and Responsibilities for Monitoring Contractor Compliance with Subcontracting Plan	4-61
Exhibit 4-17	Roles and Responsibilities for Annual Allocation	4-67
Exhibit 4-18	Roles and Responsibilities for Annual Closeout	4-72
Exhibit 5-1	Roles and Responsibilities for Allocating Work Assignments	5-11
Exhibit 5-2	Roles and Responsibilities for Developing the Work Assignment Statement of Work	5-18
Exhibit 5-3	Roles and Responsibilities for Preparing and Using the Independent Government Cost Estimate	5-27
Exhibit 5-4	Roles and Responsibilities for Preparing the Work Assignment Package and Issuing the Work Assignment	5-33
Exhibit 5-5	Roles and Responsibilities for Work Plan Review and Approval	5-39
Exhibit 5-6	Roles and Responsibilities for Work Assignment Funding	5-45
Exhibit 5-7	How to Use the Expenditure Limit to Manage a Work Assignment	5-50
Exhibit 5-8	Roles and Responsibilities for Establishing and Changing the Expenditure Limit	5-52
Exhibit 5-9	Overview of Issuing Technical Direction	5-56
Exhibit 5-10	Roles and Responsibilities for Issuing Technical Direction	5-57
Exhibit 5-11	Roles and Responsibilities for Amending the Work Assignment and Issuing Changes for a Remedial Action Work Assignment	5-64
Exhibit 5-12	Roles and Responsibilities for Wage Rates and Surety Bonds for Remedial and Non-Time-Critical Removal Action Subcontracts	5-70
Exhibit 5-13	Roles and Responsibilities for Value Engineering	5-77
Exhibit 5-14	Roles and Responsibilities for Contractor Oversight	5-84
Exhibit 5-15	Roles and Responsibilities for Site Demobilization	5-88
Exhibit 5-16	Roles and Responsibilities for Work Assignment Closeout	5-93
Exhibit 6-1	Relationship of Contractor Performance and Fee Structure	6-2
Exhibit 6-2	Payment of Base Fee	6-3

Exhibit 6-3 Roles and Responsibilities for Administering the Performance (Award) Fee Plan 6-6
Exhibit 7-1 RAC Reports of Work 7-2
Exhibit 7-2 Contents of RAC Progress Report 7-3
Exhibit 7-3 Contents of RAC National Reports 7-5
Exhibit 7-4 Roles and Responsibilities for Using RAC Reports 7-7
Exhibit 9-1 Roles and Responsibilities for Acquiring and Managing Analytical Services 9-3
Exhibit 10-1. Roles and Responsibilities for Cost Management 10-9
Exhibit 11-1 Overview of RAC Records 11-2
Exhibit 11-2 Roles and Responsibilities for Records Management 11-5
Exhibit 12-1 Roles and Responsibilities for Contract Closeout 12-3
Exhibit 13-1 Roles and Responsibilities for Revising the *RAC Users' Guide* 13-1

Foreword

This is the *Users' Guide* for the Response Action Contracts (RACs) procured by the U. S. Environmental Protection Agency (EPA) to accomplish response planning and oversight activities under the Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA) as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA). This guide was prepared by the RAC Users' Guide Work Group, an Agency group composed of representatives from the ten EPA Regional offices and EPA Headquarters. The guide is for use by RAC Work Assignment Managers, Project Officers, and Contracting Officers in managing and administering RACs. This volume of the guide, *Volume 1: Reference Guide*, contains background, descriptive, and policy information on the RAC program.

This guide does not duplicate other Agency guidance and should be supplemented with other guidance for specific topics. Citations for supplemental guidance are included throughout the guide where applicable.

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Acronyms and Abbreviations

A

A/E	Architect/Engineer
AA, OSWER	Assistant Administrator, Office of Solid Waste and Emergency Response
ACN	Accounting Control Number
ADR	Alternative Dispute Resolution
AO	Administrative Order
AOA	Advice of Allowance
AOC	Administrative Order on Consent
AR	Administrative Record
ARARs	Applicable or Relevant and Appropriate Requirements
ARCS	Alternative Remedial Contracting Strategy Contracts
ATSDR	Agency for Toxic Substances and Disease Registry

B

BODR	Basis of Design Report
BUREC	Bureau of Reclamation

C

CA	Cooperative Agreement
CAP	Contractor Acquired Property
CB	Case Budget
CBI	Confidential Business Information
CCE	Construction Cost Estimate
CD	Consent Decree
CEAT	Contract Evidence Audit Team
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CERCLIS	Comprehensive Environmental Response, Compensation, and Liability Information System
CI	Civil Investigator
CIS	Contract Information System
CLP	Contract Laboratory Program
CMT	Contract Management Team
CO	Contracting Officer
COI	Conflict of Interest

COR	Contracting Officer's Representative
CORAS	Contract Operations Review and Assessment Staff
CPAF	Cost-Plus-Award-Fee
CPC	Contract Property Coordinator
CPM	Critical Path Method
CPRNB	Cost Policy and Rate Negotiation Branch
CPS	Contract Payment System
CRI	Community Relations Implementation
CRP	Community Relations Plan
CSN	Contractor Selection Notice
CSO	Customer Service Office
CWA	Clean Water Act

D

D&CM	Design and Construction Manager
D&F	Determination and Finding
DAS	Delivery of Analytical Services
DBA	Davis-Bacon Act
DCAA	Defense Contract Audit Agency
DCMAO	Defense Contract Management Area Office
DCMB	Design and Construction Management Branch
DCMC	Defense Contract Management Command
DCN	Document Control Number
DOI	Department of the Interior
DOJ	Department of Justice
DOL	Department of Labor
DQO	Data Quality Objective

E

EA	Endangerment Assessment
EE/CA	Engineering Evaluation/Cost Analysis
EERU	Environmental Emergency Response Unit
EES	Environmental Enforcement Support
EL	Expenditure Limit
EMSL	Environmental Monitoring and Systems Laboratory
EPA	Environmental Protection Agency
EPCRA	Emergency Planning and Community Right-to-Know Act

EPIC	Environmental Photographic and Investigation Center
EPM	Enforcement Project Manager
ERNS	Emergency Response Notification System
ERRS	Emergency and Rapid Response Services
ERT	Environmental Response Team
ESAT	Environmental Services Assistance Team
ESD	Environmental Services Division
ESI	Expanded Site Inspection
ESS	Enforcement Support Services Contract

F

FAB	Financial Analysis Branch
FACO	Financial Analysis Contracting Officer
FAR	*Federal Acquisition Regulation*
FAS	Financial Analysis Section
FDO	Fee Determination Official
FIT	Field Investigation Team
FMC-RTP	Financial Management Center, Research Triangle Park
FMD	Financial Management Division
FMO	Financial Management Office
FOIA	Freedom of Information Act
FR	Federal Register
FRC	Federal Records Center
FS	Feasibility Study
FSP	Field Sampling Plan
FTE	Full-Time Equivalent
FY	Fiscal Year
FYE	Fiscal Year Ending

G

G&A	General and Administrative
GFO	Good Faith Offer
GFP	Government Furnished Property
GNL	General Notice Letter
GSA	Government Services Administration

H

HASP	Health and Safety Plan
HAZWOPER	Hazardous Waste Operations and Emergency Response
HQ-FMO	Headquarters-Financial Management Office
HRS	Hazard Ranking System
HSCD	Hazardous Site Control Division

I

IAG	Inter-Agency Agreement
IBCA	Department of Interior's Board of Contract Appeals
IDC	Indirect Cost
IFMS	Integrated Financial Management System
IGF	Inherently Governmental Function
IMC	Information Management Coordinator

J

LDD	Loss, Damage, or Destruction

K

LEPC	Local Emergency Planning Committee

L

LOE	Level of Effort
LOFC	Limitation of Future Contracting
LSA	Labor Surplus Area
LTCS	Long-Term Contracting Strategy
LTRA	Long-Term Response Action

M

MATS	Master Audit Tracking System
MOU	Memorandum of Understanding
MSW	Municipal Solid Waste

N

NARA	National Archives and Records Administration
NBAR	Non-Binding Preliminary Allocation of Responsibility
NCP	National Contingency Plan
NEIC	National Enforcement Investigation Center
NOAA	National Oceanic and Atmospheric Administration
NPL	National Priorities List
NRC	National Response Center
NSD	Negotiation Support Document
NTCR	Non-Time Critical Removal
NTCRA	Non-Time Critical Removal Action

O

O&F	Operational and Functional
O&M	Operation and Maintenance
OAM	Office of Acquisition Management
OARM	Office of Administration and Resource Management
ODCs	Other Direct Costs
OE	Office of Enforcement
OERR	Office of Emergency and Remedial Response
OFPP	Office of Federal Procurement Policy
OGC	Office of General Counsel
OIG	Office of Inspector General
OIRM	Office of Information Resources Management
OMB	Office of Management and Budget
OMSE	Office of Management Systems and Evaluation
ORC	Office of Regional Counsel
OSC	On-Scene Coordinator
OSDBU	Office of Small and Disadvantaged Business Utilization
OSH	Occupational Safety and Health
OSHA	Occupational Safety and Health Administration
OSWER	Office of Solid Waste and Emergency Response
OU	Operable Unit
OWPE	Office of Waste Programs Enforcement

P

PA	Property Administrator
PCO	Plant Clearance Officer
PCPM	Prime Contractor Program Manager
PDD	Preauthorization Decision Document
PEB	Performance Evaluation Board
PEF	Performance Evaluation Form
PER	Performance Evaluation Report
PIRS	Performance Index Rating Score
PLI	Pollution Liability Insurance
PNRS	Preliminary Natural Resource Surveys
PO	Project Officer
POLREP	Pollution Report
PPE	Personal Protective Equipment

	PR	Procurement Request
	PRP	Potentially Responsible Party
	PS	Program Support
Q	**QA/QC**	Quality Assurance/Quality Control
	QAB	Quality Assurance Branch
	QAMP	Quality Assurance Management Plan
	QAO	Quality Assurance Officer
	QAPP	Quality Assurance Project Plan
R	**RA**	Remedial Action
	RAC	Response Action Contract
	RACS	Response Action Contracting Strategy
	RC	Record Center
	RCRA	Resource Conservation and Recovery Act
	RD	Remedial Design
	RDT	Regional Decision Team
	RES	Regional Evaluation Summary
	RESAT	Regional Environmental Services Assistance Team
	RI/FS	Remedial Investigation/Feasibility Study
	RMT	Regional Management Team
	ROD	Record of Decision
	RP	Responsible Party
	RPM	Remedial Project Manager
	RRT	Regional Response Team
	RSCC	Regional Sample Control Center
	RTP	Research Triangle Park
S	**S/RPOD**	Superfund/RCRA Procurement Operations Division
	S/SIDs	Site/Spill Identifiers
	SAB	Superfund Accounting Branch
	SACM	Superfund Accelerated Cleanup Model
	SAIC	Special-Agent-In-Charge
	SAP	Sampling and Analysis Plan

SARA	Superfund Amendments and Reauthorization Act
SAS	Special Analytical Services
SBA	Small Business Administration
SCA	Service Contract Act
SCAP	Superfund Comprehensive Accomplishments Plan
SCORES	Superfund Cost Organization and Recovery Enhancement System
SCRIPS	Superfund Cost Recovery Image Process System
SDB	Small and Disadvantaged Business
SDBU	Small and Disadvantaged Business Utilization
SE	State Enforcement
SEAM	Superfund Exposure Assessment Manual
SETS	Superfund Enforcement Tracking System
SF	Standard Form
SI	Site Investigation
SMOA	Superfund Memorandum of Agreement
SMP	Site Management Plan
SNL	Special Notice Letter
SOL	Statute of Limitations
SOP	Standard Operating Procedure
SOW	Statement of Work
SPO	State Project Officer
SPUR	Software Package for Unique Reports
SRO	Superfund Revitalization Office
STARS	Strategic Targeting Activities Reporting System
START	Superfund Technical Assessment and Response Team

T

TAG	Technical Assistance Grant
TAT	Technical Assistance Team
TBC	To-Be-Considered Material
TBD	To-Be-Determined
TD	Technical Direction
TDM	Technical Direction Memorandum
TES	Technical Enforcement Support
TESWATS	Technical Enforcement Support Work Assignment Tracking System
TQM	Total Quality Management

	TSC	Transportation Systems Center
	TSCA	Toxic Substances Control Act
	TST	Technical Support Team
U	**UAO**	Unilateral Administrative Order
	USACE	United States Army Corps of Engineers
	USGC	United States Coast Guard
	USGS	United States Geological Survey
V	**VE**	Value Engineering
	VECP	Value Engineering Change Proposal
	VEP	Value Engineering Proposal
W	**WA**	Work Assignment
X	**WAAM**	Work Assignment Allocation Matrix
Y	**WACN**	Work Assignment Closeout Notification
Z	**WACR**	Work Assignment Completion Report
	WAF	Work Assignment Form
	WAM	Work Assignment Manager
	WAP	Work Assignment Package
	WasteLAN	Waste Local Area Network
	WBS	Work Breakdown Structure
	WP	Work Plan

Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Introduction

CHAPTER 1

MAY 31, 1995

Table of Contents

1.1 Purpose of the *RAC Users' Guide* 1-1

1.2 Required, Core, and Noncore Elements of Guidance 1-1

1.3 How to Use the Guide 1-2

1.4 Content and Organization of the Guide 1-3

1.5 Where RAC Clauses Are Addressed in the Guide 1-5

1.6 Background of Long-Term Contracting Strategy and RACs 1-5

1.7 Streamlining and Contract Management Initiatives 1-6

1.8 Updates to the Guide 1-9

Exhibits

Exhibit 1-1 Chapter Summaries 1-3

Exhibit 1-2 Streamlining and Contract Management Initiatives 1-7

Acronyms

A/E	Architect/Engineer
ARCS	Alternative Remedial Contracting Strategy
CMT	Contract Management Team
CO	Contracting Officer
COI	Conflict of Interest
EPAAR	*EPA Aquisition Regulation*
FAR	*Federal Acquisition Regulation*
FDO	Fee Determination Official
LTCS	Long-Term Contracting Strategy
OSWER	Office of Solid Waste and Emergency Response
PEB	Performance Evaluation Board
PO	Project Officer
RAC	Response Action Contract
RACS	Response Action Contracting Strategy
SOW	Statement of Work
WA	Work Assignment
WAF	Work Assignment Form
WAM	Work Assignment Manager
WAP	Work Assignment Package
WBS	Work Breakdown Structure
WP	Work Plan

1.1 Purpose of the *RAC Users' Guide*

The purpose of the *Response Action Contract (RAC) Users' Guide* is to provide user-friendly, comprehensive guidance to all current and future RAC managers. The guide establishes sound contract management principles and procedures necessary for RAC managers to responsibly perform their contract management duties according to the terms and requirements of the contract, the *Federal Acquisition Regulation* (*FAR*), the *EPA Acquisition Regulation* (*EPAAR*), EPA orders, and Office of Solid Waste and Emergency Response (OSWER) directives. The guide provides guidance for the core RAC contract management team (CMT)—Regional Work Assignment Managers (WAMs), Project Officers (POs), and Contracting Officers (COs)—on administering and managing RACs, and defines individual responsibilities of the WAMs, POs, and COs. This approach allows all members of the CMT to understand the full spectrum of RAC processes and responsibilities. The goal of the guide is to promote national consistency in RAC management, while allowing flexibility for Region-specific procedures as needed.

1.2 Required, Core, and Noncore Elements of Guidance

The guide defines required, core, and noncore elements of guidance.

The Headquarters Users' Guide Coordination Work Group recommends that users' guides for all Long-Term Contracting Strategy (LTCS) contracts identify guidance in three categories: required, core, and noncore. This approach establishes parameters that provide Regional flexibility to promote efficient contract management, while supporting the need for Headquarters contract oversight and national program consistency in administration and management of the contracts. Required, core, and noncore elements of guidance are defined as follows.

1) **Required elements** are part of the contract or are required by directive or law (i.e., *FAR*, *EPAAR*). Required elements are not subject to revision. The management of these elements must be consistent throughout the Regions.

2) **Core elements** are significant elements of contract administration that are generally supported or outlined by Agency implementation guidance. Core elements include practices that the RAC Users' Guide Work Group agrees all Regions should abide by for programmatic consistency. Core elements are subject to change by a Region as long as the change is fully documented and agreed upon by Headquarters.

   Notification of Regional changes to core elements and the purpose for the change(s) should be forwarded to the designated LTCS Program lead. The LTCS Program lead disseminates this information to the Office of Acquisition Management, OSWER Acquisition Staff, RAC Users' Guide Work Group, and LTCS Users' Guide Work Group, as appropriate.

The LTCS Program lead follows up on any unresolved issues (if necessary) and coordinates replies to the Region, as well as tracking changes to the *RAC Users' Guide*. There is a 21 calendar-day timeframe for issuing a response to a Region's deviation request. Upon receiving the request, the LTCS program lead notifies the Region that the request has been received and is in process. This notification starts the clock on the 21 calendar-day period. The Region may implement the deviation beginning on the 22nd calendar-day unless the Region has been notified by Headquarters that its request was denied or additional time is needed to issue a response. Should the approval of a change be needed within a shorter time frame, expedited communication tools (e.g., phone, fax, E-mail) should be used. This approach provides RAC management with the necessary consistency and allows sharing of good ideas with other Regions. Regional procedures for approved deviations from core elements must be included in the guide in the designated sections of *Volume 2: Process Guide.*

3) **Noncore elements** are minor elements of contract administration that allow for variances in Regional procedures. Regions must document changes to noncore elements and are encouraged to provide this information to the Headquarters program lead. Region-specific procedures for noncore elements should be included in the guide in the designated sections of *Volume 2: Process Guide.*

Matrices of required, core, and noncore elements of guidance appear in *Volume 2: Process Guide.*

1.3 How to Use the Guide

The Reference Guide is informational and the Process Guide is procedural.

The *RAC Users' Guide* is presented in two volumes:

- *Volume 1: Reference Guide* contains background, descriptive, and policy information on the RAC program. The *Reference Guide* discusses the background and requirement for each process and lists roles and responsibilities of individuals involved in the process. The *Reference Guide* contains the following appendices:
  - *Appendix A—Glossary* defines key terms used in the guide.
  - *Appendix B—Contract Clause Matrix* identifies RAC clauses and indicates where in the guide they are referenced or discussed.
  - *Appendix C—Users' Guide Revisions* provides a holding area for the Regions to place notices of *Users' Guide* revisions received throughout the year.
  - *Appendix D—Directives* provides a place for the Regions to keep Agency directives that relate to *Users' Guide* topics.
  - *Appendix E—Fact Sheets* provides a place for the Regions to keep Fact Sheets that relate to *Users' Guide* topics.

- *Appendix F—Forms on Diskette* provides a diskette containing electronic versions of most RAC forms shown in the guide.
- *Appendix G—Model Statements of Work,* provided in a separate volume, contains model statements of work for specific phases of the remedial process for the Regions to use in developing RAC work assignments (WAs).

- *Volume 2: Process Guide* is the "how to" part of the guide that recommends procedures for the WAMs, POs, and COs to follow in managing RACs. For most activities, the *Process Guide* provides a process flow diagram and step-by-step procedures that identify WAM, PO, and CO roles. The *Process Guide* specifies required, core, and noncore elements of guidance.

  The *Process Guide* has one appendix, *Appendix A—Users' Guide Revisions*, which provides a holding area for the Regions to place notices of *Users' Guide* revisions received throughout the year.

The chapters in the Reference Guide correlate directly with those in the Process Guide.

The *Reference Guide* and *Process Guide* are organized identically so that the chapters for each match. In Chapters 4 and 5, the sections correlate as well. For example, for information on contract funding, the user should turn to sections 4.3 of the *Reference Guide* and 4.3 of the *Process Guide.*

Users should consult the *Reference Guide* for an overview of the requirement, including background information, references to contract and/or *FAR* clauses that cite the requirement, Agency policy, and initiatives that impact handling of the process(es) related to the requirement. Also included is information on the personnel involved in the process and the activities for which they are responsible. The *Reference Guide* is particularly useful for educating new RAC program staff.

1.4 Content and Organization of the Guide

The *RAC Users' Guide* is organized into thirteen chapters. For each chapter, the *Reference Guide* contains the background information on the requirement and a list of management responsibilities; the *Process Guide* contains the instructional guidance. A summary of each chapter is provided in **Exhibit 1-1.**

Exhbit 1-1. Chapter Summaries

Chapter 1 Introduction
This chapter discusses the purpose, content, and organization of the *RAC Users' Guide* and provides guidance on how to use it. The chapter also highlights streamlining initiatives and management improvements that have been incorporated in RAC management and administration procedures.

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Exhibit 1-1. Chapter Summaries, contd.

Chapter 2 Contract Structure, Sensitive Issues, Management Responsibilities, and Interactions

This chapter describes the basic elements of RAC structure and discusses several contract-sensitive issues, such as conflict of interest (COI) and indemnification, in terms of their impact on managing RAC performance. The chapter also describes the division of contract management responsibilities between the EPA Regional CMT and EPA Headquarters. Finally, potential interactions of RAC contractors with other EPA contractors, Federal agencies, and/or State and local governments are identified.

Chapter 3 Mobilization

This chapter describes the activities involved in contractor mobilization and EPA oversight of those activities.

Chapter 4 Contract Administration

This chapter discusses 11 aspects of contract administration, such as funding, exercising contract options, contract modifications, handling COI and Regional crossovers, and annual allocation of non-site-specific costs.

Chapter 5 Issuing and Managing Work Assignments

This chapter describes how to issue and manage WAs under RACs, beginning with developing the WA SOW, continuing through WA issuance and work plan (WP) review and approval, and ending with WA closeout. The chapter provides general guidance for preparing the independent government cost estimate, conducting WP negotiations, contractor oversight, issuing technical direction, and funding and amending WAs. There are related discussions on surety bonding, value engineering, and site demobilization.

Chapter 6 Administering the Performance (Award) Fee Plan

This chapter explains how the RAC Performance (Award) Fee Plan will be implemented, and provides guidance to performance monitors on how to administer the base and performance (award) fee provisions of the contract.

Chapter 7 Using RAC Reports

This chapter describes RAC reporting requirements and discusses how EPA uses the information in each report.

Chapter 8 Equipment

Due to last minute changes in EPA policy on government property, Chapter 8 will be issued at a later date.

Chapter 9 Analytical Services Acquisition and Management

This chapter describes the conditions and alternatives for acquiring analytical services under RACs, and provides guidance on how to manage analytical services contracted through RACs.

Chapter 10 Cost Management

This chapter describes the elements of cost management applied in managing RACs, including monitoring contractor costs, reviewing contractor invoices, conducting voucher validation reviews, reviewing contractor claims and change orders, and tracking cost recovery activities.

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Exhibit 1-1. Chapter Summaries, contd.

Chapter 11 Records Management

This chapter provides guidance on the proper organization, maintenance, and disposition of RAC records. It emphasizes the importance of the contractor and EPA establishing parallel contract and WA files.

Chapter 12 Contract Closeout

This chapter describes the requirements for contract closeout per the contract closeout work area in the RAC SOW. It details the steps in the contract closeout process, from EPA issuing the contract closeout WA, through property disposition, determination of final costs, and receipt of the final voucher and report.

Chapter 13 Revisions to the RAC Users' Guide

This chapter explains how and when the *RAC Users' Guide* is updated, describing Regional and Headquarters responsibilities in the revision process.

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1.5 Where RAC Clauses Are Addressed in the Guide

Appendix B—Contract Clause Matrix lists RAC clauses and identifies the section(s) or chapter(s) where the clauses are addressed in the *RAC Users' Guide*. Clause citations appear in the guide in the appropriate sections.

1.6 Background of Long-Term Contracting Strategy and RACs

In September 1990, EPA issued its final Superfund LTCS (OSWER Directive 9242.6-07FS), which defined the portfolio of Superfund contracts for the rest of the twentieth century. The LTCS is based on the following key principles:

- supporting an integrated "one program" approach to enforcement and response
- building in flexibility to respond to changing program priorities and budgets
- supporting project management from site discovery through remedy construction while avoiding program disruption
- decentralizing contracts management to the Regions where practical
- supporting rapid response to immediate risks
- enhancing participation by small businesses

RACs are the long-term cleanup contracting component of the LTCS. They provide professional architect/engineer (A/E) services to support the response planning and oversight component of the LTCS. RACs are procured through the Brooks Act process for A/E contracts. These Regional contracts replace the existing Alternative Remedial Contracting Strategy (ARCS) contracts.

RACs integrate remedial, enforcement oversight, and non-time-critical removal activities into a single, flexible contracting structure managed on a Regional basis.

In 1991, an Agency-wide Response Action Contracting Strategy (RACS) Work Group was formed to implement the response action contract component of the LTCS. The RACS Work Group was led by the Office of Emergency and Remedial Response's Hazardous Site Control Division, and composed of representatives from the Office of Acquisition Management, Regions, Contract Operations Review and Assessment Staff, Emergency Response Division, Office of Waste Programs Enforcement, and Superfund Revitalization Office. The Work Group prepared an implementation plan for procuring RACs which laid out the framework for the work to be accomplished in structuring and placing RACs. The Regions then independently prepared implementation plans for their RACs. The diversity of the Regional RAC implementation plans highlighted the need for a national acquisition model and users' guide to promote consistency in contract procurement and management.

During 1992 and 1993, the RACS Work Group developed and distributed to the Regions the *RAC Acquisition Model*, which provided background and direction for soliciting RACs. The *RAC Acquisition Model* and this *Users' Guide* are based on, and integrate the results of, three studies performed by the RACS Work Group:

- the Regional capacity study, which identified the amount and type of work that RACs will support
- the strategy study, which outlined options for structuring RACs, analyzed the options, and prepared recommendations for decision makers
- the roles and responsibilities study, which explored organizational structure and responsibilities for managing RACs

1.7 Streamlining and Contract Management Initiatives

The Agency is committed to continuous efforts to improve contract management and streamline processes across the board. These efforts are intended to enhance operating effectiveness, maximize limited resources, and incorporate control measures for vulnerable contracting areas. The *RAC Users' Guide* reflects several of these efforts, including: streamlining and contract management initiatives from the ARCS Task Force effort to improve contract management processes; streamlining recommendations from the "LTCS Review Final Report" issued in February, 1994; recommendations of the Superfund Accelerated Cleanup Model (30-Day Study); and various Agency directives concerning improvements to specific program elements and processes.

The streamlining and contract management initiatives undertaken in RACs are presented in **Exhibit 1-2** within the contract areas of assigning, managing, and evaluating work. Primary emphasis is given to streamlining the WA and performance (award) fee processes.

Exhibit 1-2. Streamlining and Contract Management Initiatives

Contracting Area	RAC Users' Guide Chapter or Section
WA Issuance	
• Bulk funding eliminates the need to process procurement requests with each WA and WA amendment (except for remedial actions and completion-form WAs which will still be funded site specifically).	Section 4.3 - Contract Funding
• Use of a national SOW with a detailed work breakdown structure (WBS) streamlines WA SOW development.	Section 5.4 - Developing the Work Assignment Statement Of Work
• Use of model SOWs for key work areas ensures consistency of WA WBSs across Regions.	Section 5.4 - Developing the Work Assignment Statement Of Work
• Identifying potentially responsible parties and requesting contractors to prepare COI certifications/disclosures prior to WA issuance identifies COI early and avoids expending resources on WP development.	Section 2.3.1 - Conflict of Interest Section 4.8 - Handling Conflict of Interest Issues Section 5.6 - Preparing the Work Assignment Package and Issuing the Work Assignment
WA Management	
• The RAC work assignment form (WAF) has been improved for easier usage. Additionally, a WA Streamlining Work Group is developing a standard WAF to use across all Regions and contract types.	Section 5.6 - Preparing the Work Assignment Package and Issuing the Work Assignment
• Enhanced reporting requirements at both the contract and WA levels provide better management tools to the WAM, PO, and CO.	Chapter 7 - Using RAC Reports
• Reporting requirements are standardized across Regions and contracts so that all contractors are reporting the same information in the same format.	Chapter 7 - Using RAC Reports
• The progress report is submitted concurrently with the invoice to allow adequate time for WAM and PO review of contractor activities and costs.	Chapter 7 - Using RAC Reports
• The progress report and invoice cover the same calendar period and define data elements identically. The Regions can compare invoice costs directly to financial progress report costs and performance to better manage both cost and performance.	Chapter 7 - Using RAC Reports
• The invoice backup report is submitted in the monthly progress report, so the Region has time to review this information before receiving the invoice.	Chapter 7 - Using RAC Reports
• Reporting and invoicing follow the contract WBS, so that activities and costs can be readily tracked.	Chapter 7 - Using RAC Reports
WA Evaluation and Fee Determination	
• Fee Determination Official (FDO) authority may be delegated to the Regions to facilitate the fee determination process.	Chapter 6 - Administering the Performance (Award) Fee Plan

51-033-156C

Exhibit 1-2. Streamlining and Contract Management Initiatives, contd.

Contracting Area	RAC Users' Guide Chapter or Section
WA Evaluation and Fee Determination (contd.)	
• There is a one-time performance (award) fee determination after the WA is completed.	Chapter 6 - Administering the Performance (Award) Fee Plan
• The contractor receives a provisional base fee for satisfactory work. If the Performance Evaluation Board's (PEB) final WA performance rating is "unsatisfactory," the contractor is required to return to the government all base fee received provisionally for that WA.	Chapter 6 - Administering the Performance (Award) Fee Plan
• Only performance rated by the PEB as "exceeds expectations" or "outstanding" qualifies for performance (award) fee.	Chapter 6 - Administering the Performance (Award) Fee Plan
• PEB evaluation of ongoing WAs is required only for completed WAs and those WAs that meet specified minimums during the evaluation period.	Chapter 6 - Administering the Performance (Award) Fee Plan
• The PEB report that goes to the FDO is limited to evaluations of completed WAs for which performance (award) fee is being determined.	Chapter 6 - Administering the Performance (Award) Fee Plan
• The marginally satisfactory rating has been abolished to streamline the evaluation process and ensure a clear distinction that the contractor has or has not met the government's minimum requirements.	Chapter 6 - Administering the Performance (Award) Fee Plan
• The Performance Evaluation Form combines two forms used under ARCS, the Performance Event Report and the Summary Evaluation Report.	Chapter 6 - Administering the Performance (Award) Fee Plan

51-033-156C

1.8 Updates to the Guide

The *RAC Users' Guide* is updated annually and as needed throughout the year. Annual revisions are provided as "revision pages" to be inserted into the guide to replace outdated pages. Supplemental revisions during the year may be in the form of memoranda, directives, or revision pages, depending on the type and scope of the change. An appendix is provided in each volume of the guide to keep supplemental revisions that occur during the year and to track insert pages. Procedures and responsibilities for *Users' Guide* revisions are described in Chapter 13.

Regions are encouraged to add pertinent fact sheets and directives to the guide, as issued throughout the course of the contract, to keep the guide current.

Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Contract Structure, Sensitive Issues, Management Responsibilities, and Interactions

CHAPTER 2

MAY 31, 1995

Table of Contents

2.1 Introduction 2-1

2.2 Structure of the Response Action Contract 2-1

2.2.1 Contract Type 2-1

2.2.2 Contract Period of Performance 2-2

2.2.3 RAC Statement of Work 2-2

2.2.4 Work Assignments 2-9

2.2.5 Program Support 2-10

2.2.6 Reports of Work 2-11

2.2.7 Performance (Award) Fee Plan 2-11

2.3 Contract-Sensitive Issues 2-12

2.3.1 Conflict of Interest 2-12

2.3.2 Indemnification 2-14

2.3.3 Pollution Liability Insurance 2-16

2.3.4 Inherently Governmental Functions 2-19

2.3.5 Sensitive Contracting Areas 2-19

2.3.6 Personal Services 2-21

2.3.7 Program Support 2-22

2.3.8 Patents 2-23

2.3.9 Environmental Justice 2-24

2.3.10 Small and Small Disadvantaged Business Utilization, Mentor-Protege Program, and Labor Surplus Areas 2-25

2.3.11 Health and Safety 2-30

2.4 Contract Management Responsibilities 2-32

2.4.1 Headquarters Roles and Responsibilities 2-33

2.4.2 Regional Roles and Responsibilities 2-35

2.5 Contractor Interactions with Other EPA Contractors, Federal Agencies, and State and Local Agencies 2-38

2.5.1 Contractor Interactions with Other Superfund Contractors 2-39

2.5.2 Contractor Interactions with Other Federal Agencies 2-40

2.5.3 Contractor Interactions with State and Local Agencies 2-40

2.6 Bibliography 2-41

Acronyms

CBI	Confidential Business Information
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CFR	*Code of Federal Regulations*
CLP	Contract Laboratory Program
CO	Contracting Officer
COI	Conflict of Interest
CPAF	Cost Plus Award Fee
DO	Delivery Order
EPAAR	*Environmental Protection Agency Acquisition Regulation*
FAR	*Federal Acquisition Regulation*
FS	Feasibility Study
HASP	Health and Safety Plan
HAZWOPER	Hazardous Waste Operations and Emergency Response
HSCD	Hazardous Site Control Division
IGCE	Independent Government Cost Estimate
IGF	Inherently Governmental Function
LOE	Level of Effort
LOFC	Limitation of Future Contracting
LSA	Labor Surplus Area
NEJAC	National Environmental Justice Advisory Council
NTCR	Non-Time-Critical Removal
OAM	Office of Acquisition Management
OAS	OSWER Acquisition Staff Office
OERR	Office of Emergency and Remedial Response
OFPP	Office of Federal Procurement Policy
OGC	Office of General Counsel
OMB	Office of Management and Budget

Exhibits

Exhibit 2-1 RAC SOW Work Breakdown Structure 2-4

Exhibit 2-2 RAC Conflict of Interest Clauses 2-13

Exhibit 2-3 Innovative Technologies 2-17

Exhibit 2-4 List of Inherently Governmental Functions 2-20

Exhibit 2-5 List of Sensitive Contracting Areas 2-21

Exhibit 2-6 Overview of Headquarters and Regional Roles in RACs 2-32

Exhibit 2-7 Headquarters' Roles and Responsibilities for Overseeing RACs 2-34

Exhibit 2-8 Regional Roles and Responsibilities in Administering and Managing Response Action Contracts 2-36

Table of Contents, contd.

Acronyms, contd.

OSDBU	Office of Small Disadvantaged Business Utilization
OSWER	Office of Solid Waste and Emergency Response
PEB	Performance Evaluation Board
PLI	Pollution Liability Insurance
PO	Project Officer
PPE	Personal Protective Equipment
PR	Procurement Request
PRP	Potentially Responsible Party
PS	Program Support
RA	Remedial Action
RAC	Response Action Contract
RD	Remedial Design
RI	Remedial Investigation
SARA	Superfund Amendments and Reauthorization Act
SBA	Small Business Administration
SDB	Small Disadvantaged Business
SDBU	Small Disadvantaged Business Utilization
SOP	Standard Operating Procedure
SOW	Statement of Work
S/RPOD	Superfund/Resource Conservation and Recovery Act Procurement Operations Division
SSC	Superfund State Contract
START	Superfund Technical, Assessment, and Response Teams
TD	Technical Direction
TDM	Technical Direction Memorandum
USACE	U.S. Army Corps of Engineers
WA	Work Assignment
WAF	Work Assignment Form
WAM	Work Assignment Manager
WAP	Work Assignment Package
WBS	Work Breakdown Structure
WP	Work Plan

2.1 Introduction

This chapter provides background information on the structure of Response Action Contracts (RACs), discusses several contract-sensitive issues in RACs, and provides an overview of the team approach to management roles and responsibilities in RACs. Additionally, interactions between RAC contractors and other entities, such as other Superfund contractors, Federal agencies other than EPA, and State and local governments, are discussed.

2.2 Structure of the Response Action Contract

This section describes the key features of the RAC structure, including the contract type, period of performance, statement of work (SOW), method of ordering work, breakdown of program support, reports of work, and performance (award) fee plan.

2.2.1 Contract Type

RAC is a cost-plus-award-fee contract.

RAC is a cost-reimbursement, incentive contract. Specifically, it is a cost-plus-award-fee (CPAF) contract. The *Federal Acquisition Regulation* (*FAR*) Part 16 describes cost-reimbursement, incentive, and CPAF contracts as follows.

Cost-reimbursement contracts provide for payment of allowable incurred costs, to the extent prescribed in the contract (*FAR* 16.301-1). A cost-reimbursement contract is appropriate when government surveillance during contract performance will provide reasonable assurance that efficient methods and effective cost controls are used (*FAR* 16.301-3). Cost-reimbursement contracts that contain incentives are appropriate when the required supplies or services can be acquired at lower costs, and in certain instances, with improved delivery or technical performance, by relating the amount of profit or fee payable under the contract to the contractor's performance (*FAR* 16.401).

A CPAF contract is a cost-reimbursement contract that provides for a fee consisting of (a) a base amount (which may be zero), fixed at the inception of the contract and (b) an award amount that the contractor may earn in whole or in part during contract performance, based upon a judgmental evaluation by the government. The award amount should be sufficient to provide contractor motivation to excel in such areas as quality, timeliness, technical ingenuity, and cost-effective management (*FAR* 16.305 and 16.404-2). See section 2.2.7 and Chapter 6 for information on the RAC Performance (Award) Fee Plan.

2.2.2 Contract Period of Performance

The RAC period of performance is five years with a five-year option period.

RACs provide a base period of five years from the date of award and one five-year option period that can be exercised at the discretion of the government. Information on how to exercise the option period is provided in section 4.4.

2.2.3 RAC Statement of Work

RACs provide professional architect/engineer, technical, and management services to EPA to support remedial response, enforcement oversight, and non-time-critical removal (NTCR) activities performed in the Region under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Superfund Amendments and Reauthorization Act (SARA).

The RAC SOW requires the contractor to perform the following activities:

- program support (management)
- pre-remedial activities
- remedial investigation (RI) and feasibility studies (FS)
- engineering services to design remedial action (RA)
- engineering evaluation and cost analysis for NTCR actions
- construction management for implementing RAs and NTCR actions, including issuing and managing subcontracts for construction of the selected remedy, and engineering services for construction oversight
- enforcement support, including oversight of RI/FS, remedial design (RD), RA, and negotiation support
- other technical assistance, including community relations, sampling and analysis support, and pre-design investigations

Services include technical and management support for EPA's coordination and oversight of remedial activities performed by a State, Native American or Tribal Governments, the U.S. Army Corps of Engineers (USACE), or responsible parties identified in enforcement actions.

The RAC scope of work does *not* include Federal facilities oversight. Listed below are examples of several types of services that shall *not* be performed under RACs.

- operation of the government records holding area
- operation of the mail room
- operation of the computer room
- operation of the help desk

- operation of the administration office
- data entry (except as an incidental service)
- software development (except as an incidental service)
- procurement of office space for government employees
- non-Superfund work
- services directed by State agencies

This contract provides for professional services of an architectural or engineering nature that are associated with research, development, design, construction, alteration, or repair of real property and are required by law to be performed by registered, licensed, or certified architects and engineers. This contract also provides for other incidental services that members of the architectural or engineering professions or those in the contractor's employ may logically or justifiably perform in conjunction with professional architect/engineer services.

RACs supplement and eventually will replace the Alternative Remedial Contracting Strategy contracts. Enforcement Support Services and Emergency and Rapid Response Services contracts will continue, but enforcement oversight and NTCR activities will be transferred to RACs.

Separate WAs must be issued for each SOW work area.

The RAC SOW is a national standardized SOW developed by the Response Action Contracting Strategy Work Group for use in all Regions. The SOW is presented in a work breakdown structure (WBS) format. The WBS is comprised of work areas, tasks, and subtasks. Work areas are established at the work assignment (WA) level. This means that separate WAs are issued for each SOW work area. Tasks and potential subtask activities for each work area are identified and described in the SOW. Subtasks are specified by the Region in individual WAs as they are issued.

The contractor must track and report activities and costs to the task or subtask level, as specified in the WA.

The contractor is required to use the SOW WBS, as supplemented through individual WAs, for project scoping, scheduling, and technical and cost tracking and reporting. The contractor must track and report activities and costs to the task level and, if specified in individual WAs, to the subtask level.

The SOW WBS is depicted in **Exhibit 2-1**. Work areas are organized into four categories:

- Program Support (PS)
- Site-Specific Fund-Lead
- Site-Specific Enforcement Support
- Other Site-Specific Technical Assistance

The SOW WBS specifies activity and work area codes for each work area and task category codes for tasks in a work area. The contractor is

Exhibit 2-1. RAC SOW Work Breakdown Structure, page 1 of 5

Program Support Work Areas

MOBILIZATION

Work Area Code: MO
Activity Code: 9

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Information Controls and Reporting (IC)
3. Standard Operating Procedures (SP)
4. Team Subcontracts (TB)
5. Pollution Liability Insurance (LI)
6. Work Assignment Closeout (CO)

EQUIPMENT (NON-SITE-SPECIFIC)

Work Area Code: EQ
Activity Code: A

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Mobilization (MO)
3. Equipment Acquisition (EA)
4. Equipment Maintenance (EM)
5. Tracking and Reporting (TR)
6. Work Assignment Closeout (CO)

ONGOING ADMINISTRATIVE SUPPORT

Work Area Code: OA
Activity Code: 9

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Contract Integrity (CI)
3. Information Control and Reporting (IC)
4. Administrative Support Services (AS)
5. Pollution Liability Insurance (LI)
6. Work Assignment Closeout (CO)

ONGOING TECHNICAL SUPPORT

Work Area Code: OT
Activity Code: A

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Technical Support Services (TS)
3. Work Assignment Closeout (CO)

CONTRACT CLOSEOUT

Work Area Code: CC
Activity Code: 9

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Records Management (RM)
3. File Maintenance and Disposition (FM)
4. Reconciliation of Contract Utilization and Costs (RU)
5. Final Allocation of Costs (FA)
6. Preparation of Final Reports (FN)
7. Work Assignment Closeout (CO)

Fund-Lead Site-Specific Work Areas

REMEDIAL INVESTIGATION/FEASIBILITY STUDY

Work Area Code: RI
Activity Code: L

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Pollution Liability Insurance (LI)
3. Community Relations (CR)
4. Field Investigation (FI)
5. Sample Analysis (SN)
6. Analytical Support and Data Validation (AN)
7. Data Evaluation (DE)
8. Assessment of Risks (RA)
9. Treatability Study/Pilot Testing (TT)
10. Remedial Investigation Report (RR)
11. Remedial Alternatives Screening (RS)
12. Remedial Alternatives Evaluation (RE)
13. FS Report and RI/FS Report (FS)
14. Post RI/FS Support (PR)
15. Negotiation Support (NG)
16. Administrative Record (AR)
17. Work Assignment Closeout (CO)

51-033-176

Exhibit 2-1. RAC SOW Work Breakdown Structure, page 2 of 5

Fund-Lead Site-Specific Work Areas, contd.

REMEDIAL DESIGN

Work Area Code: RD
Activity Code: N

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Pollution Liability insurance (LI)
3. Community Relations (CR)
4. Data Acquisition (DA)
5. Sample Analysis (SN)
6. Analytical Support and Data Validation (AN)
7. Data Evaluation (DE)
8. Treatability Study/Pilot Testing (TT)
9. Preliminary Design (PD)
10. Equipment/Services/Utilities (ES)
11. Intermediate Design (ID)
12. Pre-Final/Final Design (FD)
13. Post Remedial Design Support (DS)
14. Work Assignment Closeout (CO)

REMEDIAL ACTION

Work Area Code: RA
Activity Code: R

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Pollution Liability Insurance (LI)
3. Community Relations (CR)
4. Development and Update of Site-Specific Plans (DU)
5. Procurement of Subcontract (PB)
6. Management Support (MS)
7. Detailed Resident Inspection (Resident Engineer) (RI)
8. Cleanup Validation (CV)
9. Remedial Action Implementation (Subpool Activities) (AI)
10. Project Performance (PJ)
11. Project Completion and Closeout (PC)
12. Work Assignment Closeout (CO)

NON-TIME CRITICAL REMOVAL SUPPORT

Work Area Code: NS
Activity Code: 8

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Community Relations (CR)
3. Site Characterization (SC)
4. Sample Analysis Report (SN)
5. Analytical Support and Data Validation (AN)
6. Data Evaluation (DE)
7. Assessment of Risks (RA)
8. Identification and Screening of Removal Alternatives (IS)
9. Analysis of Removal Alternatives (AL)
10. Engineering Evaluation/Cost Analysis (EE/CA) (EE)
11. Post EE/CA Support (PE)
12. Administrative Record (AR)
13. Work Assignment Closeout (CO)

NON-TIME CRITICAL REMOVAL ACTION

Work Area Code: NA
Activity Code: E

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Pollution Liability Insurance (LI)
3. Community Relations (CR)
4. Development and Update of Site-Specific Plans (DU)
5. Non-Time-Critical Removal Design Support (ND)
6. Procurement of Subcontract (PB)
7. Management Support (MS)
8. Detailed Resident Inspection (Resident Engineer) (RI)
9. Non-Time-Critical Removal Validation (NV)
10. Non-Time-Critical Removal Action Implementation (Subpool Activities) (NI)
11. Project Performance (PJ)
12. Project Completion and Closeout (PC)
13. Work Assignment Closeout (CO)

Enforcement Support Site-Specific Work Areas

RI/FS OVERSIGHT

Work Area Code: RS
Activity Code: P

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Community Relations (CR)
3. Field Investigation (FI)
4. Sample Analysis (SN)
5. Analytical Support and Data Validation (AN)
6. Data Evaluation (DE)
7. Assessment of Risks (RA)
8. Treatability Study/Pilot Testing (TT)
9. Remedial Investigation Report (RR)
10. Remedial Alternatives Screening (RS)
11. Remedial Alternatives Evaluation (RE)
12. FS Report and RI/FS Report (FS)
13. Post RI/FS Support (PR)
14. Administrative Record (AR)
15. Work Assignment Closeout (CO)

51-033-176(2)

Exhibit 2-1. RAC SOW Work Breakdown Structure, page 3 of 5

Enforcement Support Site-Specific Work Areas, contd.

NEGOTIATION SUPPORT

Work Area Code: NG
Activity Code: 4

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Negotiation Support (NG)
3. Document Review (DR)
4. Post-ROD Cost Analysis (RC)
5. Work Assignment Closeout (CO)

RD/RA OVERSIGHT

Work Area Code: R0
Activity Code: P

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Community Relations (CR)
3. Data Acquisition (DA)
4. Sample Analysis (SN)
5. Analytical Support and Data Validation (AN)
6. Data Evaluation (DE)
7. Review of PRP RD/RA Submittals (RP)
8. Remedial Action Oversight (RO)
9. Technical Meeting Support (TM)
10. Work Assignment Closeout (CO)

REMOVAL OVERSIGHT

Work Area Code: V0
Activity Code: P

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Community Relations (CR)
3. Field Investigation (FI)
4. Sample Analysis (SN)
5. Analytical Support and Data Validation (AN)
6. Data Evaluation (DE)
7. Review of PRP Removal Submittals (RQ)
8. Removal Oversight (VO)
9. Technical Meeting Support (TM)
10. Administrative Record (AR)
11. Work Assignment Closeout (CO)

LITIGATION SUPPORT

Work Area Code: LS
Activity Code: 4

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Document Collection (DC)
3. Expert Witness Support (EW)
4. Technical Assistance (TA)
5. Work Assignment Closeout (CO)

Other Technical Assistance Site-Specific Work Areas

COMMUNITY RELATIONS

Work Area Code: CR
Activity Code: 4 (enforcement), 8 (removal), or 9 (remedial)

1. Project Planning and Support (PP)
2. Community Relations Plan (CP)
3. Public Meeting/Public Hearing Support (PM)
4. Fact Sheet Preparation (FP)
5. Proposed Plan Support (PL)
6. Public Notices (PN)
7. Information Repositories (IR)
8. Site Mailing List (ML)
9. Responsiveness Summary Support (SO)
10. Work Assignment Closeout (CO)

SAMPLING AND ANALYTICAL SUPPORT

Work Area Code: AN
Activity Code: 4 (enforcement), 8 (removal), 9 (remedial), or U (lab analysis)

1. Project Planning and Support (PP)
2. Environmental Sampling (EN)
3. Sample Analysis (SN)
4. Analytical Support (AO)
5. Data Validation (DV)
6. Data Evaluation (DE)
7. Characterization and Disposal of Field-Generated Waste (CD)
8. Work Assignment Closeout (CO)

51-033-176(3)

Exhibit 2-1. RAC SOW Work Breakdown Structure, page 4 of 5

Other Technical Assistance Site-Specific Work Areas, contd.

PRE-DESIGN INVESTIGATION

Work Area Code: PI
Activity Code: 9 (remedial)

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Treatability Study/Pilot Testing (TT)
3. Field Investigation (FI)
4. Sample Analysis (SN)
5. Analytical Support and Data Validation (AN)
6. Data Evaluation (DE)
7. Pre-design Engineering Report (ER)
8. Work Assignment Closeout (CO)

TREATABILITY STUDY/PILOT TESTING

Work Area Code: PT
Activity Code: 9 (remedial)

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Treatability Study/Pilot Testing (TT)
3. Sample Analysis (SN)
4. Analytical Support and Data Validation (SN)
5. Data Analysis and Interpretation (DI)
6. Treatability Study/Pilot Test Report (TP)
7. Work Assignment Closeout (CO)

ASSESSMENT OF RISK

Work Area Code: RK
Activity Code: 4 (enforcement) or 9 (remedial)

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Identification of Existing Information (II)
3. Data Acquisition (DA)
4. Sample Analysis (AN)
5. Analytical Support and Data Validation (AN)
6. Data Evaluation (DE)
7. Assessment of Risk (RA)
8. Work Assignment Closeout (CO)

PRELIMINARY ASSESSMENT FOR SITE ASSESSMENT

Work Area Code: PA
Activity Code: 9 (remedial)

Tasks and Task Category Codes

1. Project Planning and Support (non-site-specific) (PQ)
2. Work Assignment Closeout (CO)
3-n. Site-Specific Activities (SS)

SITE INSPECTION FOR SITE ASSESSMENT

Work Area Code: SI
Activity Code: 9 (remedial)

Tasks and Task Category Codes

1. Project Planning and Support (non-site specific) (PQ)
2. Work Assignment Closeout (CO)
3-n. Site-Specific Activities (SS)

HRS PACKAGE PREPARATION FOR SITE ASSESSMENT

Work Area Code: HR
Activity Code: 9 (remedial)

Tasks and Task Category Codes

1. Project Planning and Support (non-site-specific) (PQ)
2. Work Assignment Closeout (CO)
3-n. Site-Specific Activities (SS)

SITE SECURITY AND MAINTENANCE

Work Area Code: SS
Activity Code: 8 (removal) or 9 (remedial)

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Site Maintenance (SM)
3. Site Security/Guard Services (GS)
4. Work Assignment Closeout (CO)

51-033-176(4)

Exhibit 2-1. RAC SOW Work Breakdown Structure, page 5 of 5

Other Technical Assistance Site-Specific Work Areas, contd.

DESIGN ASSISTANCE

Work Area Code: DA
Activity Code: 9 (remedial)

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Technical Assistance (TA)
3. Work Assignment Closeout (CO)

FIVE-YEAR REVIEW

Work Area Code: FR
Activity Code: 9 (remedial)

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Document Review (DR)
3. Standards (ARAR) Review (SR)
4. Site Visit/Interviews (SV)
5. Site Inspection/Technology Review (SI)
6. Five-Year Review Report (FR)
7. Work Assignment Closeout (CO)

RECORDS MANAGEMENT AND ADMINISTRATIVE SUPPORT

Work Area Code: RM
Activity Code: 4 (enforcement), 8 (removal), or 9 (remedial)

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Site File Organization (SO)
3. Administrative Record (AR)
4. Administrative Support (AS)
5. Work Assignment Closeout (CO)

REAL PROPERTY ACQUISITION SUPPORT

Work Area Code: RP
Activity Code: 4 (enforcement), 8 (removal), or 9 (remedial)

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Property Acquisition (PA)
3. Work Assignment Closeout (CO)

TECHNICAL ASSISTANCE

Work Area Code: TA
Activity Code: 4 (enforcement), 8 (removal), or 9 (remedial)

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Expert Technical Assistance (ET)
3. Work Assignment Closeout (CO)

INTEGRATED SITE ASSESSMENT/ INVESTIGATION

Work Area Code: SA
Activity Code: 8 (removal) or 9 (remedial)

Tasks and Task Category Codes

1. Project Planning and Support (PP)
2. Initial Site Discovery/Screening Support (SD)
3. Integrated Sampling/Investigation Report (SA)
4. Work Assignment Closeout (CO)

51-033-176(5)

required to use WBS codes to identify work areas and tasks in project scoping, scheduling, and technical and cost tracking and reporting. To facilitate this process, the Region specifies WBS codes in WAs, related forms, and correspondence. Use of WBS codes enables the Agency to readily identify costs associated with specific work areas (e.g., RI/FS, RD, RA) and task categories (e.g., community relations, analytical support, and data validation), across contracts and across Regions.

2.2.4 Work Assignments

Work is ordered by the Contracting Officer (CO) through issuance of written WAs. WAs include a numerical designation, estimate of required labor hours, SOW, period of performance, schedule of deliverables, and identification of the Work Assignment Manager (WAM). The WA SOW must cite the applicable work area and tasks in the contract SOW, using the WBS work area and activity codes so that the contractor can meet the requirement to track activities and costs according to the WBS. WAs are written at the SOW work area level and separate WAs are issued for separate work areas (e.g., RI/FS, RD, and RA). WAs identify specific SOW tasks applicable to the work area and may specify subtasks.

WAs are written at the SOW work area level and separate WAs are issued for separate work areas.

WAs can be issued as term-form (level of effort [LOE]) or completion-form. The EPA Regional WAM, Project Officer (PO), and CO mutually determine which WAs will be issued as completion-form and which WAs will be issued as term-form, based on an analysis of the government's requirements. If the government's requirements are met by buying a contractor's time and effort, a term-form WA is used. If the government's requirements are met by buying a specific end product, a completion-form WA is used.

The *term-form WA* obligates the contractor to devote a specified LOE for a stated time period. The contractor must provide the specified number of hours performing SOW tasks on a "best effort" basis during an agreed-upon time period. The contractor is not obligated to deliver an end product, only to deliver quality labor hours toward a defined objective.

The term-form (LOE) WA obligates the contractor to devote a specified level of effort for a stated time period toward achieving a defined objective.

For a WA SOW that describes the government's requirements in terms of services to be performed, a term-form (LOE) WA is issued with a specified number of labor hours. The contractor submits a work plan (WP) that describes the technical approach to the work, a detailed cost estimate, and a delivery schedule. EPA reviews the contractor's WP and negotiates an estimated WA cost and fee pool with the contractor. The fee pool is calculated based on the number of direct labor hours expended. The amount of fee paid is based on a subjective government evaluation of contractor performance. If the contractor cannot perform the work within the estimated LOE, the government may choose to add hours to the WA and additional fee would be associated with those hours.

The completion-form WA obligates the contractor to deliver a specified end product and provides incentive for the contractor to complete the WA within the estimated cost.

The *completion-form WA* specifies an end product. The contractor is required to complete and deliver a specified end product (such as a technical report) within the estimated cost of the WA as a condition for fee payment. If the contractor cannot complete the product within the stated estimated cost, the government may elect to provide the contractor with additional funds to complete the work but the fee remains as originally negotiated and does not change unless the government modifies the WA. This approach gives the contractor an incentive to complete the WA within the estimated cost.

Completion-form WAs are negotiated and established using the same process as term-form WAs. As with term-form WAs, if the contractor cannot complete the WA within the estimated cost, the government may provide additional funds for completion; unlike term-form WAs, additional fee usually is not provided. For either type of WA, if the WA scope of work changes during the period of performance, the contractor can claim a "change," which the government may or may not negotiate to include a change in the fee. Guidance on developing and managing term- and completion-form WAs is provided in Chapter 5.

RACs contain a base quantity for the term-form (LOE) segment and a dollar ceiling for the completion-form segment.

RACs contain a *base quantity* for the term-form (LOE) segment of the contract and a *dollar ceiling* for the completion-form segment of the contract. The Regions determine the distribution of work between the two segments for their contracts. When the base quantity and/or dollar ceiling is exhausted, the Region can modify the contract to increase contract quantities or dollars through exercising contract options. Term-form contract increases raise the number of hours in the contract. Completion-form increases raise the completion-form dollar ceiling. Guidance on exercising contract options is provided in section 4.4.

2.2.5 Program Support

PS activities are non-site-specific activities required to operate and manage RACs. Costs expended under PS WAs that are allocable to multiple sites are reallocated to specific sites during the annual site-allocation process (see section 4.12). The PS component of RACs is divided into five work areas:

- Mobilization
- Equipment (Non-Site-Specific)
- Ongoing Administrative Support
- Ongoing Technical Support
- Contract Closeout

Each of these work areas and associated task breakdowns are defined in the RAC SOW. The Regions issue separate WAs for these PS work areas.

Mobilization and contract closeout are one-time activities; the other PS activities occur throughout the contract. The Mobilization WA and the initial WA for Non-Site-Specific Equipment are negotiated during contract negotiations and issued upon contract award. Ongoing PS WAs are negotiated during mobilization. The contract closeout WA is issued after all site-specific WAs are complete and sufficiently in advance of the end of the contract period to allow for completion of closeout activities.

Last-minute changes in EPA policy may affect RAC equipment procedures.

The RACs approach to PS provides the Regions with the flexibility to monitor and control the contractors' PS costs and supports EPA's goals to break out and minimize program management costs. Chapter 3 provides guidance on establishing PS WAs during contract mobilization.

2.2.6 Reports of Work

RACs contain standardized reporting and invoicing requirements that allow data to be compared across contracts and enhance EPA's oversight capabilities. The contractor is required to (1) report and invoice on the same calendar period, (2) calculate data elements used in reports and invoices using the same methods, and (3) submit progress reports within five days prior to invoice submittal. These requirements ensure that the government has adequate information for timely review and approval of invoices.

RAC reports are specified in contract Attachment B, "Reports of Work." RAC reports fall into six categories:

- progress reports for monitoring work progress
- national reports for updating EPA Headquarters on contract status
- WA work plans
- project reports required in WAs
- cost recovery documentation
- non-Contract Laboratory Program (CLP) analytical services tracking

Chapter 7 provides guidance on using RAC Reports of Work.

2.2.7 Performance (Award) Fee Plan

The Performance (Award) Fee Plan for RACs establishes the procedures and processes for administering the fee provisions of the contract. The RAC is a CPAF contract with base and performance (award) fee provisions. Base fee is paid provisionally during the life of a WA. If final WA performance is rated as "satisfactory" or better, the contractor retains all of the base fee associated with that WA. If final WA performance is rated as "unsatisfactory," the contractor must return to the government in the

The contractor receives fee commensurate with performance. Performance fee is awarded only for above-satisfactory performance.

form of a credit the entire base fee associated with the WA. Performance (award) fee is paid only for completed WAs for which the government evaluates contractor performance as "exceeds expectations" or "outstanding."

The Performance Evaluation Board (PEB) semiannually evaluates contractor performance on WAs completed during the evaluation period and active WAs that met contract-specified activity levels during the evaluation period. Government evaluations are unilateral and not subject to contractor dispute under the contract's DISPUTES clause (see section 4.6). The criteria and rating scale that the Regions use in evaluating contractor performance are defined in Chapter 6.

The RAC Performance (Award) Fee Plan motivates contractors to exceed Regional expectations by providing performance (award) fee for better-than-satisfactory performance and discourages less-than-satisfactory performance through a total loss of fee.

2.3 Contract-Sensitive Issues

This section describes background information and policy rationales for contract-sensitive issues in RACs. These issues, critical to the integrity of RAC management, must be considered throughout contract administration.

2.3.1 Conflict of Interest

EPA vigilance in avoiding or mitigating potential conflict of interest (COI) situations under RACs is to the administration of Superfund remedial contracts. The *FAR Subpart 9.5, Environmental Protection Agency Acquisition Regulation (EPAAR)*, and the final rule regarding COI (*Acquisition Regulation Concerning Conflicts of Interest Final Rule*, Federal Register, 48 *Code of Federal Regulations* 18600, April 19, 1994) contain COI requirements for contracts awarded by EPA. Whereas *FAR* and *EPAAR* requirements pertain primarily to eligibility and precontract award COI issues, the final rule and several of the RAC COI clauses focus on COI during contract administration. COI issues are addressed by six RAC clauses, listed in **Exhibit 2-2.**

According to *FAR* 9.5, organizational COI occurs when, "because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage." Personal COI is defined in *EPAAR* 1552.209-73 as "a relationship of an employee, subcontractor employee, or consultant with an entity that may

Exhibit 2-2. RAC Conflict of Interest Clauses

- The WORK ASSIGNMENT COI CERTIFICATION clause in Section B requires the contractor to provide a COI certification disclosing any actual or potential COI related to the WA within 20 days of receiving a WA.
- The ORGANIZATIONAL COI clause in Section H requires that the contractor immediately disclose to the CO all actual or potential organizational COI identified during contract performance.
- The NOTIFICATION OF COI REGARDING PERSONNEL clause in Section H requires the contractor to disclose any personal COI of its employees working on or having access to information on this contract.
- The PROJECT EMPLOYEE CONFIDENTIALITY AGREEMENT clause in Section H requires the contractor to obtain confidentiality agreements from employees working under this contract.
- The UPDATE OF COI PLAN clause in Section H requires the contractor to provide EPA annual updates of any changes to its COI plans.
- The LIMITATION OF FUTURE CONTRACTING clause in Section H identifies work that poses a high risk of COI and requires contractors to request approval from EPA prior to entering into a contract with or representing any party other than EPA with respect to such work. The clause covers the life of the WA and a period of five years after WA completion.

51-033-177

impair the objectivity of the employee, subcontractor employee, or consultant in performing the contract work."

COI situations may occur under RACs because:

- the RAC contractor may have worked for a potentially responsible party (PRP) identified at a Superfund site and the contractor/PRP relationship may affect the objectivity of work to be performed by the contractor at that site
- it can be difficult to identify work at the pre-award stage that poses a COI issue because of shifting clean-up priorities, multiple sites, and ongoing identification of PRPs
- the limited number of RAC contractors in each Region increases the likelihood of a COI situation

EPA must monitor potential and actual COI situations to ensure integrity of clean-up decisions and cost recovery.

As a result of EPA's cleanup and enforcement responsibilities and the strong possibility that its contractors may have worked for the PRPs liable for cleanup costs, EPA must monitor carefully potential or actual COI situations to ensure that the integrity of clean-up decisions is not jeopardized and cost recovery is not prejudiced.

The RAC contractor must certify, within 20 days of WA issuance, that no actual or potential organizational COI exists.

During the life of a RAC, EPA and its contractors must identify and avoid COIs. Before a Region assigns work under a RAC, the Region should request that the RAC contractor perform a preliminary COI screen under the Ongoing Administrative Support PS WA. Once a WA is issued, the RAC contractor must certify, within 20 days of WA issuance, that no actual or potential organizational COI exists that conflicts with the WA. The COI certification includes a statement that the contractor acknowledges its *continuing obligation* to identify and report any conflicts arising

during WA performance. The RAC requires that the contractor make a full COI disclosure if an actual or potential organizational COI is identified during WA performance. The contractor also must disclose any personal COI for its employees working on or having access to the information on the contract and must have its employees sign confidentiality agreements. If a COI exists that cannot be avoided, neutralized, or mitigated, the CO decides how to address COI (see section 4.8 for guidance on addressing COI).

The contractor has a continuing obligation to disclose COI throughout contract performance.

In addition to identifying and handling COI issues during contract performance, EPA monitors postcontract contractor activities that could create a COI under the limitation of future contracting (LOFC) clause (section H of RAC). The LOFC clause protects the government's interests because it requires contractors to request approval from EPA before entering into a contract with a third party to perform work that poses a high risk of COI any time during WA performance and for five years after WA completion.

Limitation of future contracting helps protect the integrity of Superfund enforcement actions.

COI most often arises in the context of adversarial enforcement proceedings, which usually do not occur simultaneously with contract performance. Conflicts and information leaks jeopardize cases at the litigation stage and weaken the government's ability to obtain PRP commitment to clean up sites and to recover costs from PRPs. Before the LOFC clause, a contractor that worked for EPA could later work for a PRP on the same site and thereby jeopardize Superfund enforcement actions. EPA now can prevent the contractor from doing so. A contractor's COI can impede Superfund litigation (either cost-recovery litigation under section 107 of CERCLA, or litigation for injunctive relief under section 106) in several ways:

- by creating a conduit that may allow confidential government information, including potential litigation and negotiation strategies, to be leaked to the parties with opposing interests in the litigation
- by damaging the credibility of EPA witnesses and/or the work they perform on behalf of EPA
- by causing the work performed by that contractor to be redone, raising potential issues in cost-recovery litigation as to whether the cost of the extra work is recoverable

2.3.2 Indemnification

Indemnification occurs when one party covers or insures a second party against losses suffered by the second party. CERCLA 119(c) provides the government with discretionary authority to indemnify response action contractors for damages from a release of hazardous substances when the contractors are *negligent.*

However, in accordance with EPA's *Final Indemnification Guidelines,* released February 23, 1993, EPA does not routinely provide 119(c) indemnification for RAC contractor *negligence* in performing response action activities resulting in a release of hazardous substances. The majority of new RACs will be awarded without a clause allowing 119(c) indemnification. If the lack of indemnification creates insufficient competition, EPA can provide limited 119(c) indemnification. Before that indemnification is offered, the contractor first must make a "diligent effort" to locate pollution liability insurance (PLI). EPA approves or disapproves a PLI purchase based on an evaluation of its reasonableness, including cost. Only after the availability of PLI and its reasonableness has been evaluated will the government consent to 119(c) indemnification. See section 2.3.3 for a description of how to evaluate PLI.

EPA does not routinely provide 119(c) indemnification for RAC contractor negligence in the performance of response action activities.

For RACs without section 119(c) indemnification, the contractor may carry PLI . Also, the CO may ask a contractor to seek PLI at any time. The CO examines insurance policies negotiated at the time of contract award to determine that they are fair and reasonable. During contract performance, when a contractor submits additional insurance quotations to cover a subcontractor that cannot be added to the prime contractor's policy, or wants to purchase additional insurance for a particularly risky task, the CO consents to the purchase of such policies if they are fair and reasonable (consulting with EPA staff knowledgeable on insurance issues if necessary). PLI is a reimbursable expense.

EPA's *Final Indemnification Guidelines*, 58 *Federal Register* 5972 February 23, 1993, outline EPA's indemnification policy.

Subcontractor Indemnification

Three groups of subcontractors are discussed in the *Final Indemnification Guidelines.*

- *Team subcontractors* are "permanent" members of the contracting team that often perform services identical to the prime contractor.
- *Specialty subcontractors* are well drillers and other subcontractors that are brought under contract when a specific task is identified.
- *RA subcontractors* are construction firms that implement the RD and actually treat or contain the hazardous waste at the site.

RAC subpool subcontractors fall under the specialty subcontractor and RA subcontractor categories as defined in the *Final Indemnification Guidelines.*

Subcontractors obtain Federal indemnification only if a prime contractor includes indemnification language in the subcontract (flow-down indemnification). If the RAC does not contain an indemnification clause, no

mechanism exists for the prime to flow down Federal indemnification to a subcontractor. Some contractors may add the purchase of PLI as a requirement in their subcontract language.

Indemnification of Contractors Using Innovative Technologies

Contractors who use innovative technologies may be prime contractors, specialty subcontractors, or RA subcontractors. EPA may provide 119(c) indemnification to contractors using innovative technologies if the contractor makes a diligent but unsuccessful effort to locate PLI. Such indemnification does not affect the amount of indemnification available to RAC prime contractors under other provisions of the *Final Indemnification Guidelines.*

Exhibit 2-3 lists technologies EPA considers to be innovative. Response action contractors offering such services may merit special indemnification limits and deductibles. EPA recognizes that certain applications within broad technology categories may be innovative, even though the category generally is not innovative. Those technologies will be treated as innovative for purposes of the *Final Indemnification Guidelines.*

Indemnification Claims

If 119(c) indemnification is provided, both the indemnification clause and claim submittal requirements appear in Section H of the contract. In general, claims submitted by a contractor are forwarded to the assistant administrator for the Office of General Counsel (OGC) for review and approval of coverage. OGC examines the nature of the claim and determines if the government will indemnify the loss, whether insurance policies offset the coverage, and the appropriate invoicing of costs connected with the claim.

2.3.3 Pollution Liability Insurance

The RAC contractor may have corporate-wide PLI or may purchase PLI for the RAC or a specific RAC project.

Under RACs, the government does not routinely offer 119(c) indemnification for liability from contractor negligence in pollution release. Contractors purchase commercial PLI to provide liability coverage. Depending on its needs, a RAC contractor may purchase one or a combination of the following:

- a corporate-wide PLI policy covering all its work, in which case PLI would be an indirect cost for the RAC. These PLI costs are negotiated and approved as part of the contract award process.
- PLI covering all work performed under the RAC, in which case PLI would be a direct charge under the Ongoing Administrative Support PS WA. These PLI costs are negotiated during mobilization.
- PLI for a specific job, in which case the cost is a direct, WA-specific cost negotiated at the beginning of the WA.

Exhibit 2-3. Innovative Technologies

Innovative Technologies Defined in EPA's *Final Indemnification Guidelines* (February 23, 1993)

- **Thermal Destruction**
  Pyrolysis
  In situ vitrification (organics)
  Land *ex situ*
- **Thermal Extraction**
  Thermal desorption
  In situ thermal treatment (e.g., steam and hot-air stripping, radio-frequency heating)
  Slagging
- **Bioremediation**
  Solid-phase bioremediation
  Slurry-phase bioremediation
  Soil heaping
  Composting
  In situ bioremediation of soil including bioventing
  In situ slurry-phase bioremediation
- **Chemical Treatment**
  Chemical dehalogenation
  Chemical oxidation
  Chemical reduction
- **Chemical Extraction**
  Solvent extraction
  Acid extraction
- **Soil Washing**
  In situ soil flushing
- **Soil Vapor Extraction**
- ***In situ* Ground Water and Non-Aqueous Phase Liquid Technologies to Treat or Enhance the Recovery of Contaminants**
- **Immobilization**
  In situ and *ex situ* vitrification (inorganics)
  Slagging

Non-innovative technologies include *ex situ* aqueous treatment, incineration, solidification/stabilization and pH neutralization. Certain technologies within this group, however, may be innovative.

51-033-178

For PLI obtained after RAC award, the contractor must submit to the CO a request for approval of PLI. The contractor submits the following information to the CO for review:

- letters from three PLI vendors indicating results of the search for pollution insurance, or
- any written quotations for PLI

Quotations should include the following information:

- name of insurer
- type of policy

- policy period
- premium
- projected annual receipts that form the basis of the policy quotation
- retroactive date
- limits
- deductibles
- major exclusions
- services covered
- expiration date of contract

The CO reviews all PLI policies, including renewals and adjustments, for reasonableness before approval. If the contractor makes adjustments without approval, any additional costs become the responsibility of the contractor. The CO determines the reasonableness and responsiveness of any insurance policy quotation in light of site-specific and contract-specific factors. As the *Final Indemnification Guidelines* state, the CO will "consider what a prudent business person in the private sector would purchase" after weighing the following criteria and other relevant factors:

- insurance rate applied to each $100 of receipts
- deductible or self-retention rate associated with the policy
- projected work load and nature of the risk associated with the work to be covered by the policy
- amount and type of pollution liability coverage and limit provided by the policy
- exclusions and limitations of the policy
- effective date of the policy
- period of coverage
- amount of coverage, if any, extended to subcontractors
- receipts used in determining the insurance rate
- other-risk sharing mechanisms available

The same procedure is followed for WA-specific PLI, except that the subcontractor rather than the prime contractor may obtain PLI. The CO approves these PLI costs as part of the subcontract consent process (section 4.7).

2.3.4 Inherently Governmental Functions

Inherently governmental functions are functions so intimately related to the public interest that they must be performed by government employees.

Inherently governmental functions (IGFs) are functions so intimately related to the public interest that they mandate performance by government employees only (Office of Management and Budget [OMB] Circular A-76). Thus, IGFs are prohibited contractor activities. IGFs include activities that require either exercising discretion in applying government authority or making value judgments when making decisions for the government (OMB Office of Federal Procurement Policy [OFPP], Policy Letter 92-1). Additional guidance on IGFs can be found in EPA Order 1900.2, *Contracting at EPA*. In cases of conflict between Policy Letter 92-1 and EPA Order 1900.2, EPA adopts the more restrictive interpretation.

Before issuing a request for proposal, the Headquarters placement CO determined that the RAC SOW does not involve IGFs. For postaward tasking documents (WAs and technical direction memoranda [TDM]), the administrative CO in the Region decides whether a proposed requirement is an IGF. The CO also reviews each WA SOW to ensure that no IGFs are included. The CO's signature on the contract, contract modification, WA, delivery order (DO), or TDM constitutes the CO's written determination that the work requirements do not include work constituting an IGF. The CO makes the final decision regarding whether a proposed requirement is an IGF, requesting clarification from the WAM and PO as necessary. Throughout performance, the WAM, PO, and CO oversee WA administration to ensure that the work being contracted does not include the performance of IGFs. If the WAM or PO becomes aware that the RAC contractor is performing an IGF, he or she notifies the CO immediately.

A key factor in determining an IGF is the degree to which Agency discretion is limited.

Exhibit 2-4 provides a list of IGFs, compiled from OFPP Policy Letter 92-1, EPA Order 1900.2, and the *Contracts Management Manual*. Determining whether a function is an IGF involves overall consideration of the circumstances and several specific factors, with no single factor being determinative (OFPP Policy Letter 92-1). One key factor in determining an IGF is the degree to which Agency discretion is, or would be, limited. If the contractor's involvement is so integral and extensive that EPA's ability to develop and consider options other than those provided by the contractor is restricted, then the contractor may be performing an IGF. COs should use Policy Letter 92-1 guidelines to determine if proposed contractor functions that are not listed in Exhibit 2-4 are IGFs.

2.3.5 Sensitive Contracting Areas

The OMB, OFPP, and EPA have defined certain activities which, when performed by EPA contractors, place EPA in a vulnerable or sensitive position if adequate management controls are not implemented. These sensitive contracting areas do not require justification and approval but must be discussed and monitored by the CO. For RACs, the Headquarters

Exhibit 2-4. List of Inherently Governmental Functions

1) Preparation of Congressional testimony.
2) Interviewing or hiring individuals for employment at EPA.
3) Developing and/or writing position descriptions and performance standards.
4) Determination of Agency policy.
5) Participating as a voting member on a PEB; participating in and/or attending award fee meetings.
6) Preparing award fee letters, even under typing services contracts.
7) Preparing award fee plans.
8) The preparation of documents on EPA letterhead other than routine administrative correspondence.
9) Reviewing vouchers and invoices for the purposes of determining whether costs, hours, and work performed are reasonable.
10) Preparing SOWs, WAs, technical direction (TD) documents, DOs, or any other work issuance document under a contract that the contractor is performing or may perform.
11) Preparing responses to audit reports from the Inspector General, General Accounting Office, or other auditing entities on behalf of EPA.
12) Preparing responses to Congressional correspondence on behalf of EPA.
13) Preparing responses to Freedom of Information Act requests, other than routine, nonjudgmental correspondence; EPA must sign correspondence in all cases.
14) Any contract which authorizes a contractor to represent itself as EPA to outside parties.
15) Conducting administrative hearings.
16) Reviewing findings concerning the eligibility of EPA employees for security clearances.
17) Preparing an office's official budget request.
18) Direct conduct of criminal investigations.
19) Determining what government property is to be disposed of and on what terms.
20) Contractors participating as technical advisors to a source selection board or participating as voting or nonvoting members of a source evaluation board.

51-033-179

placement CO verified that adequate management controls were planned at the contract level. Before approving individual WAs, Regional administrative COs verify that the WA requires adequate management controls for any activities involving sensitive contracting areas (see section 4.10 for guidance on implementing control measures for sensitive contracting areas). **Exhibit 2-5** lists sensitive contracting areas as defined in OFPP Policy Letter 92-1 EPA Order 1900.2, and the *Contracts Management Manual*. The four sensitive contracting areas most likely to be encountered under RACs are:

- support services such as analyses, feasibility studies, etc., to be used by EPA personnel in developing policy
- any support involving EPA policy or regulatory interpretation, such as staffing hotlines, attending conferences, community relations efforts, conducting EPA training courses, etc.
- contractors working in any situation that permits or might permit them to gain access to confidential business information (CBI) or any other sensitive information

Exhibit 2-5. List of Sensitive Contracting Areas

1) Support services such as analyses, feasibility studies, etc., to be used by EPA personnel in developing policy.
2) Any support involving EPA policy or regulatory interpretation, such as staffing hotlines, attending conferences, community relations efforts, conducting EPA training courses, etc.
3) Contractors working in any situation that permits or might permit them to gain access to CBI and/or any other sensitive information.
4) Contractors participating in any situation where it might be assumed that they are agency employees or representatives.
5) Budget preparation support including, but not limited to, workload modeling, fact-finding, efficiency studies, and cost analyses.
6) Reorganization and planning support.
7) Regulation development support.
8) Any support in the in-house evaluation of another contractor's performance,
9) Involvement in acquisition planning.
10) Support on improving contract management (such as where the contractor might influence official evaluations of other contractors).
11) Providing specialized expertise in the contractor selection process.
12) Providing specialized expertise in the development of SOWs, WAs, and other contract-ordered tasks.
13) Independently providing technical guidance concerning EPA policies or regulations on EPA's behalf to outside parties.
14) Contractors providing technical evaluation of contract proposals.
15) Contractors providing support in preparing responses to Freedom of Information Act requests.
16) Contractors serving as arbitrators or providing alternative methods of dispute resolution.
17) Contractors providing legal advice and interpretations of regulations and statutes to government officials.

51-033-180

- contractors participating in any situation where it might be assumed that they are agency employees or representatives

2.3.6 Personal Services

A service contract directly engages the time and effort of a contractor for the primary purpose of performing an identifiable task rather than furnishing a product (*FAR* 37.101). A personal service contract is characterized by the employer-employee relationship it creates between the government and the contractor's personnel. Personal service constracts are allowed only if authorized by Congress.

A contract must not, by its terms or as performed, appear to create an employer-employee relationship.

An employer-employee relationship under a service contract occurs when, as a result of the contract's terms or the manner of its administration, contractor personnel are subject to the relatively continuous supervision and control of a government employee. Although each contract arrangement is judged based on its own circumstances, the key in determining

whether personal services are being performed is whether the government is exercising relatively continuous supervision and control over the contractor personnel performing the contract (*FAR* 37.104, Personal Services Contracts). The contract must not, by its terms or as performed, create what is tantamount to an employer-employee relationship.

RACs are not personal service contracts. To guard against the appearance of personal services under RACs, the CO must ensure that the WAs contain clearly defined specifications (scope of work) and that any additional direction is provided formally through technical direction as designated in the contract (see section 5.10). A WAM's success or failure in obtaining the government's needs in a timely, cost-effective manner, and receiving a quality product, is directly related to the clarity, precision, and strength of the language used in the WA's specifications. If the WA is vague or ambiguous or contains ill-defined specifications, the WAM may be tempted to intervene, redefine, or provide informal direction to the contractor's employees, creating an actual or perceived personal services condition. Informal direction may not be given by the government to the contractor; formal technical direction must be used. At no time shall EPA direct the activities of specific employees of RAC contractors or subcontractors.

2.3.7 Program Support

RAC PS costs are tracked separately and segregated into administrative and technical support costs.

PS is a contract-sensitive area because much of the public scrutiny of the remedial component of the Superfund program has focused on program management costs. EPA now mandates that program management costs be tracked separately and segregated into administrative and technical support costs. Congress also has established national targets for the ratio of program management expenditures to total contract expenditures.

Under RACs, PS (program management) costs are divided into five discrete categories for tracking and cost accounting. Separate WAs are issued for each PS category. This enables EPA to track the ratio of program management expenditures to total contract expenditures for remedial contracts and to itemize PS costs by category.

Last-minute changes in EPA policy may affect RAC equipment procedures.

PS costs for mobilization (including non-site-specific equipment) are negotiated during contract negotiations. PS WAs are issued in five categories:

- Mobilization
- Equipment (Non-Site-Specific)
- Ongoing Administrative Support
- Ongoing Technical Support
- Contract Closeout

2.3.8 Patents

The government uses patents to grant or convey to an inventor the exclusive right to make, use, and sell an invention for 17 years. RACs contain two clauses related to patents; both are contained in Section I of the contract.

> *FAR* 52.227-1, AUTHORIZATION and CONSENT, allows RAC contractors to infringe patents while performing contract duties without fear of being sued for unauthorized use of a patent.
>
> *FAR* 52.227-2, NOTICE and ASSISTANCE REGARDING PATENT and COPYRIGHT INFRINGEMENT, requires that the contractor report to EPA each notice or claim of patent or copyright infringement based on the performance of the RAC of which the contractor is aware.

FAR 52.227-1 allows RAC contractors to infringe patents while performing contract duties without fear of being sued by the patent holder for unauthorized use of a patent. When the government provides authorization and consent, it authorizes the contractor to use a patent to which the government has no rights. The government honors rights in patents and complies with the law in using or acquiring such rights and will pay reasonable compensation if it or its contractors with authorization or consent infringe a patent. The government grants authorization and consent to contractors to further the progress of work in the most effective manner without the need to create new technology. The clause gives RAC contractors authorization and consent to use all patents necessary to perform the specified work or to follow technical direction from the CO. This clause flows down to subcontractors. When proposing use of a patented technology, the contractor must disclose possible infringement costs in its cost proposal.

Under RACs, the government authorizes and consents to the use of all patents necessary to do the specified work.

Under 28 *United States Code* 1498(a), when such authorization and consent has been granted, the patent holder can sue only the government in Claims Court; the patent holder is barred from suing the contractor for damages or obtaining an injunction against the contractor to block patent use. Under the same law, the government must provide reasonable compensation to the patent holder for its use by government contractors with authorization and consent or the government itself.

FAR 52.227-2 requires the RAC contractor to report to the CO, promptly and in reasonable written detail, any known notice or claim of patent or copyright infringement based on the performance of the RAC of which the contractor is aware. This requirement includes providing the government, when requested by the CO, with all evidence and information in possession of the contractor pertaining to any suit or claim against the government regarding patent or copyright infringement arising out of the

performance of the RAC or out of work or services performed under the RAC. Such evidence is furnished at the expense of the government except where the contractor has agreed to indemnify the government.

EPA has agreements with certain patent holders of technologies used in remedial actions.

EPA has negotiated settlement agreements with some patent holders of technologies used in RAs. For example, EPA pays the company that holds the patent for vacuum extraction a patent fee each time its technology is utilized on an EPA site. The WAM, PO, and CO should be aware of any settlement agreements with patent holders.

2.3.9 Environmental Justice

Environmental justice initiatives have been created to meet the growing concern that minority or low income populations bear disproportionately high and adverse health and environmental effects from pollution.

There is a growing concern that minority populations or low-income populations bear disproportionately high and adverse human health and environmental effects from pollution. This concern has led the federal government to take action to ensure environmental justice for all populations. For example, Executive Order 12898 on Environmental Justice, signed in February 1994, calls on all Federal agencies to develop their own environmental justice strategies and to make environmental justice a part of their mission. The Executive Order directs that agency strategies address the following areas:

- enforcement of statutes in areas with minority populations and low-income populations
- greater public participation in the environmental arena
- improvement of research efforts
- identification and analysis of differential patterns of subsistence of natural resources (e.g., patterns of fishing in polluted waters or eating plants harvested from polluted areas)

The Executive Order also required EPA to convene and chair an interagency task force on environmental justice. The interagency task force has addressed and will continue to address environmental justice issues across the Federal government.

Under the authority of the Federal Advisory Committee Act, the EPA Administrator established the National Environmental Justice Advisory Council (NEJAC), comprised of environmental justice stakeholders, to advise, consult, and make recommendations to the Administrator on matters relating to environmental justice.

In addition to NEJAC, EPA convened an Office of Solid Waste and Emergency Response (OSWER) Environmental Justice Task Force, which produced a report on April 25, 1994, with recommendations focusing on six key areas:

- empowering communities, improving OSWER programs' communications with these communities, and establishing community trust of EPA

- incorporating environmental justice concerns into all OSWER decision-making, and eliminating any potential for discrimination
- increasing the priority of environmental justice issues on a national and regional basis and in relationships with States
- incorporating environmental justice issues into OSWER risk assessment and risk management processes by considering multiple/cumulative risks
- integrating consideration of economic redevelopment and job creation with environmental justice
- developing employees and new job candidates who are well-trained and sensitive to environmental justice issues

The same report recommended that:

- the Regions should establish community advisory groups for at least 10 sites with environmental justice concerns by the end of fiscal year (FY) 95 (community involvement/outreach)
- the Office of Emergency and Remedial Response (OERR) should work with the Regions to pilot proactive site-assessment efforts in areas of environmental justice concerns (site assessment)
- OSWER should work with other EPA programs and health agencies, to examine current risk-assessment approaches (risk assessment)
- OERR, in cooperation with the Regions, should evaluate the remedy selection process and cleanup speed to determine the effects on areas with minority populations and low-income populations so that Regions may identify potential environmental justice areas of concern earlier (risk management)

As an environmental justice measure for RACs, EPA encourages contractors to hire workers in labor surplus areas (LSAs) and encourages contractor Mentor-Protege program participation (see sections 2.3.10 and 4.11).

Following the release of the OSWER Task Force report, EPA issued OSWER Directive 9200.3-17, *Integration of Environmental Justice into OSWER Policy, Guidance, and Regulatory Development*. The directive issued guidelines to incorporate environmental justice as an integral part in the development of all OSWER policies, guidances, and regulations.

2.3.10 Small and Small Disadvantaged Business Utilization, Mentor-Protege Program, and Labor Surplus Areas

FAR 19.201(a) states that the government's policy is to place a fair proportion of its acquisitions, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems, with small business concerns and small disadvantaged business (SDB)

concerns. Such concerns shall also have the maximum practicable opportunity to participate as subcontractors in the contracts awarded by any executive agency, consistent with efficient contract performance. The Small Business Administration (SBA) counsels and assists small business concerns and assists contracting personnel to ensure that a fair proportion of contracts for supplies and services is placed with small business.

In RACs, preferential procurement contracting goals are met through the prime contractor's subcontracting plan.

In compliance with the government's policy, RACs contain clauses for EPA's three preferential procurement programs: SDBU program, Mentor-Protege program, and the LSAs program. Although certain RAC clauses directly concern these programs, most of the programs' preferential procurement contracting goals will be implemented in RACs through subcontracting, specifically through the prime contractor's *subcontracting plan*. Each RAC prime contractor submits a subcontracting plan as part of its proposal. For guidance, the prime contractor uses EPA-established goals (when applicable) and other RAC preferential procurement clauses. For example, EPA FY94 subcontracting goals for all direct procurements exceeding $500,000 were as follows:

- 30% of total subcontracting dollars to small businesses
- 15% of total subcontracting dollars to SDBs
- 5% of total subcontracting dollars to women-owned small businesses

The subcontracting goals are additive, not cumulative. In other words, the 30% is not inclusive of the 15% and 5% goals. The Federal Acquisition Streamlining Act of 1994 facilitates SDBU further by allowing subcontracting with small businesses and SDBs that submit proposals that are 10% higher in cost than other bidders.

Small and Small Disadvantaged Business Utilization

RAC prime contractors are encouraged to subcontract with small businesses, SDBs, rural area and women-owned small businesses, historically black colleges and universities, and businesses in LSAs.

EPA's SDBU program is divided into eight major components:

- socially and economically disadvantaged businesses (also referred to as 8[a])
- small business set-asides
- minority businesses (non-8[a])
- LSA set-asides
- women-owned business concerns
- subcontracting
- rural area small businesses
- historically black colleges and universities

EPA's SDBU is in accordance with the Small Business Act; Executive Orders 11625, 12432, 12138, and 12426; *FAR* 48 *Code of Federal Regulations*, Parts 19 and 20; *EPAAR*, EPA Part 1519.2; and Public Laws 95-507, 100-656, 101-507 and 101-549.

The Small Business Act provides the authority for the SBA and agencies to consult and cooperate with each other in formulating policies to ensure that small and SDB interests are recognized and protected.

Mentor-Protege Program

The Mentor-Protege program was designed to promote subcontracting opportunities for established and developing SDBs and to provide incentives for large businesses (*Mentors*) to seek and foster subcontracting opportunities with SDBs (*Proteges*). The program's goal is to transfer technologies and processes to small and SDBs that they otherwise would not have acquired with their limited resources. These small businesses then can compete for commercial and EPA subcontracts they previously would not have been qualified to perform. This program also increases the prime contractor's ability to meet its subcontracting plan goals. EPA encourages RAC prime contractors to participate in the Mentor-Protege program to demonstrate a commitment to achieve the contractor's subcontracting plan goals and to help EPA achieve its goal of greater SDB participation in EPA contracting.

The Mentor-Protege program transfers technologies and processes to SDBs that they otherwise would be unable to acquire, enabling them to compete for a broader range of subcontracts.

RAC Attachment K, "Mentor-Protege Program," describes procedures for program participation.

RAC Attachment K outlines Mentor-Protege program participation procedures. The major incentives for mentor participation in the program are credit received against subcontracting plan goals and a favorable evaluation by the PEB as part of the performance (award) fee evaluation process (see Chapter 6).

RAC prime contractor participation in the Mentor-Protege program is credited against subcontracting plan goals and considered in performance (award) fee evaluations.

Labor Surplus Areas

FAR 52.220-3(b) states that the government's policy is to award contracts to concerns that agree to perform substantially in LSAs when this can be done consistently with the efficient performance of the contract and at prices no higher than obtainable elsewhere. The contractor agrees to use its best effort to place subcontracts in accordance with this policy.

RAC clause in Section I, LABOR SURPLUS AREA SUBCONTRACTING PROGRAM (*FAR* 52.220-4), requires the contractor to appoint a liaison officer to 1) maintain liaison with authorized representatives of the government on LSA matters; 2) supervise compliance with the Utilization of LSA Concerns clause (*FAR* 52.220-3); and 3) administer the contractor's LSA subcontracting program.

The RAC prime contractor is encouraged to subcontract with companies in areas of concentrated unemployment or underemployment.

The LSA program encourages the employment of businesses and persons who reside in LSAs through the award of contracts and subcontracts. The government's goal is to reduce unemployment in a concentrated area by increasing a contractor's need to hire people. LSAs are defined as discrete civil jurisdictions (counties, county equivalents, and cities with populations of at least 25,000) that had an average unemployment rate that is at least 120% of the national average unemployment rate during the preceding 24 months. EPA encourages concerns located in LSAs to participate in EPA contracting activities, uses its best efforts to award contracts in LSAs, encourages prime contractors to award subcontracts to concerns performing a substantial portion of the contract work in LSAs, and establishes annual LSA goals.

Although RACs do not require LSA set-asides, RAC contractors must develop an LSA subcontracting plan that specifies how it will use its best efforts to subcontract with LSA concerns when such subcontracting is consistent with the efficient performance of the contract and at prices no higher than obtainable elsewhere. The prime contractor appoints a liaison officer to administer the contractor's LSA subcontracting program and the prime contractor must use its best efforts to award contracts to firms agreeing to perform substantially in LSAs.

Subcontracting Plan

The contractor's subcontracting plan must promote the use of preferential procurement groups.

To encourage participation in the preferential procurement programs described in this section, RACs require that all prime contractors establish a subcontracting plan that addresses goals for: small and SDB concern utilization, the Mentor-Protege program, and LSAs. The purpose of the subcontracting plan is to promote the use of preferential procurement groups. The prime contractor must comply with its subcontracting plan and RAC preferential procurement clauses.

RAC clause in Section G, SUBCONTRACTING REPORTS, requires the contractor to submit subcontracting reports.

RAC clause in Section I, SMALL BUSINESS and SMALL DISADVANTAGED BUSINESS SUBCONTRACTING PLAN (*FAR* 52.219-9), requires the contractor to develop a subcontracting plan addressing small business and SDB concerns.

RAC clause in Section I, LIQUIDATED DAMAGES-SMALL BUSINESS SUBCONTRACTING PLAN (*FAR* 52.219-16) allows the government to collect liquidated damages if the contractor fails to make a good-faith effort to comply with its subcontracting plan.

EPA ensures prime contractor compliance with its subcontracting plan through subcontracting reports, considering prime contractor compliance in the performance (award) fee evaluation process, and a liquidated damages clause.

The CO monitors contractor compliance with the subcontracting plan and compliance with the other preferential procurement clauses through the following mechanisms:

- contractor subcontracting reports
- evaluation of subcontracting plan compliance by the PEB to determine contractor performance (award) fee
- liquidated damages for lack of a good-faith effort when subcontracting plan goals are not achieved

Subcontracting Reports—The contractor submits a report to the CO and the Office of Small and Disadvantaged Business Utilization (OSDBU) for subcontracting under RACs and a summary report on subcontracts in other contracts between that contractor and EPA that contain subcontract goals for awards to small businesses and SDB concerns. If a RAC prime contractor is a mentor, it must report to the CO and OSDBU semiannually on its Mentor-Protege progress; the CO reviews the Mentor-Protege reports as part of his or her responsibility to monitor contractor compliance with the subcontracting plan.

Performance (Award) Fee Evaluation Process—The PEB considers the prime contractor's compliance with the subcontracting plan during the semiannual performance (Award) fee process. Specifically, RAC Attachment G, "Performance (Award) Fee Plan," lists small and SDB utilization criteria for both PS activities and site-specific WA activities. The criteria include the extent the contractor satisfied its small business and SDB subcontracting goals and the extent of contractor participation in the Mentor-Protege program (see Chapter 6).

Liquidated Damages Clause—If, at the completion of a contract, the CO finds that the contractor failed to make a good-faith effort to comply with the subcontracting plan, the CO may require the contractor to pay the government liquidated damages. Failure to make a good-faith effort to comply with the subcontracting plan means a willful or intentional failure

to perform in accordance with the requirements of the subcontracting plan or willful or intentional action to frustrate the plan. Liquidated damages under RACs would be an amount equal to the actual dollar amount by which the contractor failed to achieve each subcontract goal. Before the CO makes a final decision that the contractor failed to make a good faith effort, the CO gives the contractor written notice specifying the failure and permitting the contractor to demonstrate what good faith efforts have been made. Failure to respond to the notice may be taken as an admission that no valid explanation exists.

2.3.11 Health and Safety

SARA Title I, Section 126, and the Occupational Safety and Health Administration's standard for Hazardous Waste Operations and Emergency Response (HAZWOPER) establish worker protection standards for workers engaged in hazardous waste operations.

RAC clause in Section H, HEALTH and SAFETY, requires the contractor to satisfy all Federal, State and local statutes, regulations, ordinances, etc., and to develop a corporate health and safety plan (HASP) and site-specific HASPs as required by individual WAs.

Contractors must develop and submit a site-specific HASP for each WA.

Each RAC contains a health and safety clause requiring that the contractor, at a minimum, satisfy all Federal, State, and local statutes, regulations, and ordinances regarding health and safety. This includes Section 126 of SARA, HAZWOPER (29 *Code of Federal Regulations* [*CFR*] 1910.120), any applicable provisions of the Occupational Safety and Health Act of 1970 and state occupational health and safety laws. The clause also requires RAC contractors to develop and submit for CO review a corporate HASP in accordance with RAC technical proposal instructions. Also, under RACs, most individual WAs should require that the contractor prepare and submit a site-specific HASP that contains an emergency response plan. WAs for pre-remedial activities, however, are usually conducted under a generic and not a site-specific HASP unless the site had previous investigations which permitted the development of a site-specific HASP.

EPA's Role

EPA ensures that health and safety requirements are met, and reviews and accepts health and safety deliverables. EPA is responsible for ensuring that on-site EPA employees comply with HAZWOPER and medical surveillance requirements. On-site EPA employees and visitors, however, must follow the contractor's HASP provisions and procedures.

EPA oversees coordination between the site-specific emergency response plan and any local contingency plan or emergency provisions. Frequently,

contractors rely on local emergency response organizations to respond during a site emergency. EPA should ensure that local emergency response organizations meet HAZWOPER training requirements for emergency response.

EPA should notify local emergency response organizations of any RAs involving hazardous waste operations even when a private party will implement the emergency response plan. If the WAM relies on the contractor to notify local emergency response organizations, the WAM must ensure that the contractor does so.

The contractor's HASP implementation and supporting documentation is included as one of the performance (award) fee evaluation criteria as further incentive to comply with RAC health and safety requirements.

HASP implementation is a performance (award) fee criterion.

Contractor Responsibility

Contractors are responsible for the health and safety of their workers and persons exposed to their operations and must develop and implement a corporate health and safety program with a written HASP. Training and medical surveillance functions are contractor responsibilities. A HASP is required routinely in site-specific WAs. All site activities are incorporated or coordinated in the site-specific HASP. The prime contractor coordinates health and safety issues with its subcontractors under one HASP. Proper coordination includes, but is not limited to:

- informing the subcontractors of occupational health and safety provisions in the contract and penalties for noncompliance
- coordinating HASP elements, including the emergency response plan, and addressing subcontractor activity in the HASP
- inspecting subcontractor operations to ensure compliance

The HASP, especially the emergency response plan, should be consistent and coordinated with any local contingency plan. Coordination can be done through Local Emergency Planning Committees. In addition to its duties regarding the HASP, a contractor must comply with all other applicable health and safety standards, including hazard communication, process safety management, confined space entry, asbestos removal, construction standards, and general industry standards. Where requirements overlap, the most stringent standard applies.

Finally, contractors must continuously monitor safety. Specifications in contracts with subcontractors need to be sufficiently flexible to assure compliance with HAZWOPER while allowing personal protective equipment (PPE) to be upgraded and downgraded when necessary. The prime contractor also ensures that its subcontractors assign personnel properly trained in health and safety policies and procedures related to the site. The contractor must use relevant monitoring data to assess potential exposure and make decisions on the appropriate PPE level. Effective use of moni-

toring data is important for the proper implementation of any health and safety program.

2.4 Contract Management Responsibilities

Effective oversight and management of RACs requires a team approach between individuals and groups responsible for overseeing and managing the contracts. The Region is responsible for frontline, daily management of the contract, while Headquarters oversees and assists the Region in carrying out these contract management responsibilities by monitoring, analyzing, and reporting program and contract data from a national perspective. **Exhibit 2-6** identifies the groups and individuals involved in managing RACs and summarizes overall Headquarters and Regional roles in managing RACs. The Regional RAC WAMs, POs, and COs compose the core contract management team for RACs.

Exhibit 2-6. Overview of Headquarters and Regional Roles in RACs

HEADQUARTERS

Office of Emergency and Remedial Response, Hazardous Site Control Division

Office of Acquisition Management, Superfund/RCRA Procurement Operations Division

Office of Solid Waste and Emergency Response, OSWER Acquisition Staff Office

1. **National Oversight:** Compile and analyze RAC reports of work data across contracts and Regions to identify contract weaknesses and problems on a national level. Conduct Regional management reviews to assess compliance with contract requirements and core elements of the *RAC Users' Guide.*
2. **National Monitoring:** Examine in-depth problems discovered during national oversight.
3. **Technical Assistance:** Provide uniform national advice and assistance in developing corrective actions to resolve problems identified during oversight and monitoring.
4. **Public Response:** Respond to inquiries from Congress, Office of Management and Budget, Inspector General, special interest groups, and the public regarding the RAC program.

REGIONAL

RAC Project Officers
RAC Contracting Officers
RAC Work Assignment Managers

1. **Overall Contract Management:** Monitor contractor compliance with contract terms and conditions. Monitor capacity and utilization of the contract, and track expenditures site-specifically. Implement procedures set forth in the *RAC Users' Guide* for contract administration, and develop and implement Regional standard operating procedures (SOPs) for areas where the Region deviates from the guide.
2. **Work Assignment (WA) Management:** Implement procedures set forth in the *RAC Users' Guide* for issuing and managing WAs, and develop and implement Regional SOPs for areas where the Region deviates from the guide.

51-033-181

2.4.1 Headquarters Roles and Responsibilities

An overview of the role of each Headquarters entity in RACs oversight is provided below. A summary list of key Headquarters' responsibilities is provided in **Exhibit 2-7**.

Hazardous Site Control Division (HSCD) /National RAC Designated Lead

HSCD located within OERR, is responsible for the Superfund remedial program mission and the contracts used to achieve that mission. HSCD coordinates with the OSWER Acquisition Staff Office (OAS) and interacts with the Superfund/Resource Conservation and Recovery Act Procurement Operations Division (S/RPOD) to address contract management issues at a national level. HSCD collects RAC program data at the national level for oversight and to respond to senior management and Congressional inquiries. HSCD works closely with OAS and S/RPOD to provide assistance, guidance, and training to the Regions. As the RAC lead, HSCD is a national resource that Regions can come to with policy questions, and for assistance when Regional crossover issues arise. HSCD interacts with the POs to discuss and resolve important contract management issues, problems, and concerns.

Office of Acquisition Management (OAM)/Superfund/RCRA Procurement Operations Division

The S/RPOD, located within OAM, provides oversight of the COs and interacts and coordinates regularly with HSCD and OAS to assess contract management performance and to discuss and resolve contract management issues on a national scale. S/RPOD works closely with HSCD and OAS to provide assistance, guidance, and training to the Regions, and interacts with the Regional COs to discuss and resolve important contract management issues, problems, and concerns. S/RPOD is involved in responding to Congressional inquiries regarding the RAC program.

> EPA publication EPA/202/B-92-012, April, 1994, *"Who's Who and What's What in the Office of Acquisition Management,"* provides information on the regulations and procedures followed in OAM.

OSWER Acquisition Staff Office/Superfund Acquisition Manager

The OAS, located within OSWER, conducts Regional program management reviews and analyzes national contract management information. The OAS works closely with HSCD and S/RPOD to provide further assistance, guidance, and training to the Regions. The OAS interacts with the POs to discuss and resolve important contract management issues, problems, and concerns.

Exhibit 2-7. Headquarters' Roles and Responsibilities for Overseeing RACs

Headquarters' Roles and Responsibilities	HSCD	S/RPOD	OAS
A. National Oversight			
Assesses the effectiveness of contracts management and contractor performance at the national level		✔	✔
Conducts Regional management reviews to assess contracts management performance		✔	✔
Collects and analyzes national-level contracts management information to enable assessment of the RAC program on a national level	✔		✔
Prepares analyses of the RAC program on a national level for EPA management and the Congress	✔	✔	✔
Prepares policy directives regarding national-level contracts management issues and requirements	✔	✔	✔
Oversees and evaluates contract oversight performance of COs		✔	
Interacts with POs to discuss and resolve important contract management issues, problems, and concerns	✔		
B. National Monitoring			
Conducts special studies, in-depth examinations, and monitoring of national-level contract management weaknesses and problems discovered during national oversight		✔	✔
C. Technical Assistance			
Develops and provides guidance for the Regions to ensure consistency of contracts management performance	✔	✔	✔
Develops and provides training on RAC management for the Regions	✔	✔	✔
Participates in and sponsors national meetings with the Regions to discuss and resolve contract management issues	✔	✔	✔
Performs troubleshooting, as necessary, to solve Regional problems and concerns regarding contracts management	✔	✔	✔
Participates in Regional management team meetings when requested	✔	✔	✔
D. Public Response			
Responds to or assists in responding to inquiries from Congress, OMB, Inspector General, special interest groups, and the public regarding the RAC program	✔	✔	✔

51-033-182

2.4.2 Regional Roles and Responsibilities

Within the Region, RAC contract management responsibilities are shared among the PO, CO, and WAMs. These individuals' overall responsibilities are summarized below and detailed in **Exhibit 2-8.**

Project Officer

The PO is charged with daily contract management, ensuring that contract requirements are fulfilled by the contractor and appropriately managed by the WAMs, and that WAMs employ appropriate program policy, procedures, goals, and objectives. The PO has program management responsibilities for planning, executing, and controlling RAC contract resource use in accordance with Regional procedures. The PO also reviews WA packages and amendments and supporting documentation for appropriateness and completeness, thereby assisting the WAM in improving quality. The PO reviews contractor WPs and assists the CO in negotiations as needed.

POs track contract financial commitments and disbursements, approve contractor invoices, and may conduct spot check visits of the contractor's office to assess compliance with the program and contract requirements. The PO interacts with HSCD and the OAS in Headquarters and the CO and WAMs in the Region, providing each with the information and assistance required to accomplish their jobs. The POs support the OAS in conducting Regional program management reviews and collecting and analyzing contract management information.

Contracting Officer

The RAC COs are located in the Regions and have responsibility for administering specific contracts. The COs provide contract-wide assistance, guidance, and training for the POs and WAMs and interact regularly with the POs and WAMs to discuss and resolve contractual issues, problems, and concerns.

The CO has overall responsibility for ensuring that EPA and the RAC contractor adhere to the terms and conditions of the contract, and that the contractor produces the necessary personnel, property, and services to provide EPA with the support specified in the contract SOW. To this end, the CO performs periodic site visits to the contractor's PS or site offices and reviews and approves WA SOWs, negotiates WPs and cost proposals, approves WA modifications, grants subcontract consent, resolves COI situations, and performs the full range of duties and responsibilities required for contract administration. The CO also ensures that the contractor does not exceed contract funding or hours ceilings, and issues contract modifications as necessary and appropriate.

The CO interacts with S/RPOD and has a close coordinating relationship with the PO for the contract. The CO is the only government official with the authority to commit government funds for expenditure under the

Exhibit 2-8. Regional Roles and Responsibilities in Administering and Managing Response Action Contracts

Regional Roles and Responsibilities	PO	CO	WAMs
A. Overall Contract Management			
Conducts postaward conference/kickoff meeting		✔	
Participates in postaward conference/kickoff meeting	✔		
Monitors contractor compliance with contractual terms and conditions		✔	
Monitors cost and technical performance of contractors (including taskings, disbursements, obligations, and utilization of funded contract capacity)	✔		
Conducts yearly or more frequent visits to contractor's office to assess compliance with contract requirements		✔	
Plans how to use contract capacity	✔		
Monitors contract costs (e.g., ensures minimums are met and ceilings not exceeded)	✔	✔	
Updates automated contract tracking/management system to ensure collection and reporting of cost and technical information on a contract-wide basis	✔	✔	✔
Conducts technical review of subcontracts	✔		✔
Consents to subcontractor		✔	
Evaluates contractor technical and cost performance	✔	✔	✔
Provides PO and WAM training or certification		✔	
Provides guidance to WAMs regarding WA management duties	✔	✔	
Tracks utilization of funded contract capacity and ensures utilization is within Region's allocated financial capacity	✔		
Prepares funding procurement requests (PRs)	✔		
Reviews PRs and obligates funds to the contract		✔	
Recommends/prepares justification for exercise of contract options	✔		
Exercises contract options		✔	
Prepares 7-point equipment justifications	✔		
Reviews/concurs with 7-point equipment justifications		✔	
Reviews/recommends approval of changes in key personnel	✔		
Approves changes in key personnel		✔	
Participates with Headquarters personnel in national meetings to discuss and resolve contract management issues	✔	✔	
Modifies contract when necessary		✔	
Participates in contractor purchasing system reviews		✔	
Provides recommendations to CO regarding COI and LOFC	✔		✔
Makes final decisions regarding COI and LOFC		✔	
Provides technical assistance to CO regarding contract terminations	✔		
Terminates contract (when necessary)		✔	
Completes technical aspects of contract closeout	✔		
Completes contractual aspects of contract closeout		✔	

51-033-183

Exhibit 2-8. Regional Roles and Responsibilities in Administering and Managing Response Action Contracts, contd.

Regional Roles and Responsibilities	PO	CO	WAMs
B. Work Assignment Management			
Prepares and signs Form 1900-65a for WAM designation		✔	✔
Plans funding in RP2M for site activities			✔
Allocates work to contractors	✔		
Develops WA and prepares WA package (WAP), consisting of SOW, independent government cost estimate (IGCE), WA Form (WAF), and funding PR (if funded site-specifically)			✔
Reviews and approves WAP	✔	✔	
Conducts WA scoping meetings			✔
Attends WA scoping meetings	✔	✔	✔
Leads WP negotiations		✔	
Participates in WP negotiations	✔		✔
Reviews and approves contractor WP	✔	✔	✔
Monitors (on-site and off-site) technical and cost performance of contractor on WA and provides TD to contractor	✔		✔
Participates in periodic meetings with contractor	✔	✔	✔
Reviews and approves technical and financial data in monthly progress reports	✔		✔
Reviews and approves contractor invoices	✔	✔	✔
Recommends suspension/disallowance of costs	✔		✔
Suspends/disallows costs		✔	
Reviews and approves deliverables			✔
Takes follow-up action on problem deliverables	✔	✔	✔
Provides assistance to WAMs on contractual issues		✔	
Provides assistance to WAMs on technical issues	✔		
Prepares WAF suspending/stopping work on a WA			✔
Issues suspensions/stop-work orders		✔	
C. Contractor Performance Evaluation			
Evaluates contractor performance on WA and recommends rating for six-month evaluation period	✔		✔
Prepares WA Completion Report			✔
Reviews WAM and contractor's evaluations of contractor's WA performance	✔		
Prepares Performance Evaluation Forms to document WA problems as needed			✔
Prepares evaluation of contractor performance on PS WAs	✔	✔	
Reviews WA evaluations and prepares summary contractor evaluation for PEB consideration	✔		
Participates in PEB meeting (i.e., presentation to PEB)	✔	✔	
Attends PEB meeting if requested			✔
Ensures that PEB proceedings and fee recommendations are documented in PEB report	✔		
Prepares and issues contract modification authorizing contractor to invoice for approved fee amount		✔	
Chairs post-PEB contractor debriefing session	✔		
Attends post-PEB contractor debriefing session		✔	

51-033-183(2)

contract and, hence, is the only individual able to issue WAs to the contractor and authorize any work.

Work Assignment Manager

The WAM is responsible for daily WA management. The WAM prepares the WAP, including the SOW, IGCE, WAF, and funding request (if required); reviews and recommends approval of WPs and invoices; and approves deliverables. The WAM monitors and evaluates contractor performance in accordance with the contract fee plan and Regional procedures. During the performance of their management activities, the WAM coordinates with the PO and CO to ensure that the government's interests are appropriately safeguarded during the contract period of performance.

2.5 Contractor Interactions with Other EPA Contractors, Federal Agencies, and State and Local Agencies

EPA generally facilitates contractor interaction with third parties (except subcontractors).

This section describes interactions between RAC contractors, other EPA contracts, Federal agencies, and State and local agencies. EPA and individual contractors have their respective roles and responsibilities when dealing with third parties, but the basic rule of thumb is that EPA facilitates contractor interactions with third parties, with the exception of subcontractors to the prime contractor. Only the prime contractor may direct its subcontractors.

When interacting with third parties, the contractor must follow certain confidentiality rules, especially concerning CBI. The WAM, PO, and CO should be aware of these issues.

RAC clauses in Section H address confidentiality issues:

PROJECT EMPLOYEE CONFIDENTIALITY AGREEMENT requires the contractor to obtain confidentiality agreements from all its employees.

SCREENING BUSINESS INFORMATION FOR CLAIMS OF CONFIDENTIALITY requires the contractor to screen information obtained from outside sources, and if it collects the information from a business, to notify the business in accordance with clause terms.

TREATMENT OF CONFIDENTIAL BUSINESS INFORMATION outlines the contractor's restrictions in handling CBI.

RELEASE OF CONTRACTOR CONFIDENTIAL BUSINESS INFORMATION is the contractor's consent to release its own CBI in accordance with clause terms.

2.5.1 Contractor Interactions with Other Superfund Contractors

A RAC contractor is one of several Superfund contractors that may be on site during a removal or remedial action. Although each contractor is independently responsible for performing specific functions, duplication of effort can be avoided by coordination of contractor efforts. EPA facilitates coordination between contractors so that one contractor is not instructing another and one contractor does not impede the work of another. Specifically, the WAM and the PO should be aware of contractor interactions at a site, with both the WAM and the PO helping to coordinate such interactions. The types of Superfund contractors with whom RAC contractors may potentially interact include:

- **Superfund Technical, Assessment, and Response Teams (START)** contractors perform both site assessment activities and removal activities. START contractors provide technical and management services necessary to successfully implement the remedial response program and support in the conduct of field investigations such as preliminary assessment and site inspection of hazardous substance sites. For removal activities, START contractors may be involved in supporting: (1) response monitoring, (2) response documentation, (3) damage assessment, and (4) Federal disaster assistance activities.
- **Enforcement Support Services (ESS)** contracts provide enforcement support to the Office of Enforcement and Compliance Assurance to ensure recovering federal funds expended under CERCLA . This includes support work for: (1) private investigations, (2) risk/exposure assessments, (3) responsible party searches, (4) title searches, (5) acquisition and analysis of financial records, and (6) general case development support.
- **CLP contracts** provide chemical analytical support in the investigation and cleanup of hazardous substance sites. A nationwide network of contract laboratories have the analytical capabilities to assist in the following functions: (1) identifying threats to public health and the environment, (2) assessing risk, (3) instituting remedial response, and (4) initiating response actions. Work conducted by the CLP is coordinated by the Sample Management Office OAS through EPA's Regional Sample Control Center.
- **Regional analytical contracts** provide for the delivery of analytical services not obtained through CLP in the Regions.
- **Regional or Zone Environmental Services Assistance Team** contracts provide analytical support and data review to the Regions, providing staff to work in Regional laboratories or separately located laboratory facilities, and performing a range of analytically related technical, quality assurance, and administrative support.
- **Emergency and Rapid Response Services** contracts provide removal cleanup work.

2.5.2 Contractor Interactions with Other Federal Agencies

It is anticipated that few interactions between RAC contractors and Federal agencies other than EPA will occur, with the exception of the USACE. If necessary, Federal agencies will access RAC contractors through EPA's Regional CO for RACs. For construction projects exceeding $15 million in cost, however, USACE must manage the construction. In those cases, USACE would interact fairly regularly with the RAC contractor performing the RD.

The WAM should mediate contractor/USACE interactions.

For example, if USACE was to be the construction manager for a project with an RD designed by a RAC contractor, the WAM may instruct the RAC contractor to send copies of work progress, weekly or when needed, to USACE. Also, during the construction phase, USACE may consult the RAC contractor that developed the RD. In those cases, the EPA WAM must be present or on the phone as conversations take place.

2.5.3 Contractor Interactions with State and Local Agencies

RAC contractors may interact with a State in a variety of situations during a removal or RA. When a State is the lead for a site, a *cooperative agreement* defines the roles of EPA and the State and other involved parties. If a State has a supporting role for a site, the Superfund state contract (SSC) defines the roles of EPA, the State, and others involved. For example, agreements with the State could outline the State's role in community relations for a site. EPA usually coordinates all community relations efforts through the WAM, but the State may play a supporting role. Regardless of the roles during the removal or RA, EPA's role ends when the RA is completed. The State assumes all responsibilities for the site's operation and maintenance (O&M), according to the terms of the cooperative agreement or the SSC, whichever applies, unless a PRP is responsible for O&M.

If a RAC contractor or subcontractor needs to contract the use of equipment owned by a State's transportation department or to tap city water lines to prevent well-water users from exposure to toxic chemicals in groundwater, the RAC contractor arranges the required services. The contractor is also responsible for securing any rights-of-way required, obtaining any State or local permits, and adhering to all State and local regulations and ordinances for its own needs off-site. For on-site activities, however, Superfund exempts EPA from having to obtain permits if the substantive contents of the permits have been met. Also, if an off-site staging area is needed, EPA typically procures any easements or rights-of-way necessary before the project begins.

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Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Mobilization

CHAPTER 3

MAY 31, 1995

Table of Contents

3.1 Background and Requirement 3-1

3.2 Roles and Responsibilities for Mobilization 3-3

3.3 Bibilography 3-5

Exhibit

Exhibit 3-1 Roles and Responsibilities for Mobilization 3-4

Acronyms

CO	Contracting Officer
PLI	Pollution Liability Insurance
PO	Project Officer
PS	Program Support
QA	Quality Assurance
RAC	Response Action Contract
RACS	Response Action Contracting Strategy
SOP	Standard Operating Procedure
SOW	Statement of Work
WA	Work Assignment
WAM	Work Assignment Manager
WP	Work Plan

This chapter provides background information on Response Action Contract (RAC) mobilization and identifies roles and responsibilities of the individuals involved in mobilization.

3.1 Background and Requirement

RAC mobilization encompasses the activities necessary to prepare the contractor's personnel and support systems for project performance. By the end of mobilization, the contractor should have all systems in place and be ready to perform and manage any and all site-specific and program support (PS) work assignments (WAs).

Last-minute changes in EPA policy may affect RAC equipment procedures.

Contractor performance of mobilization is considered a PS cost under RACs. In RACs, PS costs are divided into five discrete work areas for tracking and cost accounting. The five PS work areas are: Mobilization, Non-Site-Specific Equipment, Ongoing Technical Support, Ongoing Administrative Support, and Contract Closeout. A separate WA is issued for each PS work area. This is a core element of RAC guidance.

The Region must issue a separate WA for each of the five PS work areas.

The RAC specifies that all work performed under the contract, including PS activities, be defined in and performed under WAs. Hence, the Mobilization WA must be in place at the start of the contract, so that the contractor can proceed with mobilization. The mobilization phase may include acquisition of government property, however, government property acquisition is not chargeable to the Mobilization WA. To retain integrity in tracking costs, all non-site-specific government property acquisition, tracking, management, and disposition, whether performed during mobilization or later in the contract, must be charged under the Non-Site-Specific Equipment WA. Therefore, the Non-Site Specific Equipment WA must be in place before equipment mobilization or acquisition transfer occurs. The Non-Site-Specific Equipment WA is generally issued at the start of or at some point during the contract mobilization period.

Non-site-specific equipment acquisition, tracking, management, and disposition must be charged under the Equipment PS WA to retain integrity in tracking PS costs.

The contract Statement of Work (SOW) specifies six tasks under the Mobilization PS work area:

- Task 1—Project Planning and Support
- Task 2—Information Controls and Reporting
- Task 3—Standard Operating Procedures
- Task 4—Team Subcontracts
- Task 5—Pollution Liability Insurance
- Task 6—Work Assignment Closeout

The contract SOW also specifies a mobilization task under the Non-Site-Specific Equipment PS work area. The equipment mobilization task

Last-minute changes in EPA policy may affect RAC equipment procedures.

includes establishment of the contractor's property utilization reporting system and efforts during the contract mobilization period related to receiving, evaluating, repairing, and tracking government property that is non-site-specific. Property is considered non-site-specific when it will be used at more than one site. Additionally, during mobilization, the contractor may purchase non-site-specific government property, in accordance with the Non-Site-Specific Equipment work area, Task 3—Equipment Acquisition. Before any property-related activities can occur, the government must put in place the PS WA for Non-Site-Specific Equipment.

The contractor includes detailed mobilization and equipment acquisition and management plans with its management plan submitted in response to the RAC solicitation. During contract negotiations, EPA and the contractor discuss and resolve issues regarding mobilization, including establishing the mobilization schedule and costs; finalizing the contractor's mobilization plan; and transferring and acquiring government property. The final, EPA-approved mobilization plan and equipment acquisition and management plan serve as the basis for the contractor's work plans (WPs) for the Mobilization and Non-Site-Specific Equipment WAs.

Upon contract award, the Regional CO initiates PS WAs for Mobilization and Non-Site-Specific Equipment.

After contract negotiations and before award, the Headquarters placement Contracting Officer (CO) designates the contract ceiling for mobilization by inserting the negotiated amount for mobilization into the MOBILIZATION contract clause in Section B of the contract. The mobilization amount includes negotiated costs for the Mobilization PS WA and Non-Site-Specific Equipment PS costs that will be incurred during mobilization. Immediately upon contract award, the administrative CO in the Region initiates the WA for the Mobilization PS WA, assigns the WA number, and approves the WP based on the EPA-approved mobilization plan and negotiated mobilization costs. The Non-Site-Specific Equipment PS WA is issued during the contract mobilization period so that the contractor can ready its equipment tracking system and acquire equipment that will be needed to support site-specific work. The CO initiates the Non-Site-Specific Equipment PS WA, assigns the WA number, and approves the WP based on the contractor's EPA-approved mobilization and equipment acquisition and management plans. See Chapter 5 for procedures for issuing WAs and approving work plans.

> The MOBILIZATION clause in Section B of the contract states that all costs and deliverables associated with the mobilization phase, as defined in the contract SOW, will be determined during negotiations and will be incorporated into the clause upon execution of the contract.

Ongoing Administrative and Technical Support PS WAs may be issued for any period up to the entire base period.

During the mobilization period, the administrative CO issues separate PS WAs for Ongoing Administrative Support and Ongoing Technical Support. Ongoing Administrative and Technical Support PS WAs should be issued so that the WPs can be approved and the contractor ready to start

work by the end of the mobilization period. These WAs may be designated for different lengths of time (any length up to the entire base period) at the Region's discretion. EPA is required to track administrative and technical program management costs separately. Issuing separate WAs for Ongoing Administrative and Ongoing Technical Support facilitates this.

3.2 Roles and Responsibilities for Mobilization

RAC mobilization, while focusing on contractor activities in readying themselves to manage the contract and perform site-specific work, involves participation by Headquarters and Regional contracting and program office representatives. Specific roles and responsibilities of the Project Officer (PO), CO, and the contractor during RAC mobilization are shown in **Exhibit 3-1**. Since the PO generally serves as the Work Assignment Manager (WAM) for the PS WAs, the PO's and WAM's roles are shown combined in Exhibit 3-1.

Exhibit 3-1. Roles and Responsibilities for Mobilization

Last-minute changes in EPA policy may affect RAC equipment procedures.

Individual	Role in Mobilization
WAM PO	• Participates in the post-award kickoff meeting • Reviews contractor standard operating procedures (SOPs) for analytical services delivery • Reviews contractor's health and safety plan • Prepares PS WAs • Reviews and recommends approval of PS WPs • Oversees contractor performance of PS WAs • Issues technical direction and prepares WA amendments for PS WAs • Establishes WAM and PO contract files for PS WAs • Identifies need for provision of government property to contractor • Prepares seven-point justification for government property transfer and acquisitions during mobilization • Coordinates provision of government property to contractor • Chairs mobilization status meeting(s) and mobilization completion meeting
CO	• Schedules and chairs the post-award kickoff meeting • Reviews and approves contractor SOPs for conflict of interest, confidential business information, and analytical services delivery • Reviews and consents to pollution liability insurance (PLI) costs • Reviews and consents to standard language for subpool subcontracts • Reviews, approves, and issues PS WAs • Reviews, approves, and issues WA amendments • Reviews technical direction memoranda • Reviews and concurs with government property justifications • Establishes CO contract file • Participates in mobilization status meeting(s) and mobilization completion meeting
CON TRACTOR	• Participates in the post-award kickoff meeting • Establishes management information systems, records management procedures, and accounting and cost control procedures to meet contract requirements • Modifies SOPs to meet Agency requirements • Awards Team subcontracts to contract-approved subcontractors • Prepares standard language to use in subpool subcontracts • Submits PLI costs if direct billing PLI to contract • Receives, evaluates, repairs, tracks, and reports government property acquired during mobilization through transfer or purchase • Establishes equipment utilization reporting system and property records • Participates in mobilization status meeting(s) and mobilization completion meeting • Prepares PS work plans in response to WAs • Performs mobilization tasks as specified in the approved work plans for Mobilization and Equipment PS WAs

51-033-162A

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Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Contract Administration

CHAPTER 4

MAY 31, 1995

Table of Contents

4.1 Introduction 4-1

4.2 Roles and Responsibilities for Contract Administration 4-5

4.3 Contract Funding 4-7

4.3.1 Background and Requirement 4-9

4.3.2 Roles and Responsibilities for Contract Funding 4-15

4.4 Exercising Contract Options 4-17

4.4.1 Background and Requirement 4-19

4.4.2 Roles and Responsibilities for Exercising Contract Options 4-21

4.5 Contract Modifications 4-23

4.5.1 Background and Requirement 4-25

4.5.2 Roles and Responsibilities for Making Contract Modifications 4-27

4.6 Contract Claims and Disputes 4-29

4.6.1 Background and Requirement 4-31

4.6.2 Roles and Responsibilities for Handling Contract Claims and Disputes 4-34

4.7 Subcontract Review and Consent 4-35

4.7.1 Background and Requirement 4-37

4.7.2 Roles and Responsibilities in Subcontract Review and Consent 4-40

4.8 Handling Conflict of Interest Issues 4-41

4.8.1 Background and Requirement 4-43

4.8.2 Roles and Responsibilities for Handling Conflict of Interest Issues 4-43

4.9 Managing Regional Crossovers 4-45

4.9.1 Background and Requirement 4-47

4.9.2 Roles and Responsibilities for Managing Regional Crossovers 4-48

4.10 Implementing Control Measures for Vulnerable Contracting Areas 4-51

4.10.1 Background and Requirement 4-53

4.10.2 Roles and Responsibilities for Implementing Control Measures for Vulnerable Contracting Areas 4-56

4.11 Small and Small Disadvantaged Business Utilization, Contractor Participation in Mentor-Protege Program, and Use of Labor Surplus Areas 4-59

4.11.1 Background and Requirement 4-61

4.11.2 Roles and Responsibilities for Monitoring Contractor Compliance with Subcontracting Plan 4-61

4.12 Annual Allocation of Non-Site-Specific Costs 4-63

4.12.1 Background and Requirement 4-65

4.12.2 Roles and Responsibilities for Annual Allocation 4-66

4.13 Annual Closeout 4-69

4.13.1 Background and Requirement 4-71

4.13.2 Roles and Responsibilities for Annual Closeout 4-72

4.14 Bibliography 4-73

Exhibits

Exhibit 4-1 IFMS Six-Field Accounting Data Structure 4-10

Exhibit 4-2 Regional Site-Specific Accounting 4-12

Exhibit 4-3 Breakdown of Work Areas by Bulk-Funding Categories 4-13

Exhibit 4-4 Work Assignment Number Structure 4-14

Exhibit 4-5 Roles and Responsibilities for Contract Funding 4-16

Exhibit 4-6 Roles and Responsibilities for Exercising Contract Options 4-22

Exhibit 4-7 Examples of Contract Modifications and Their Classifications 4-26

Exhibit 4-8 Roles and Responsibilities for Making Contract Modifications 4-27

Exhibit 4-9 Claims and Disputes Process 4-33

Exhibit 4-10 Roles and Responsibilities for Handling Contract Claims and Disputes 4-34

Exhibit 4-11 Subcontract Information 4-39

Exhibit 4-12 Roles and Responsibilities in Subcontract Review and Consent 4-40

Exhibit 4-13 Roles and Responsibilities for Handling Conflicts of Interest 4-44

Exhibit 4-14 Roles and Responsibilities for Managing Regional Crossovers 4-49

Exhibit 4-15 Roles and Responsibilities for Implementing Control Measures for Vulnerable Contracting Areas 4-57

Exhibit 4-16 Roles and Responsibilities for Monitoring Contractor Compliance with Subcontracting Plan 4-61

Exhibit 4-17 Roles and Responsibilities for Annual Allocation 4-67

Exhibit 4-18 Roles and Responsibilities for Annual Closeout 4-72

This chapter provides background information and identifies roles and responsibilities for administering Regional Response Action Contracts (RACs).

4.1 Introduction

Detailed guidance on administering RACs is presented in this chapter in 11 sections. The topics of these sections are:

- funding the contract
- exercising contract options
- making contract changes through modifications
- settling contract claims and disputes
- consenting to subcontracts
- determining how to handle conflict-of-interest situations
- managing Regional crossovers
- implementing control measures for vulnerable contracting areas
- contractor utilization of small and small disadvantaged businesses and labor surplus areas, and participation in the Mentor-Protege program
- overseeing the annual allocation of non-site-specific costs
- overseeing annual closeout procedures

Each section includes a discussion of the background of the requirement and the legal basis for the requirement, including contract provisions and *Federal Acquisition Regulation* clauses. The purpose of this discussion is to provide sufficient background information to promote a complete understanding of the processes described in *Volume 2: Process Guide.*

The RAC WAMs, POs, and COs function as the core contract management team that administers and manages the RACs.

Contract administration is performed primarily by the designated contract managers: RAC, Work Assignment Managers (WAMs), Project Officers (POs), and Contracting Officers (COs). These individuals comprise the core contract management team that administers and manages the RACs. The Performance Evaluation Board members, the Superfund budget managers, and the Contracts Payment Division staff at Research Triangle Park manage the core contract managers and also are routinely involved in RAC administration. This guide focuses on the specific duties of the core contract managers. Where other parties are involved in a process, their roles are identified but are not elaborated.

Each section of the chapter contains a detailed roles and responsibilities matrix that identifies the responsibilities of the WAM, PO, CO, other EPA entities, and the contractor in a particular process.

Roles and Responsibilities for Contract Administration

SECTION 4.2

4.2 Roles and Responsibilities for Contract Administration

The PO and CO perform RAC contract administration activities.

Administration of each Response Action Contract (RAC) is performed primarily by a core contract management team (CMT), composed of the Work Assignment Managers (WAMs), Project Officer (PO), and Contracting Officer (CO). These individuals work together to ensure that the government presents a unified front to the contractor in defining and administering its requirements. The PO and CO have contract-level responsibilities and perform most contract administration activities. The PO is responsible for overseeing and administering the technical aspects of the contract, while the CO is responsible for overseeing and administering the terms and conditions of the contract. The WAMs use their direct knowledge of the contractors' work assignment (WA) activities to provide the PO and CO with WA background and performance information that supports the PO and CO in their contract administration duties. Individual CMT members' responsibilities are summarized below.

The WAMs' primary responsibilities are to order and oversee work performance under WAs, as described in Chapter 5. Although WAMs have no official contract administration duties, they play a key role in providing WA performance information that the PO and CO need to effectively administer the contract. Specifically, the WAMs provide WA-level information for the PO's use in determining the need for and requesting contract modifications. The WAMs review and provide input on proposed subcontracts, provide background information on claims, disputes, and conflict-of-interest situations, and review and recommend approval of WA costs in contractor invoices.

The PO functions as the technical representative to the CO in the CO's contract administration duties. The PO initiates requests to the CO for contract modifications, such as exercising options and funding. The PO is responsible for technical aspects of contract administration and is the primary contact for using the contract. The PO assists the Program in distributing work to contractors and is responsible for reporting contractor progress and funding the contract from appropriate accounts. The PO initiates requests to the CO for contract modifications for funding, exercising options, statement of work changes, and other changes as needed. The PO determines the reasonableness of RAC costs during WP approval, monitors and reports overall quality of contractor performance, reviews contractor progress reports, approves invoices, prepares property justifications, ensures that control measures are implemented for vulnerable contracting areas, recommends action on value engineering (VE) proposals, and ensures that the Superfund Program contracting strategy is implemented. The PO works together with the CO to establish and document Regional procedures that deviate from or supplement the procedures in this guide.

The CO ensures that funds are properly allocated to the contract and that products or services supplied by the contractor to the government fully comply with government specifications. The CO is the only individual authorized to make changes to the contract and to authorize contract expenditures.

The CO exercises contract options, handles contract claims and disputes, reviews and consents to subcontracts, tracks contract costs and level-of-effort hours expended, determines conflict-of-interest issues, identifies vulnerable areas that require special controls, authorizes implementation of VE proposals, and ensures that all contract terms and conditions are met. The CO approves other EPA staff as designated contract managers for RACs. The CO follows established government contracting requirements and documents deviations from established Agency protocols. The CO coordinates with the PO to establish and document Region-specific RAC administration procedures.

The WAM, PO, and CO maintain their respective contract document files required by the EPA Records Control Schedule, as well as other documents needed to fulfill their contract and WA administration and management responsibilities (see Chapter 11, "Records Management").

Sections 4.3 through 4.13 of this chapter contain detailed matrices that identify the roles and responsibilities of the WAM, PO, CO, other EPA entities, and the contractor in specific contract administration processes. The contractor's responsibilities are included to convey a complete picture of a process, rather than to dictate or limit the contractor's contractual obligations.

Contract Funding

SECTION 4.3

Table of Contents

4.3 Contract Funding 4-7

4.3.1 Background and Requirement 4-9

4.3.2 Roles and Responsibilities for Contract Funding 4-15

Exhibits

Exhibit 4-1 IFMS Six-Field Accounting Data Structure 4-10

Exhibit 4-2 Regional Site-Specific Accounting 4-12

Exhibit 4-3 Breakdown of Work Areas by Bulk-Funding Categories 4-13

Exhibit 4-4 Work Assignment Number Structure 4-14

Exhibit 4-5 Roles and Responsibilities for Contract Funding 4-16

Acronyms

ACN	Account Control Number
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CERCLIS	Comprehensive Environmental Response, Compensation, and Liability Information System
CO	Contracting Officer
DCN	Document Control Number
EL	Expenditure Limit
FY	Fiscal Year
IFMS	Integrated Financial Management System
OSWER	Office of Solid Waste and Emergency Response
PO	Project Officer
PR	Procurement Request
PRP	Potentially Responsible Party
PS	Program Support
RA	Remedial Action
RAC	Response Action Contract
RD	Remedial Design
RI/FS	Remedial Investigation/ Feasibility Study
SCAP	Superfund Comprehensive Accomplishments Plan
WA	Work Assignment
WAF	Work Assignment Form
WAM	Work Assignment Manager
WBS	Work Breakdown Structure

4.3 Contract Funding

This section addresses Response Action Contract (RAC) bulk funding and identifies the responsibilities of the Work Assignment Manager (WAM), Project Officer (PO), and Contracting Officer (CO) in contract funding.

4.3.1 Background and Requirement

EPA remedial contracts traditionally have been funded on a work assignment (WA) basis. A procurement request (PR) and contract modification was required for every new WA or every action on a WA that increased or decreased the funding level. Funding of WAs was labor-intensive and did not offer the Regions sufficient flexibility for managing funds.

Bulk funding eases the administrative burden of processing a large number of PRs and issuing the associated contract modifications. In addition, bulk funding allows better resource management among WAs, and eases the payment of indirect rate adjustments during annual closeout. This approach requires careful monitoring of contractor activity, expenditure limits (ELs), and expenditure rates to ensure that funds are expended in line with planned activities and priorities. Under bulk funding, the EL serves as the WA funding ceiling (see section 5.9).

When bulk funded, the contract as a whole is funded periodically, according to the funding category. The four bulk-funding categories in RACs, which are defined as non-site-specific funding areas in *OSWER Publication 9200.3-14.2, Program Management Manual*, are:

- Program Support (Other Response)—Applies to WAs for ongoing administrative support, ongoing technical support, equipment (non-site-specific), mobilization, and contract closeout
- Site Characterization (non-site-specific "site" allowance)—Applies to:
  - Preliminary assessments, site inspections, expanded site inspections, remedial investigations/feasibility studies (RI/FSs), remedial designs (RDs), treatability studies, engineering evaluations/cost analyses, data analytical services/special analytical services, design assistance, community relations, technical assistance, groundwater monitoring
  - Oversight of potentially responsible parties (PRPs) during RI/FSs, RDs, and remedial actions (RAs), early actions under remedial authority, non-time-critical removal actions, five-year reviews, and operations & maintenance
- Removal—Covers non-time-critical removal support
- Enforcement—Covers litigation and negotiation support

The Program Support (Other Response) bulk-funding category is usually termed "Other Response," but will be referred to as Program Support (Other Response) for RACs.

Under bulk-funding, obligations are not site-specific but expenditures are.

While obligations are not site-specific, expenditures are. Bulk funds are committed and obligated to the contract using a six-field generic accounting data structure that identifies the funding category but has a generic activity code (7 is the activity code for general support and management) and a generic site code (ZZ for site-specific WAs and 00 for program support WAs) in the site/project field. The generic activity code is also in the budget organization field. At invoice time, when the funds are expended site-specifically, the activity code and site code replace the generic numbers in the site/project field and the budget organization field. A document control number (DCN) also accompanies each six-field accounting number to make the funding action unique. The DCN is designated when the six-field accounting number is designated.

The Integrated Financial Management System (IFMS) six-field accounting data structure replaces the former 10-digit account control number (ACN) system. **Exhibit 4-1** illustrates the field structure using a generic ACN (5TFA7267ZZ) for a Region 6 site effort for comparison. The six fields and their functions are also described below.

Budget Fiscal Year—Four-position field with first two positions for the beginning fiscal year (FY) and the last two positions for the ending fiscal year. For FY 1995 accounts, "95" should be used.

Appropriation—Six-position field used to identify appropriation. For FY 1995, only the first two positions will be used and will contain the last character of the budget fiscal year and the one character appropriation code ("T" is the CERCLA appropriation code).

Organization—Seven-position field but normally only three or five positions will be used. *Non-site-specific* account codes will contain the

Exhibit 4-1. IFMS Six-Field Accounting Data Structure

Budget Fiscal Year (max. 4)	Appropriation (max. 6)	Budget Organization (max. 7)	Program Element (max. 9)
95	5T	7267	TFA

Site/Project (max. 8)	Cost Organization [for future use] (max. 7)
06ZZ7	

Compare this structure with the same information in a 10-digit ACN for a Region 6 site effort – 5TFA7267ZZ.

51-033-187A

two character allowance holder identifier, one character responsibility center code, and an optional two character code for local use. *Site-specific* codes for the Regions will consist of the allowance holder identifier, the responsibility center code, and the funding activity code (activity code "R" must be accompanied by the site-specific identifier). Site-specific codes for Headquarters are the same except the responsibility center code will be the code for the Region where the site is located.

Program Element—Nine-position field with only a three character code being used for most spending documents. The only two RAC program elements are TGB, which is used for enforcement; and TFA, which is used for all other RAC work.

Site/Project—Eight-position field used to identify sites and activity codes. The first two positions identify the Region; the next two positions identify the site; and the fifth position identifies the activity code associated with work at that site. For Regions that have exhausted the initial supply of site identifiers, the first position will be 'N' and the second position will identify the Region (thus, two positions will not be available for Region identification). For example, N401 represents a new site identifier for Region 04 after the initial supply of site identifiers has been exhausted. Headquarter's use of this field is different than the Region's. Headquarters need use only the activity code followed by the two character site identifiers.

Cost Organization—Seven-position field, reserved for later use.

When funds are expended site-specifically, such as where "L" is the activity code and "A8" is the site code, the generic example in Exhibit 4-1 is changed as illustrated in **Exhibit 4-2**.

Activity codes are listed with accompanying work areas in the work breakdown structure (WBS) of the contract. **Exhibit 4-3** illustrates the activity codes in each of the four bulk-funding categories.

Each WA issued under the contract has a unique WA number. A WA number is an eleven-digit number composed as illustrated in **Exhibit 4-4**. The first three digits of the WA number structure are the "numeric designation of the WA." For PS WAs, the numeric designation includes an alpha character as the first digit. The alpha character indicates the type of PS WA (i.e., the letter "A" is used for the Mobilization WA, "B" for Non-Site-Specific Equipment WAs, "C" for Ongoing Administrative Support WAs, "D" for Ongoing Technical Support WAs, and "E" for the Contract Closeout WA). Under this system, the first three digits of the WA number for the first Ongoing Administrative Support WA would be "C01." The first three digits for the second Ongoing Administrative Support WA would be "C02," and so on. Thus, the first PS WAs for Region 6 would be:

Exhibit 4-2. Regional Site-Specific Accounting

Budget Fiscal Year	Appropriation	Budget Organization	Program Element
95	5T	726L	TFA

Site/Project	Cost Organization
06A8L	

This exhibit demonstrates the site-specific expenditure of bulk funds for an RI/FS (activity code "L") in Region 6 at a site designated "A8."

51-033-188A

Last-minute changes in EPA policy may affect RAC equipment procedures.

- Mobilization—A01-M09_-0600
- Non-Site-Specific Equipment—B01-EQA_-0600
- Ongoing Administrative Support—C01-PS9_-0600
- Ongoing Technical Support—D01-PSA_-0600

At the end of the contract, Region 6 would issue a WA to close out the contract:

- Contract Closeout—E01-CC9_-0600

Site-specific WAs do not contain an alpha character in the numeric designation. For example, the first site-specific WA number would begin with 001, the second would begin with 002, etc. Thus, the first WA issued in Region 6 for an RI/FS at the site designated A8 would have a WA number of 001-RIL_-06A8.

The fourth and fifth digits of the WA number structure are the work area code (from the WBS) and the sixth and seventh digits are the activity code (from the WBS; to be expanded to two digits in FY96). The eighth and ninth digits are the Regional identifier (the eighth digit becomes an "N" if a Region exhausts the supply of two-digit site identifiers) and the tenth and eleventh digits are the site identifier.

Completion-Form WAs and Remedial Action WAs

RAs and completion-form WAs must be funded on a site-specific basis. The Office of General Counsel, in a memorandum dated April 23, 1993, determined that completion-form WAs must be funded site-specifically to provide a recordable event for funding obligation purposes. The process of funding WAs specifically is detailed in section 5.8, "Work Assignment Funding."

Exhibit 4-3. Breakdown of Work Areas by Bulk-Funding Categories

Program Support (Other Response)		
Work Area (in WBS)	**Work Area Code**	**Activity Code***
Mobilization	MO	9
Equipment/Non-Site Specific	EQ	A
Ongoing Administrative Support	OA	9
Ongoing Technical Support	OT	A
Contract Closeout	CC	9

Site Characterization		
Work Area (in WBS)	**Work Area Code**	**Activity Code***
Remedial Investigation/Feasibility Study	RI	L
Remedial Design	RD	N
RI/FS Oversight	RS	P
RD/RA Oversight	RO	P
Removal Oversight	VO	P
Community Relations	CR	9
Sampling and Analytical Support	AN	9
Pre-Design Investigation	PI	9
Treatability Study/Pilot Testing	PT	9
Assessment of Risk	RK	9
Preliminary Assessment for Site Assessment	PA	9
Site Inspection for Site Assessment	SI	9
HRS Package Preparation for Site Assessment	HR	9
Site Security and Maintenance	SS	9
Design Assistance	DA	9
Five-Year Review	FR	9
Records Management and Administrative Support	RM	9
Real Property Acquisition Support	RP	9
Technical Assistance	TA	9
Integrated Site Assessment/Investigation	SA	9

Removal		
Work Area (in WBS)	**Work Area Code**	**Activity Code***
Non-Time-Critical Removal Action	NA	E
Non-Time-Critical Removal Support	NS	8
Community Relations	CR	8
Sampling and Analytical Support	AN	8
Records Management and Administrative Support	RM	8
Technical Assistance	TA	8
Integrated Site Assessment/Investigation	SA	8
Real Property Acquisition Support	RP	8
Site Security and Maintenance	SS	8

51-033-83B

Exhibit 4-3. Breakdown of Work Areas by Bulk-Funding Categories, contd.

Enforcement		
Work Area (in WBS)	**Work Area Code**	**Activity Code***
Negotiation Support	NG	4
Litigation Support	LS	4
Community Relations	CR	4
Sampling and Analytical Support	AN	4
Site Security and Maintenance	SS	4
Records Management and Administrative Support	RM	4
Real Property Acquisition Support	RP	4
Technical Assistance	TA	4
Assessment of Risk	RK	4

Note: Remedial action WAs and any WA issued as completion-form are funded on a WA basis and are not part of bulk funding.

* Activity Codes will be expanded to two digits in fiscal year 96.

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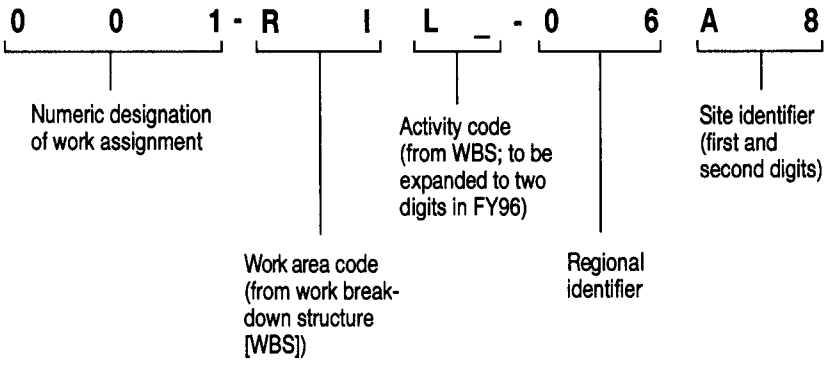
Office of Solid Waste and Emergency Response (OSWER) Directive 9200.314-2, *Program Management Manual*, identifies the Regional Allowance areas for non-site-specific and site-specific funding and requires that RAs be funded site-specifically.

Control of Contract Fund Expenditures

EPA monitors and controls contract-level bulk funding by the following two methods:

- site-specific expenditures of bulk-funded monies
- use of ELs

Exhibit 4-4. Work Assignment Number Structure



Example of a WA issued in Region 6 for a remedial investigation/feasibility study at the site designated A8.

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RACs require the contractor to allocate expenditures on a first-in, first-out basis. For all WAs, regardless of the funding approach (site-specific or bulk), the contractor must report and invoice actual expenditures on a site-specific basis using an EPA site-specific reallocation attachment (see section 4.12). For bulk-funded WAs, the allocation is determined by the bulk-funding category, and the contractor completes the allocation by including the activity code established in the RAC SOW work breakdown structure and the site code in the proper fields in the IFMS six-field accounting code structure. The reallocation process allows EPA to monitor and track expenditures more efficiently.

RAC Attachment B, "Reports of Work," requires the contractor to report and invoice actual expenditures on a site-specific basis and submit the Superfund site-specific reallocation attachment with each invoice.

In addition to tracking expenditures site-specifically, ELs provide the main tool for EPA to track appropriate expenditures against funding categories at the contract level and to monitor variances between contract-funded levels and planned expenditures. ELs are used to regulate the timing and amount of expenditures under each WA. The WAM, PO, CO, and contractor document ELs for each WA as required by RAC (see section 5.9). The contract also includes standard RAC reports for tracking expenditures, budgets, and ELs. The use of ELs ensures that contractors do not consume resources on one site and thereby constrain resources available to perform critical work on another site.

RAC clauses WORK ASSIGNMENTS (TERM-FORM SEGMENT) and WORK ASSIGNMENTS (COMPLETION-FORM SEGMENT), in Section B of the contract, state that (1) upon receipt of the WA the contractor may start work up to the EL in the WA, and (2) the contractor shall not exceed the EL, level of effort, or period of performance for a WA without the express approval of the CO.

4.3.2 Roles and Responsibilities for Contract Funding

The PO, in conjunction with the Waste Management Division, projects periodic, usually quarterly, expenditures based on the Superfund Comprehensive Accomplishments Plan (SCAP) and prepares a PR for a funding action to commit these funds. The CO reviews funding requests to ensure that contract ceilings are not exceeded and prepares contract modifications to obligate funds. The PO and CO track ELs for each WA and for the total contract to control how funds are expended and the WAM tracks these expenditures at the WA level. The responsibilities of the WAM, PO, CO, and contractor in contract funding are identified in **Exhibit 4-5.**

Exhibit 4-5. Roles and Responsibilities for Contract Funding

Individual	Role in Contract Funding
WAM	• Inputs anticipated funding needs in RP2M/CERCLIS, which is then reflected in SCAP • Prepares PRs for RA WAs • Tracks and monitors WA ELs • Prepares work assignment form (WAF) to change WA ELs
PO	• Monitors burn rates to anticipate funding needs • Projects funding needs for period, based on SCAP • Obtains program approval of funding and gathers accounting data • Reviews contract ceilings and options to determine if increases are required and notifies CO • Prepares and submits PR to CO for timely funding action • Monitors contract and WA ELs • Once funding modification completed notifies WAM to prepare WAF to increase WA ELs
CO	• Reviews funding PR • Freezes committed funds in IFMS • Prepares and issues contract funding modification • Increases contract funding ceilings, if necessary, by modifying contract • Sends contract modification to Research Triangle Park to process obligation or increase to contract ceiling into IFMS • Monitors contract ELs
CON TRACTOR	• Reallocates expenditures to funding actions maintaining ELs • Provides site-specific reallocation attachment with monthly invoice • Monitors and keeps expenditures within contract and WA ELs

51-033-166

Exercising Contract Options

SECTION 4.4

Table of Contents

4.4 Exercising Contract Options 4-17

4.4.1 Background and Requirement 4-19

4.4.2 Roles and Responsibilities for Exercising Contract Options 4-21

Exhibits

Exhibit 4-6 Roles and Responsibilities for Exercising Contract Options .. 4-22

Acronyms

CO	Contracting Officer
FAR	*Federal Acquisition Regulation*
LOE	Level of Effort
PO	Project Officer
PR	Procurement Request
RAC	Response Action Contract

4.4 Exercising Contract Options

This section explains the background and requirement for exercising contract options under Response Action Contracts (RACs). It identifies contract clauses associated with exercising contract options, and describes the roles and responsibilities of the Project Officer (PO), Contracting Officer (CO), and contractor in the process.

4.4.1 Background and Requirement

RACs provide two types of contract options that may be exercised by the CO:

- options to increase contract quantities (level of effort [LOE] or dollars)
- an option to extend the term of the contract

Options to Increase Quantities

RACs specify quantity options for the completion- and term-form segments of the contract:

Term-form quantity options

- LOE (hours)
- subcontracting pool (dollars)
- equipment pool (dollars)

Completion-form quantity options

- completion-form ceiling (dollars)

Last-minute changes in EPA policy may affect RAC equipment procedures.

An option to increase LOE increases the number of hours available for use. EPA is obligated to order work up to the base quantity of LOE. An option to increase a base quantity of dollars increases a dollar ceiling in the contract. The Regions are not obligated to, but may order work up to the ceilings for the completion-form, equipment, and subcontracting pool (subpool) segments of the contract.

A Region must order work up to the base quantity of LOE but is not obligated to order work up to the ceilings for the completion-form, equipment, and subpool segments of the RAC.

The availability of options gives EPA a mechanism with which to encourage efficient performance by the contractor. If a contractor is not performing satisfactorily, as determined in the semi-annual Performance Evaluation Board's review, the Region need not exercise an option to increase LOE or ceilings. These options may be exercised as needed in specified increments of hours or dollars as listed in the contract.

Four RAC clauses, located in contract Section H, provide the government options to increase quantities:

OPTION FOR INCREASED QUANTITY—TERM-FORM SEGMENT (LOE)—allows EPA to increase the estimated LOE in both the base and option periods.

OPTION FOR INCREASED QUANTITY—SUBCONTRACTING POOL (TERM-FORM SEGMENT)—allows EPA to increase the subcontracting pool (dollars) established in the subcontracting clause.

Last-minute changes in EPA policy may affect RAC equipment procedures.

OPTION FOR INCREASED QUANTITY— EQUIPMENT POOL (TERM-FORM SEGMENT)—allows EPA to increase the equipment pool (dollars) established in the equipment pool clause.

OPTION FOR INCREASED QUANTITY—COMPLETION-FORM SEGMENT—allows EPA to increase the dollar ceiling for the completion-form portion of RAC for both the base and option periods.

These clauses specify the LOE or dollar increments that may be used in exercising options, and the maximum number of times options may be exercised. Individual contracts should be consulted for option increments, number of times options may be exercised, and the maximum option amount.

Option to Extend the Term of the Contract

RACs have a five-year base period of performance with a single option to extend the term of the contract for an additional five-year period, making a total of ten years available for the period of performance. The additional five-year period is referred to as the option period. Exercising this option is generally referred to as exercising the option period. The Region may choose whether or not to exercise the option period based on contractor performance, among other factors.

RAC clause, OPTION TO EXTEND THE TERM OF THE CONTRACT—COST-PLUS-AWARD-FEE CONTRACT, in contract Section H, allows the CO to extend the RAC performance period for five additional years.

Unilateral Nature of Exercising Contract Options

Exercising an option is a unilateral right of the government.

Exercising an option is a unilateral right of the government. RAC clauses in Section H define the terms and conditions for exercising contract

options. *Federal Acquisition Regulation (FAR)* 17.207, "Exercise of Options," specifies the CO's obligations during the process of exercising options. The procedures for exercising options presented in this section incorporate *FAR* 17.207 requirements.

Handling WAs that Extend into the Option Period

Some base-period WAs may not be completed when the CO exercises the option to extend the contract period of performance. Both term- and completion-form WAs can be carried over into the option period. However, base-period LOE and dollars of term-form WAs cannot carry over to the option period; only option period hours and dollars can be used in the option period. The RAC clause in Section B, WORK ASSIGNMENTS (TERM-FORM), states that all hours and associated costs expended during the option period must be charged to the option period's hours and estimated costs. Any unused base-period LOE becomes invalid (is "lost") and any unused dollars must be deobligated from the base period and reobligated for the option period, except for dollars obligated for completion-form WAs, which can be used in the option period. When deobligating money, the CO should be sure to leave in funds to cover key charges and final adjustments to indirect rates.

Term-form WAs can extend into the option period. However, unused base-period LOE and dollars cannot carry over to the option-period.

Completion-form WAs may carry over into the option period unaffected by the exercise of the option to extend the period of performance. RAC clause in Section B, WORK ASSIGNMENTS (COMPLETION-FORM), states that completion ceilings for completion-form WAs issued during the base period are not affected by exercising the option to extend the contract term. The money obligated in the base period to fund completion-form WAs can continue to be used to complete the WA in the option period. However, if the WA is amended to increase costs in the option period, option period funds must be used.

Completion-form WAs carry over into the option period, unaffected by the exercise of the option period. However, if the WA ceiling is increased in the option period, option period dollars must be used for the increase.

4.4.2 Roles and Responsibilities for Exercising Contract Options

Exhibit 4-6 depicts the responsibilities of the PO, CO, and contractor in exercising an option to extend a contract's period of performance and in exercising options to increase LOE or dollar ceilings in the term- and completion-form segments of the contract. The CO has the final authority to exercise any option, but this decision is based on the PO's recommendation regarding the Region's need for additional services and a statement that the contractor's performance is satisfactory or better.

Exhibit 4-6. Roles and Responsibilities for Exercising Contract Options

Individual	Role in Exercising Options
PO	***Options for Increases in LOE and Dollars*** • Monitors the contractor's performance and estimates projected contract utilization every quarter • Determines need for additional LOE and contract dollars • Submits request to increase LOE and/or dollar quantities to CO • Prepares a Procurement Request (PR) to increase contract funding and forwards it to the CO • Receives a copy of the written unilateral contract modification • Updates RAC tracking system ***Option for Extending the Performance Period*** • Submits request for extension of contract to CO • Prepares a PR to initiate funding for the option period of the contract and forwards it to the CO • Receives a copy of the written unilateral contract modification
CO	***Options for Increases in LOE and Dollars*** • Works in cooperation with the PO to determine the need for increased LOE and contract dollars, as needed • Reviews and signs funding PR • Issues a unilateral contract modification to increase LOE and/or contract ceilings • Updates the Region's RAC tracking system ***Option for Extending the Performance Period*** • Notifies the contractor, in writing, at least 60 days before the end of the base period, of the government's intent to exercise the option to extend the period of performance • Reviews and signs funding PR • Issues a unilateral contract modification that authorizes the extension of the term of contract, exercises quantity options for the option period, and may provide funding
CON TRACTOR	***Options for Increases in LOE and Dollars*** • Receives from the CO a written unilateral contract modification to increase the LOE and/or dollar ceilings of the contract ***Option for Extending the Performance Period*** • Receives from the CO a written notification of intent to extend the period of performance at least 60 days before the end of the contract base period • Receives from the CO the contract modification to extend the period of performance 51-033-111A

Contract Modifications

SECTION 4.5

Table of Contents

4.5 Contract Modifications 4-23

4.5.1 Background and Requirement 4-25

4.5.2 Roles and Responsibilities for Making Contract Modifications 4-27

Exhibits

Exhibit 4-7 Examples of Contract Modifications and Their Classifications 4-26

Exhibit 4-8 Roles and Responsibilities for Making Contract Modifications 4-27

Acronyms

CO Contracting Officer
FAR Federal Acquisition Regulation
PO Project Officer
PR Procurement Request
RAC Response Action Contract
SF Standard Form

4.5 Contract Modifications

This section addresses Response Action Contract (RAC) contract modifications and discusses the background and requirement and the roles and responsibilities of the Project Officer (PO) and Contracting Officer (CO) in making contract modifications.

4.5.1 Background and Requirement

Contract terms and conditions may need to be revised after work commences. These revisions are made through a process called contract modification and must be made within the general scope of the contract. A change is within the contract's general scope if it was "fairly and reasonably within the contemplation of the parties when the contract was entered into," as defined by the U.S. Supreme Court (*Freund v. United States, 260 U.S. 60, 63 [1922]*). A change that is beyond the scope of the contract is termed a "cardinal change" and cannot be ordered by the Agency. A cardinal change is a breach of contract. Modifications may be made only by the CO using the government's Standard Form (SF) 30.

In RACs, contract modifications are used to:

- exercise contract options to extend the period of performance and increase quantities of dollars or hours
- fund the contract via a funding procurement request (PR) to obligate funds within the four bulk-funding categories (Program Support [Other Response], Site Characterization, Removal, and Enforcement)
- incorporate changing EPA needs such as PO changes, RAC Statement of Work updates, Reports of Work revisions, and changes in government property

Last-minute changes in EPA policy may affect RAC equipment procedures.

Unilateral and Bilateral Modifications

Contract modifications fall into two major categories: unilateral and bilateral. *Unilateral modifications* require only the CO's signature and are classified as either administrative modifications or changes that the contract schedule itself authorizes on a unilateral basis (such as change orders that are issued under the authority of the CHANGES clause, exercise of options, or notices of termination). *Bilateral modifications* require the signatures of both the CO and the contractor and are used for changes that cannot be made unilaterally.

Unilateral modifications are signed only by the CO; the contractor must implement them upon receipt. Bilateral modifications require mutual consent and must be signed by the CO and the contractor before they become effective.

Exhibit 4-7 lists examples of contract modifications and their classifications.

Exhibit 4-7. Examples of Contract Modifications and Their Classifications

Purpose of Modification	Unilateral	Bilateral
Substantive changes that fall under the CHANGES clause[1]	X	X
Exercise of options including extending the period of performance and quantity options	X	
Termination	X	
Funding	X	
Administrative changes, such as changing the PO	X	
New legal obligations, such as contractor mergers and name changes		X

[1] These changes may be made unilaterally or bilaterally, depending on time limitations.

51-033-106A

An administrative change to a contract does not affect the substance of the contract or the rights of either party. A substantive change affects the price, quantity, quality, or other terms and conditions of the contract.

A good test to determine whether a modification may be executed unilaterally or bilaterally is to determine whether it is administrative or substantive in nature, and whether the provisions of the contract give the government the right to act unilaterally. *Administrative changes* do not affect the substance of the contract or the rights of either party and may be made unilaterally by the CO. *Substantive changes* affect the price, quantity, quality, or other terms and conditions of the contract, but must be made within the scope of the contract. Substantive changes may be made unilaterally only if the contract provides for it through a contract clause, such as the CHANGES clause.

The CHANGES Clause

A change order is a type of contract modification that may be issued only under the CHANGES clause.

Government contracts, including RACs, contain the CHANGES clause which permits the CO to make unilateral modifications (both substantive and administrative) in designated areas within the general scope of the contract, including changes:

- in the specifications
- in the method or manner of work performance
- in the government-furnished facilities, equipment, materials, services, or site
- directing acceleration in work performance

Last-minute changes in EPA policy may affect RAC equipment procedures.

An equitable adjustment is the agreed-upon monetary adjustment specifically following a change order.

The CO makes a unilateral modification under the CHANGES clause through a written *change order*. Change orders may be substantive in nature and usually affect the cost of the contract. When a change order affects the cost of a contract, a bilateral modification is needed to make an equitable adjustment. The CO issues a written change order when the change needs to be instituted quickly and there is not time for a bilateral modification.

FAR 52.243-2 CHANGES—COST-REIMBURSEMENT *ALTERNATE II* is incorporated by reference into the RAC. This CHANGES clause specifies situations where the government may make unilateral changes under the contract.

4.5.2 Roles and Responsibilities for Making Contract Modifications

The CO is the only individual who may issue contract modifications.

The CO and the contractor play the major roles in contract modifications, since the CO is the only individual authorized to issue contract modifications to the contractor. The PO provides input on the requirement to the CO and oversees the contractor's implementation of the change called for by the modification. **Exhibit 4-8** defines the specific roles of the individuals involved in making contract modifications.

Exhibit 4-8. Roles and Responsibilities for Making Contract Modifications

Individual	Role in Making Contract Modification
PO	• Monitors the contract and verbally notifies the CO when a contract modification is necessary • Prepares contract modification request memorandom • Gives the CO historical and technical information regarding the modification • Prepares a PR for incremental funding if needed
CO	• Reviews the contract modification request • Determines the type of change (administrative or substantive) ***Administrative Changes*** • Decides if an administrative change is necessary • Reviews the funding request to determine funding availability and approves the PR • Prepares a written modification to the contract on SF 30 and makes necessary financial adjustments • Sends a copy of the modification to the contractor ***Substantive Changes*** • Decides if a substantive change is necessary • Determines whether the substantive change falls under the CHANGES clause and whether a change order is necessary • Issues a change order through unilateral modification, if time is limited • Negotiates, issues, and signs bilateral modifications for equitable adjustments following change orders and for other substantive changes made bilaterally
CONTRACTOR	• Receives the unilateral modification from the CO and implements the modification • Negotiates with the CO, signs the bilateral modification, and implements the bilateral modification

51-033-107A

Contract Claims and Disputes

SECTION 4.6

Table of Contents

4.6 Contract Claims and Disputes 4-29

4.6.1 Background and Requirement 4-31

4.6.2 Roles and Responsibilities for Handling Contract Claims and Disputes 4-34

Exhibits

Exhibit 4-9 Claims and Disputes Process 4-33

Exhibit 4-10 Roles and Responsibilities for Handling Contract Claims and Disputes 4-34

Acronyms

ADR	Alternative Dispute Resolution
CO	Contracting Officer
FAR	*Federal Acquisition Regulation*
IBCA	Department of Interior Board of Contract Appeals
PO	Project Officer
RAC	Response Action Contract
WA	Work Assignment
WAM	Work Assignment Manager

4.6 Contract Claims and Disputes

This section provides background information on the requirements for handling contract claims and disputes and under Response Action Contacts (RACs) and identifies the responsibilities of the individuals involved in the process.

4.6.1 Background and Requirement

Although EPA and a contractor may enter into a contract with the intention of performing in good faith, disputes may occur during the course of the contract. To avoid disputes between EPA and the contractor, an effective tool that is often used is partnering. Partnering is usually conducted during the scoping meeting prior to work assignment (WA) initiation when partners attempt to delineate the WA and resolve any issues anticipated to arise during WA performance.

When disputes arise, they may arise between the prime contractor and EPA or between the subcontractor and the prime contractor. If a dispute arises between a subcontractor and the prime contractor and EPA is a factor in the dispute, the prime contractor may pursue the dispute with EPA.

The contract requires that disputes be submitted to the Contracting Officer (CO) for resolution. The CO unilaterally decides the dispute even though he or she represents only one of the contracting parties.

To the extent possible, the CO and contractor should try to avoid a claim by resolving contractual issues through mutual agreement.

As discussed in the *Federal Acquisition Regulation (FAR)*, EPA should try to avoid a claim by resolving contractual issues by mutual agreement between the CO and the contractor either before a claim is filed, or at any time during the disputes process. The government and contractor should either try to reach an agreement on their own or use alternative dispute resolution (ADR) procedures, as discussed in *FAR* 33.201, to increase the likelihood for a relatively inexpensive and expeditious resolution of the issue. In ADR, a neutral person is used to facilitate the resolution and officials from both parties may participate in the process.

If the dispute cannot be resolved on their own or by using ADR, the contractor may submit a written claim to the CO. A "claim," as defined by the *FAR* 52.233-1, is "a written demand by one of the contracting parties seeking, as a matter of right, the payment of money, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract." Claims that exceed $100,000, or any claim regardless of the amount when using ADR, must be accompanied by certification that:

- the claim is made in good faith

- supporting data is accurate and complete to the best of the contractor's knowledge
- the amount requested accurately reflects the contract adjustment for which the contractor believes the government is liable

A claim does not include such items as vouchers, invoices, or other routine requests for payment that are not in dispute when submitted. However, a routine request for payment may be converted into a claim if the contractor makes a formal demand subsequent to an unreasonable delay in payment or disagreement by the government.

The CO has 60 days to issue a decision on a claim or notify the contractor when the decision will be forthcoming.

The CO must issue a decision on the claim within 60 days of receiving the contractor's written claim. For certified claims over $100,000, the CO must issue a decision within 60 days or notify the contractor of the "reasonable" time within which a decision will be issued. The CO's written decision must specify the areas of agreement and disagreement. Upon the Region's discretion, the CO may allow the contractor to respond to the decision by issuing a revised claim. The contractor's revised claim may include all or specific parts of the originally submitted claim. The CO then makes a final decision on the revised claim. The submittal of the revised claim is not mandated by the *FAR*; however, this procedure may be beneficial in that it may avoid the involvement of higher officials.

During the claims process, the contractor must continue to proceed with the performance of the contract. EPA must pay interest on the amount found due and unpaid from the day the CO receives the claim or the day the payment was due, whichever is later.

ADR may be used to resolve a claim at any point in the process.

The contractor may appeal the CO's final decision to the Department of Interior Board of Contract Appeals (IBCA) or the U.S. Court of Federal Claims. At any time during the claims and disputes process, the CO and contractor may use ADR procedures to settle the issue or any portion of the claim. **Exhibit 4-9** illustrates the claims and disputes process.

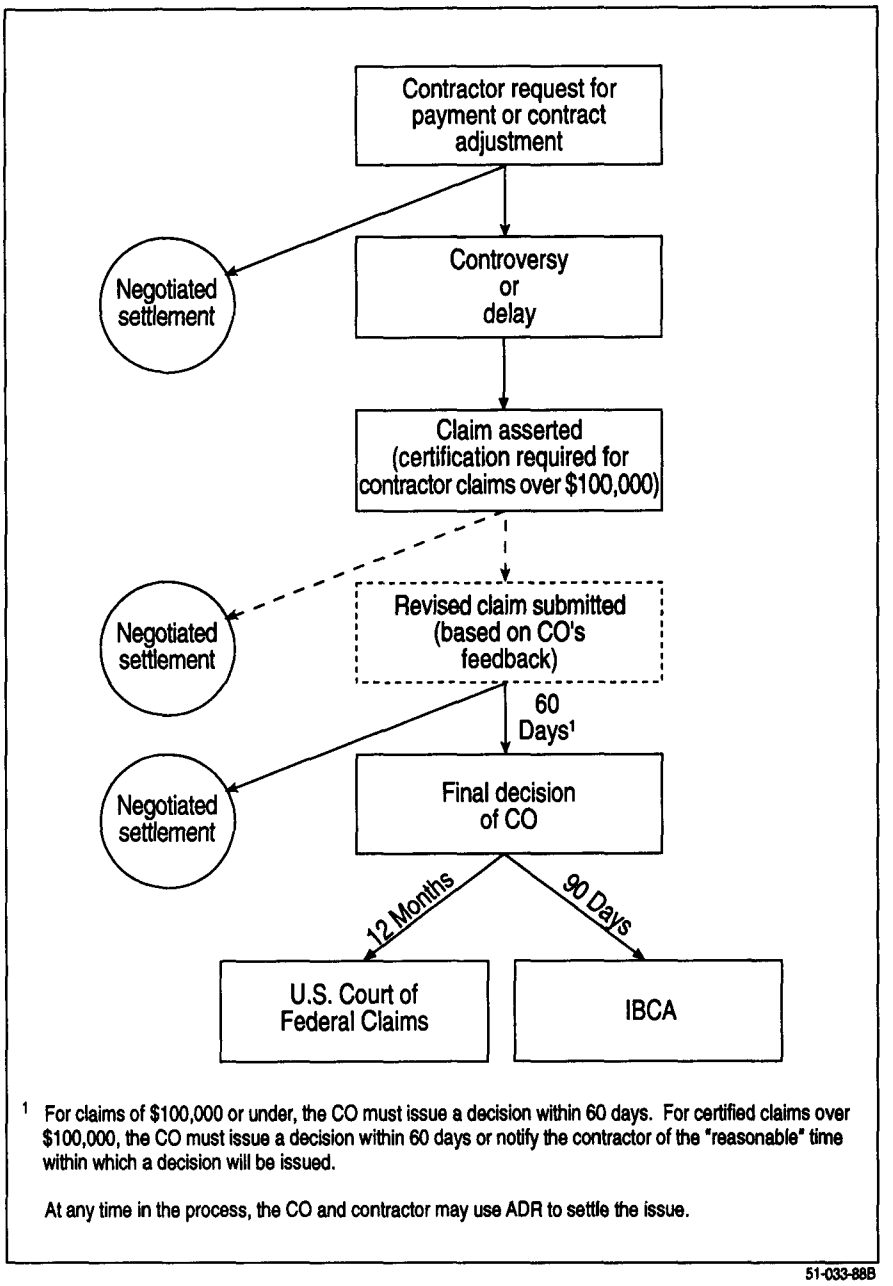
The Contract Disputes Act of 1978 and *FAR* clauses specify the requirements and describe the procedures to follow when a dispute arises.

The *Contract Disputes Act of 1978*, as amended by the *Administrative Disputes Resolution Act*, governs the claims and disputes process.

FAR Subpart 33.2, DISPUTES AND APPEALS, prescribes the policies and procedures for contract disputes made by the contractor against the contract, and requires that the disputes clause be included in the contract.

The DISPUTES clause in contract Section I (*FAR* 52.233-1) states that the contract is subject to the *Contract Disputes Act of 1978* and describes to the contractor the procedures for handling disputes.

Exhibit 4-9. Claims and Disputes Process



[1] For claims of $100,000 or under, the CO must issue a decision within 60 days. For certified claims over $100,000, the CO must issue a decision within 60 days or notify the contractor of the "reasonable" time within which a decision will be issued.

At any time in the process, the CO and contractor may use ADR to settle the issue.

51-033-88B

Claims may be made relating to the contract or particular WAs issued under the contract.

Under RACs, claims may relate to differences in opinion in the contract arising from:

- routine requests for payment
- changes made to the statement or scope of work
- equitable adjustments resulting from change orders

More commonly, claims may relate to a particular work assignment (WA). For example, these claims may originate from differences of opinion arising from changing field conditions or changes in a WA's scope of work, especially during the remedial action phase. Whether a claim

relates to the contract or a WA under the contract, the same procedures for filing the claim apply.

4.6.2 Roles and Responsibilities for Handling Contract Claims and Disputes

The CO has the primary role in handling a contractor's claim and making a decision on it. The Work Assignment Manager (WAM) and Project Officer (PO) contribute by identifying emerging differences of opinion regarding the rights or obligations of either party and notifying the CO about the differences in opinion.

The specific roles and responsibilities of individuals involved in the process of handling claims and disputes are identified in **Exhibit 4-10**.

Exhibit 4-10. Roles and Responsibilities for Handling Contract Claims and Disputes

Individual	Role in Handling Contract Claims and Disputes
WAM	• Identifies any emerging difference of opinion • Notifies the CO of the disagreement and provides information to the CO regarding the controversy • May be a witness at the IBCA or U.S. Court of Federal Claims hearing
PO	• Identifies any emerging difference of opinion • Notifies the CO of the disagreement and provides information to the CO regarding the controversy • May be a witness at the IBCA or U.S. Court of Federal Claims hearing
CO	• Attempts to resolve the disagreement using ADR procedures • Consults with the PO and WAM, as necessary, to understand the reasons for the disagreement • Receives the contractor's claim • Receives counsel from and review of final decision from the Office of General Counsel • Studies the history of the contractor's claim and prepares and submits to the contractor a written decision about the claim • Prepares and submits a modification to the contract, if the decision is in the contractor's favor • Receives and reviews the contractor's revised claim, if applicable • Prepares and submits a "final" decision on the contractor's revised claim, if applicable • May be a witness at the IBCA or U.S. Court of Federal Claims hearing • Implements the decision of the appeal, if the decision is in the favor of the contractor
CON TRACTOR	• Attempts to resolve the dispute using ADR procedures • Prepares and submits a claim to the CO • May prepare and submit a revised claim, at the discretion of the Region • May appeal the CO's decision to the IBCA or U.S. Court of Federal Claims

51-033-81

Subcontract Review and Consent

SECTION 4.7

Table of Contents

4.7 Subcontract Review and Consent 4-35

4.7.1 Background and Requirement 4-37

4.7.2 Roles and Responsibilities in Subcontract Review and Consent 4-40

Exhibits

Exhibit 4-11 Subcontract Information 4-39

Exhibit 4-12 Roles and Responsibilities in Subcontract Review and Consent 4-40

Acronyms

CO Contracting Officer
DCA Design and Construction Advisor
FAR Federal Acquisition Regulation
PO Project Officer
RAC Response Action Contract
WA Work Assignment
WAM Work Assignment Manager

4.7 Subcontract Review and Consent

This section describes the background and requirement for subcontract review and consent under Response Action Contracts (RACs) for subcontracts issued by the prime contractor for specialized services not provided by the prime or its Team subcontractors. For information on subcontractor oversight, see section 5.14.

4.7.1 Background and Requirement

Subcontracting extends the prime contractor's expertise to respond to work assignment (WA) requirements and allows specialized services to be procured for specific tasks. In RACs, there are two types of subcontractors:

- Team subcontractors
- Non-Team subcontractors

Team Subcontractors

Team subcontractors are included in the RAC prime contractor's proposal and are part of the prime contractor's Team. Team subcontractors may be used by the prime contractor to work on any assignment that the prime deems appropriate. Team subcontractors are established during contract negotiations with the prime contractor, and no further EPA consent to Team subcontractors during contract performance is required.

Non-Team Subcontractors

Non-Team subcontractors provide specialized services for the prime contractor that ordinarily cannot be provided by the prime or its Team subcontractors. Specific activities generally requiring use of non-Team subcontractors include, but are not limited to:

- initial response actions
- well-drilling
- analytical services (when not provided by the government)
- special consultants to support technical projects or to serve as expert witnesses
- aerial mapping
- surveying
- fencing
- construction activities associated with a remedial action

Subcontracting efforts pertaining to specific activities issued under completion-form WAs are charged against the overall completion ceiling.

All subcontracting pertaining to specific activities required under term-form WAs is financed through the subcontracting pool, which is a subelement of the contract's term-form segment.

All non-Team subcontracts are competitively solicited by the prime contractor unless written approval to the contrary is obtained from the Contracting Officer (CO).

Federal Acquisition Regulation (FAR) Part 44, Subcontracting Policies and Procedures, and three RAC clauses pertain to subcontracting:

SUBCONTRACTING POOL FOR SITE-SPECIFIC INVESTIGATIONS AND CONSTRUCTION WORK (TERM-FORM SEGMENT), in contract Section B, describes the difference between Team subcontractors and subpool subcontractors, requires all non-Team subcontracts to be competed unless CO gives written approval otherwise, and limits subcontracting to the prime contractor.

SUBCONTRACT CONSENT, in contract Section G, requires the contractor to submit information to the CO for consideration before the CO consents to a subcontract.

SUBCONTRACTS (COST-REIMBURSEMENT AND LETTER CONTRACTS), in contract Section I, defines which subcontracts require consent by EPA, requires that the contractor provide reasonable advance notification of intent to subcontract, and lists the information the contractor must provide to the CO for subcontract consent.

Consent

Non-Team subcontractors are used by the prime contractor on an as-needed basis only. According to *FAR* 52.244-2, the contractor must notify the CO reasonably in advance of entering into any subcontract if:

- the proposed contract is a cost-reimbursement, time-and-materials, or labor-hour type
- the proposed contract is fixed-price and exceeds either $25,000 or 5 percent of the total estimated contract cost (except where the contractor has an approved purchasing system and the subcontract is within the scope of such approval)
- the proposed subcontract has experimental, developmental, or research work as one of its purposes

- the proposed subcontract, not a facilities contract, provides for the fabrication, purchase, rental, installation, or other acquisition of special test equipment valued at more than $10,000, or of any items or facilities

Last-minute changes in EPA policy may affect RAC equipment procedures.

The contractor must obtain the CO's written consent before placing any subcontract for which advance notification is required by the SUBCONTRACTS clause in Section I, of the contract. If the CO's written consent was not obtained, the CO may ratify in writing a subcontract and the ratification will constitute the consent of the CO. For construction subcontracts, the contractor should provide an engineering estimate to EPA before the subcontract is bid.

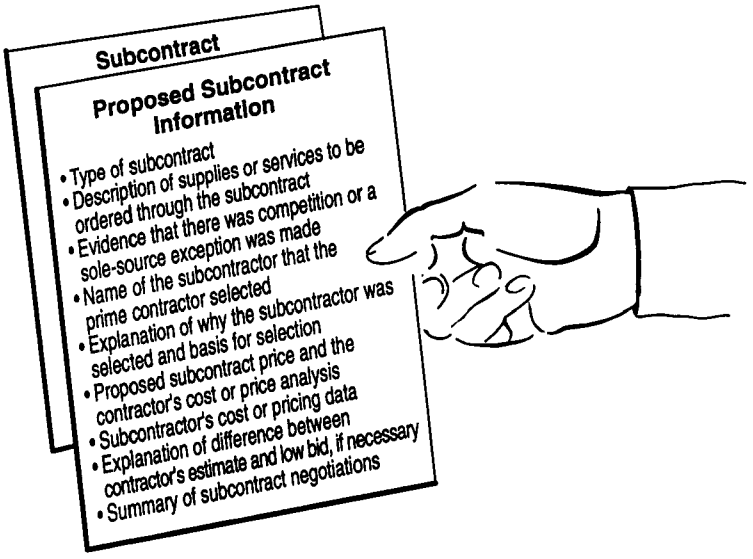
The contractor should submit an engineering estimate to EPA before receiving bids on construction subcontracts.

Additional information, identified in the SUBCONTRACTS clause, is required with advance notification for the following subcontract types:

- cost-reimbursement, time-and-materials, or labor-hour type subcontracts expected to exceed $10,000, including any fee
- any subcontract expected to exceed $100,000
- a RAC subcontract that is one of a number of subcontracts with a single subcontractor for the same or related supplies or services that, in the aggregate, are expected to exceed $100,000

The contractor provides the required information to the CO so the CO can decide whether to consent to the subcontract. **Exhibit 4-11** identifies the additional information required for those types of subcontracts.

Exhibit 4-11. Subcontract Information



The contractor provides to the CO its proposed subcontract along with information regarding selection of the subcontractor.

51-033-77B

CO consent is not always required if the contractor's purchasing system has been approved and the subcontract is within the scope of such approval.

If the contractor has an approved purchasing system and the subcontract is within the scope of such approval, the contractor may enter into cost-reimbursement, time-and-materials, labor-hour type, or fixed-price type subcontracts without CO consent, unless the subcontract is for the acquisition of major systems, subsystems, or their components. The contractor's purchasing system is reviewed according to *FAR Subpart* 44.3.

The Work Assignment Manager (WAM), Project Officer (PO), and Design and Construction Advisor (DCA) assist the CO in reviewing a subcontractor's proposal for technical adequacy and cost reasonableness. The CO makes the ultimate decision to consent to the subcontract and conveys written consent to the prime contractor.

4.7.2 Roles and Responsibilities in Subcontract Review and Consent

The WAM, PO, and DCA assist the CO in reviewing a subcontractor's proposal for technical adequacy and cost reasonableness, but the CO makes the ultimate decision regarding consent. **Exhibit 4-12** identifies the roles and responsibilities of the WAM, PO, CO, DCA, and the prime contractor.

Exhibit 4-12. Roles and Responsibilities in Subcontract Review and Consent

Individual	Role in Subcontract Review and Consent
WAM	• Reviews proposed subcontract for technical adequacy and cost reasonableness
PO	• Assists CO and WAM in reviewing proposed subcontract for technical adequacy and cost reasonableness
CO	• Ensures that prime contractor's notification of intent to subcontract contains all necessary information • May forward WAM, PO, and DCA input on subcontract to prime • Discusses and resolves subcontract issues with the contractor • Consents to issuance of subcontract
Design and Constructor Advisor	• Reviews proposed subcontracts for technical adequacy
CON TRACTOR	• Provides reasonable advance notification of intent to subcontract • Provides CO with information required by SUBCONTRACTS clause • Competitively solicits subcontracts

51-033-89D

Handling Conflict of Interest Issues

SECTION 4.8

Table of Contents

4.8 Handling Conflict of Interest Issues 4-41

4.8.1 Background and Requirement 4-43

4.8.2 Roles and Responsibilities for Handling Conflict of Interest Issues 4-43

Exhibits

Exhibit 4-13 Roles and Responsibilities for Handling Conflict of Interest Issues 4-44

Acronyms

CO	Contracting Officer
COI	Conflict of Interest
OGC	Office of General Counsel
PO	Project Officer
PRP	Potentially Responsible Party
QAB	Quality Assurance Branch
SOW	Statement of Work
WA	Work Assignment
WAM	Work Assignment Manager

4.8 Handling Conflict of Interest Issues

This section identifies roles and responsibilities of the Work Assignment Manager (WAM), Project Officer (PO), and Contracting Officer (CO) in addressing conflict of interest (COI) issues under Response Action Contracts.

4.8.1 Background and Requirement

Because COI is a contract-sensitive issue, the background and requirement for handling COI are addressed in section 2.3.1.

4.8.2 Roles and Responsibilities for Handling Conflict of Interest Issues

Before work is assigned, the PO may request the contractors to perform a preliminary COI screen and use the results of the screen to determine assignment of work among contractors. After the work assignment (WA) is issued, the CO evaluates the contractor's COI certification or disclosure and determines whether COI exists. The Quality Assurance Branch (QAB) and the Office of General Counsel (OGC) or Regional Counsel may assist the CO in the COI determination. The roles of the WAM, PO, CO, QAB, OGC, Regional Counsel, and contractor in handling COI are shown in **Exhibit 4-13**.

Exhibit 4-13. Roles and Responsibilities for Handling Conflict of Interest Issues

Individual	Role in Handling COI Issues
WAM	• Assembles potentially responsible party (PRP) list and prepares WA statement of work (SOW) description for preliminary COI screen before WA is issued • Reviews COI certification or COI disclosure to assist CO
PO	• Sends PRP list and WA SOW description to contractor for preliminary COI screen before WA is issued • Evaluates preliminary COI screen and assists program in assigning work • Reviews COI certification or COI disclosure to assist CO
CO	• Evaluates COI certification or COI disclosure • Requests additional information from contractor if needed to assist in COI determination • Requests assistance from program office, QAB, and OGC or Regional Counsel in evaluating COI if needed • Makes final COI determination, taking all recommendations and information into consideration • Issues final COI determination in writing to contractor • Provides a copy of the COI determination to QAB • Determines effect of COI decision on work in progress
QAB and OGC or Regional Counsel	• Provide assistance in evaluating COI at request of CO • Give consultation to CO if work must be cancelled due to COI
Program Office	• Evaluates COI information and provides other support at CO's request
CON TRACTOR	• Conducts preliminary COI screen before WA is issued • Provides COI-related information to CO • Discloses immediately any actual or potential COI that arises during WA performance • Submits COI certification within 20 days of receiving a WA

51-033-84A

Managing Regional Crossovers

SECTION 4.9

Table of Contents

4.9 Managing Regional Crossovers 4-45

4.9.1 Background and Requirement 4-47

4.9.2 Roles and Responsibilities for Managing Regional Crossovers 4-48

Exhibits

Exhibit 4-14 Roles and Responsibilities for Managing Regional Crossovers 4-49

Acronyms

CO	Contracting Officer
COI	Conflict of Interest
PO	Project Officer
RAC	Response Action Contract
WA	Work Assignment
WAM	Work Assignment Manager

4.9 Managing Regional Crossovers

This section addresses the requirements for requesting contractor capacity from another Region due to Regional capacity shortage or conflict of interest (COI) situations.

4.9.1 Background and Requirement

The need for Regional crossovers for Response Action Contracts (RACs) may result from capacity shortfall or COI situations. To facilitate Regional crossover, the Regions should adhere to the guidelines presented in this section for acquiring support from other Regions and managing crossovers.

Regional crossover may be needed during capacity shortfalls or in certain COI situations.

The Project Officer (PO) and Contracting Officer (CO) determine the need for Regional crossover from a capacity shortfall or COI before a work assignment (WA) is issued. If a Region does not have the capacity under its RACs to execute a WA, it may request Regional crossover. Insufficient capacity is most likely to occur at the end of the base period or option period when a contract does not have enough dollar or hour capacity remaining to continue site work in progress and all options have been exercised and utilized.

COI may be identified during the preliminary COI screen performed before a WA is issued (see sections 2.3.1 and 4.8). The CO evaluates the information and determines whether COI exists and whether it is necessary to issue the WA to another contractor. If all RAC contractors in a Region are conflicted, Regional crossover may be needed.

After the need for Regional crossover is identified, the PO or CO in the Region that needs additional capacity (the receiving Region) should call another Region (the lending Region) and request contractor capacity to administer the WA(s). If Regional crossover cannot be accomplished in this manner, or in emergency situations, a Region may channel its request through EPA Headquarters.

Several general procedures should be followed to enable the lending Region to maintain control over crossover management while ensuring that the receiving Region accepts its share of responsibility for the crossover:

- the receiving Region is expected to adhere to the terms established by the lending Region
- the receiving Region provides all PO and CO functions, unless the lending Region determines otherwise
- the receiving Region must meet performance (award) fee process and time tables

When Regional crossover occurs, the receiving Region should adhere to the terms established by the lending Region.

- the receiving Region should pay budgetary costs (award fee, program management, and EPA travel for the PO/CO) and workload costs (providing appropriate levels of PO and CO support as required by the lending Region)
- funding must cover the WA costs which include program support costs and the base and performance (award) fees.

RAC Clause EPA REGIONAL CROSSOVERS in contract Section H addresses Regional crossovers.

4.9.2 Roles and Responsibilities for Managing Regional Crossovers

The CO, with input from the PO and the Work Assignment Manager (WAM), determines if a capacity shortfall exists or if a COI situation necessitates a Regional crossover. After crossover is initiated, the lending and receiving Regions negotiate and agree upon the responsibilities of all involved parties. General roles and responsibilities are provided in **Exhibit 4-14**. Indivduals' responsibilites may vary depending on Regional negotiations for a particular crossover event.

Exhibit 4-14. Roles and Responsibilities for Managing Regional Crossovers

Individual	Role in Managing Regional Crossover
WAM (receiving Region)	• Provides input to assist receiving Region CO in determining if Regional crossover is needed • May perform WAM functions when Regional crossover occurs • Negotiates responsibilities for issuing and managing the crossover WA
PO (receiving Region)	• Provides input to assist receiving Region CO in determining if Regional crossover is needed • Ensures that funding is available to cover Regional crossover • May request Regional crossover from lending Region • May perform PO functions for WA when Regional crossover occurs • Coordinates with lending Region to comply with lending Region's Region-specific contract documentation (statements of work, independent government cost estimate, etc.) and any other conditions required by lending Region • Negotiates responsibilities for issuing and managing the crossover WA
PO (lending Region)	• Tracks capacity and ensures that there is capacity to lend • May perform PO functions for WA when Regional crossover occurs • Provides receiving Region with lending Region-specific contract documentation and any other conditions required by lending Region • Negotiates responsibilities for issuing and managing the crossover WA
CO (receiving Region)	• Identifies need for Regional crossover • May request Regional crossover from lending Region • Coordinates with lending Region to comply with lending Region's Region-specific contract documentation (statements of work, independent government cost estimate, etc.) and any other conditions required by lending Region • May perform CO functions when Regional crossover occurs • Negotiates responsibilities for issuing and managing the crossover WA
CO (lending Region)	• May consent to receiving Region request for Regional crossover • Provides receiving Region with lending Region-specific contract documentation and any other conditions required by lending Region • Receives funding package from receiving Region and issues WA • May function as CO for the crossover WA • Negotiates responsibilities for issuing and managing the crossover WA
EPA Headquarters	• Considers requests for Regional crossover when difficulties arise in obtaining Regional crossover between Regions • Negotiates responsibilities for issuing and managing the crossover WA

51-033-148B

Implementing Control Measures for Vulnerable Contracting Areas

SECTION 4.10

Table of Contents

4.10 Implementing Control Measures for Vulnerable Contracting Areas 4-51

4.10.1 Background and Requirement 4-53

4.10.2 Roles and Responsibilities for Implementing Control Measures for Vulnerable Contracting Areas 4-56

Exhibit

Exhibit 4-15 Roles and Responsibilities for Implementing Control Measures for Vulnerable Contracting Areas 4-57

Acronyms

A/E	Architect and Engineering
CBI	Confidential Business Information
CO	Contracting Officer
FAR	*Federal Acquisition Regulation*
OFPP	Office of Federal Procurement Policy
OMB	Office of Management and Budget
OSWER	Office of Solid Waste and Emergency Response
PRP	Potentially Respnsible Party
RA	Remedial Action
RAC	Response Action Contract
WA	Work Assignment

4.10 Implementing Control Measures for Vulnerable Contracting Areas

This section provides background information on vulnerable and sensitive contracting areas in Response Action Contracts (RACs) and describes the roles and responsibilities of the individuals involved in implementing control measures.

4.10.1 Background and Requirement

Certain RAC activities may place the Agency in a vulnerable position if adequate controls are not implemented. In fact, for some of these vulnerable areas, if adequate controls are not implemented the activities performed by the contractor may be construed as or become inherently governmental functions (see Chapter 2). As such, EPA must implement control measures to ensure that contractors are not involved in these activities. There are four general categories of vulnerable contracting areas in RAC:

- advisory and assistance services
- activities involving sensitive contracting areas
- general contracting areas requiring special contract controls
- specific contract work areas requiring controls

Advisory and Assistance Services

A/E services are no longer exempt from the advisory and assistance services definition.

Advisory and assistance services, as defined by *Federal Acquisition Regulation (FAR)* Part 37.2, are "those services acquired from nongovernmental sources by contract to support or improve Agency policy development, decision making, management, and administration or to support or improve the operation of management systems." Architect and engineering (A/E) services were formerly exempt from the advisory and assistance services definition in the *FAR*; however, the Office of Federal Procurement Policy (OFPP) no longer exempts them. A/E services are now subject to Office of Management and Budget (OMB) *Circular A-120*, "Guidelines for the Use of Advisory and Assistance Services."

Advisory and assistance services may take the form of information, advice, opinions, alternatives, conclusions, recommendations, training, or direct assistance from the RAC contractor. The following types of RAC services may put the Agency in a vulnerable position:

- giving individual expert opinions
- providing studies, analyses, and evaluation
- conducting management and professional support services
- performing engineering and technical services

Although these services are a legitimate and efficient way to improve government operations, control measures must be implemented to ensure that advisory and assistance services are not:

- used to perform policy, decision-making, or managerial tasks that are the direct responsibility of Agency officials
- used to bypass or undermine personnel ceilings, pay limitations, or competitive employment procedures
- used specifically to influence legislation
- used to obtain professional or technical advice that is readily available within EPA or another Federal agency
- contracted for on a preferential basis to former government employees

Sensitive Contracting Areas

Four areas in RACs are defined as sensitive contracting areas.

Sensitive contracting areas, as defined by EPA *Order 1900.2*, "Contracting at EPA," and Chapter 2 of the *Contracts Management Manual*, "Procurement Request and Rationale Document," may be ordered or delivered under RACs and therefore may put the Agency in a vulnerable or sensitive position if adequate controls are not implemented. The following sensitive areas are most likely to be encountered under RACs:

- support services such as sample analyses or feasibility studies that will be used by EPA personnel to develop policy
- any support involving EPA policy or regulatory interpretation, such as staffing hotlines, attending conferences, community relations efforts, or conducting EPA training courses
- any situation that permits or might permit contractors to gain access to confidential business information (CBI) or any other sensitive information
- any situation where it might be assumed that contractors are EPA employees or representatives

Prior to the solicitation of RAC, the Headquarters Placement Contracting Officer (CO) verified that adequate management controls were planned for each RAC. The Regional COs verify that each RAC work assignment (WA) has adequate management controls for any activities involving sensitive contracting areas.

General Contracting Areas Requiring Special Contract Controls

Some RAC activities are not sensitive contracting areas, but still merit special EPA control measures. EPA *Order 1900.2* defines specific contracting areas that require special contract controls. Under RACs, special contract controls are necessary to avoid:

- unauthorized contractor access to CBI or any other sensitive information, such as potentially responsible party (PRP) document review or work performed documentation
- situations where the contractor may be assumed to be an EPA employee such as when conducting community relations activities and performing oversight activities
- the appearance of personal services in situations where contractors share office space with EPA employees, such as in a site trailer

Specific Contract Work Areas Requiring Controls

EPA has identified several RAC work areas or tasks that may put EPA in a vulnerable position if control procedures are not followed. These include:

Six specific work areas or tasks require special controls to avoid vulnerable positions.

- **Community Relations Support**—The RAC contractor may support EPA in community relations activities, including preparing the community relations plan and preparing for and supporting public meetings or public hearings. The RAC contractor could potentially be mistaken for an EPA employee.
- **Audits, Surveys, and Inspections Preparation**—The RAC contractor may conduct on-site audits, surveys, and inspections at sites, facilities, and other locations. These services may require contractor support to convey existing EPA policy and regulations and provide information on EPA's behalf as part of these activities.
- **Litigation Support**—The RAC contractor may prepare and provide expert testimony during litigation. The contractor also may provide technical assistance during litigation, such as assisting in the preparation of affidavits and attending and providing technical support at meetings with PRPs. Providing litigation support may require the RAC contractor to review CBI of other contractors.
- **Negotiation Support**—The RAC contractor may provide EPA-PRP negotiation support and may be present during negotiations to provide technical support to EPA or the Department of Justice negotiator. RAC contractor personnel may be mistaken for EPA personnel if control procedures are not followed.
- **Design Construction Cost Estimate Preparation**—The RAC contractor may prepare the final construction cost estimate as part of the design package. This is considered a sensitive contracting area because a prime contractor can achieve greater profit through increased subcontract costs.
- **Remedial Action (RA) Subcontractor Management**—During the performance of an RA WA, it may be necessary for the RAC contractor to modify the RA subcontract to allow for changes in the WA. This is considered a sensitive contracting area because a prime contractor can achieve greater profit through increased subcontract costs.

The following documents establish EPA policy and provide special management and control measures for vulnerable contracting areas:

- EPA *Contracts Management Manual*, Chapter 2, "Procurement Request and Rationale Document."
- *FAR* 37.2, ADVISORY AND ASSISTANCE SERVICES.
- OFPP *Letter 93-1*, "Management Oversight of Service Contracting."
- OFPP *Letter 92-1*, "Inherently Governmental Functions."
- OFPP *Letter 91-2*, "Service Contracting."
- OMB *Circular A-76*, "Performance of Commercial Activities."
- OMB Circular A-120, "Guidelines for the Use of Advisory and Assistance Services."
- EPA *Order 1900.1*, "Personal Services."
- EPA *Order 1900.2*, "Contracting at EPA."
- Office of Solid Waste and Emergency Response (OSWER) *Directive 9230.0-15*, "Role of Community Interviews in the Development of a Community Relations Program for Remedial Response," June 15, 1990.
- OSWER *Directive 9202.1-12*, "Guidance on Preparing Independent Government Cost Estimates," July 29, 1993.
- RAC clauses, SCREENING BUSINESS INFORMATION FOR CLAIMS OF CONFIDENTIALITY and TREATMENT OF CONFIDENTIAL BUSINESS INFORMATION in contract Section H.

4.10.2 Roles and Responsibilities for Implementing Control Measures for Vulnerable Contracting Areas

The roles and responsibilities of the individuals involved in implementing control measures for vulnerable contracting areas are generally the same across each of the four categories. However, in some instances, there may be control measures that relate to a specific area. A general description of the roles and responsibilities of the individuals involved in controlling vulnerable contracting areas is shown in **Exhibit 4-15**.

Exhibit 4-15. Roles and Responsibilites for Implementing Control Measures for Vulnerable Contracting Areas

Individual	Role in Controlling Vulnerable Contracting Areas
WAM	• Ensures that RAC contractor staff clearly identify themselves as such • Ensures that RAC contractor personnel are not mistaken for EPA personnel and do not have access to CBI when sharing office space with EPA personnel • Monitors contractor's performance to ensure that contractor staff do not represent themselves as EPA employees when conveying information to the public • Reviews and approves deliverables before performance of the on-site review and monitors contractor compliance with EPA's requirements • Ensures that the RAC contractor does not disclose the government's enforcement strategy to others while attending meetings with PRPs and does not reveal to the contractor sensitive enforcement information • Provides necessary control measures to ensure that RAC contractor personnel are not mistaken for EPA personnel and includes a memorandum to the file that certifies that the contractor assisting in negotiations only provides technical guidance and does not develop the negotiation strategy • Reviews the technical portion of the RA subcontract consent package and informs the CO of any potential problems or inconsistencies • Reviews requests for changes to the RA WA
PO	• Reviews CBI releases and prepares a written certification that EPA has followed required procedures for handling CBI • Ensures that RAC contractor personnel are not mistaken for EPA personnel and do not have access to CBI when sharing office space with EPA personnel • Ensures that RAC contractor staff clearly identify themselves as such • Monitors contractor's performance to ensure that contractor staff do not represent themselves as EPA employees when conveying information to the public • Reviews and approves deliverables before performance of the on-site review and monitors contractor compliance with EPA's requirements • Provides necessary control measures to ensure that RAC contractor personnel are not mistaken for EPA personnel • Reviews the technical portion of the RA subcontract consent package and informs the CO of any potential problems or inconsistencies • Reviews requests for changes to the RA WA
CO	• Examines RAC WAs and confirms that partiality, favoritism, and contractor COI are not factors • Documents that the RAC contractor's work was reviewed and final decisions were made by the Agency • Reviews WAs and ensures that the work is within the RAC scope of work • Reviews CBI releases to ensure that CBI requirements are being followed • Evaluates the cost portion of the subcontractor's proposal and decides whether to consent to the proposed subcontract • Reviews, approves, and formally documents in a technical direction or WA amendment changes to the RA WA
CON TRACTOR	• Displays badges that clearly identify themselves as contractor personnel when dealing with the public • Introduces themselves as contractor personnel at the beginning of interviews and public meetings • Prepares deliverables in accordance with EPA procedures and submit them to EPA for review and approval before release • Complies with RAC clauses in the use of CBI

51-033-164A

Small and Small Disadvantaged Business Utilization, Contractor Participation in Mentor-Protege Program, and Use of Labor Surplus Areas

SECTION 4.11

Table of Contents

4.11 Small and Small Disadvantaged Business Utilization, Contractor Participation in Mentor-Protege Program, and Use of Labor Surplus Areas 4-59

4.11.1 Background and Requirement 4-61

4.11.2 Roles and Responsibilities for Monitoring Contractor Compliance with Subcontracting Plan 4-61

Exhibits

Exhibit 4-16 Roles and Responsibilities for Monitoring Contractor Compliance with Subcontracting Plan 4-61

Acronyms

CO	Contracting Officer
LSA	Labor Surplus Area
RAC	Response Action Contract
SDBU	Small Disadvantaged Business Utilization

4.11 Small and Small Disadvantaged Business Utilization, Contractor Participation in Mentor-Protege Program, and Use of Labor Surplus Areas

This section identifies responsibilites for implementing the Small and Small Disadvantaged Business Utilization (SDBU), Mentor-Protege, and Labor Surplus Area (LSA) programs under Response Action Contracts (RACs). The primary mechanism for implementing these programs under RACs is the contractor's subcontracting plan.

4.11.1 Background and Requirement

Because the SDBU, Mentor-Protege, and LSA programs are considered contract-sensitive, the background and requirements for these programs are addressed in section 2.3.10.

4.11.2 Roles and Responsibilities for Monitoring Contractor Compliance with Subcontracting Plan

The Contracting Officer (CO) monitors contractor compliance with the subcontracting plan. The roles of the CO and the contractor are defined in **Exhibit 4-16.**

Exhibit 4-16. Roles and Responsibilities for Monitoring Contractor Compliance with Subcontracting Plan

Individual	Role in Monitoring Contractor Compliance with Subcontracting Plan
CO	• Monitors contractor compliance with subcontracting plan • Ensures contractor fulfills SDB subcontracting reporting requirements • Enforces liquidated damages clause if necessary
CONTRACTOR	• Develops subcontracting plan for small businesses and SDB concerns • May participate in Mentor-Protege program • Meets subcontracting plan goals • Reports on SDB subcontracting using standard forms 294 and 295 • Appoints liaison for LSA subcontracting program

51-033-114B

Annual Allocation of Non-Site-Specific Costs

SECTION 4.12

Table of Contents

4.12 Annual Allocation of Non-Site-Specific Costs 4-63

4.12.1 Background and Requirement 4-65

4.12.2 Roles and Responsibilities for Annual Allocation 4-66

Exhibits

Exhibit 4-17 Roles and Responsibilities for Annual Allocation 4-67

Acronyms

CO	Contracting Officer
SAB	Superfund Accounting Branch
S/SID	Site Spill Identifier

4.12 Annual Allocation of Non-Site-Specific Costs

This section addresses annual allocation, a multistep process that distributes program support costs, base and performance (award) fees, and other non-site-specific costs to sites and programwide activities for later cost recovery.

4.12.1 Background and Requirement

The Comprehensive Environmental Response, Compensation, and Liability Act, as amended by the Superfund Amendments and Reauthorization Act, authorizes EPA to recover all response costs associated with cleaning up hazardous waste sites. A large portion of EPA's response costs consists of payments to response action contractors. In order for these costs to be adequately supported in cost recovery litigation against the potentially responsible parties, a defendable, logical, and supportable accounting methodology must be used to assign costs to specific sites.

Site-specific contract costs are accounted for by EPA on a site-specific basis. However, contractors' non-site-specific costs are accounted for in a general account and must be allocated to the sites for later recovery. Annual allocation is the process by which non-site-specific costs are distributed to specific sites.

During annual allocation, non-site-specific costs are distributed to individual sites for use in cost recovery.

In annual allocation, costs are allocated to sites and categorized as follows:

- **Program support**—payments made to the contractor for management and administration of the contract as a whole. This includes contract fees except for fees applicable to individual sites.
- **Site support nonsite activities**—payments for activities that relate to, support, or benefit the sites worked on by the contractor. The contractor completes and submits a nonsite activities schedule with the annual allocation report.
- **Capital equipment**—equipment with an individual cost of more than $5,000 and a useful life of greater than one year. Capital equipment costs are allocated to the sites and activities that benefit from the equipment. The contractor may complete a capital equipment depreciation schedule with the annual allocation report.
- **Startup costs/mobilization**—costs generally incurred in the first year and associated with efforts that benefit the entire contract term, such as quality assurance plans. Startup costs are allocated to all sites and activities that receive a benefit from the startup costs. A startup costs schedule is completed and submitted with an award allocation report.

Last-minute changes in EPA policy may affect RAC equipment procedures.

The costs and fees are allocated on a pro rata basis, based on the benefits received or support provided by the activities.

After receiving a list of invoices paid by EPA each fiscal year, the contractor prepares the annual allocation report. The annual allocation report submission includes the following:

- summary of allocation
- master allocation schedule
- statement of allocation methodology
- listing of all invoices paid during the Federal fiscal year
- certification of contractor's report
- schedules for startup costs, capital equipment depreciation, and nonsite activities, if applicable

Last-minute changes in EPA policy may affect RAC equipment procedures.

The ANNUAL ALLOCATION OF NONSITE COSTS clause in Section G of the contract requires the contractor to perform annual allocation and specifies the annual allocation process.

Detailed instructions on how to prepare the annual allocation report are in "Instructions for Performing the Annual Allocation of Non-Site-Specific Costs," Superfund Accounting Branch, Financial Management Division, Office of the Comptroller, September 1991.

The EPA Contracting Officer (CO) is responsible for ensuring that the contractor complies with the annual allocation clause and follows the Superfund Accounting Branch (SAB) instructions for preparing the annual allocation report.

4.12.2 Roles and Responsibilities for Annual Allocation

The annual allocation process involves interaction among three parties: the CO, the SAB of the Financial Management Division, and the contractor. The roles of these parties are identified in **Exhibit 4-17**.

Exhibit 4-17. Roles and Responsibilities for Annual Allocation

Individual	Role in Annual Allocation
CO	• Ensures that the contractor complies with the annual allocation requirements in the contract
Superfund Accounting Branch	• Provides the contractor with the total amount of all invoices paid for the annual allocation period within 90 days of the end of the Federal fiscal year (or within 90 days of submission of the last invoice following contract expiration) as required by the contract • Works with the contractor to reconcile the total amount of invoices paid for the annual allocation period • Reviews contractor's draft annual allocation report and notifies the contractor in writing of any necessary corrections • Requests contractor to submit a final annual allocation report
CONTRACTOR	• Identifies which nonsite activity costs should be allocated to sites and categorizes costs • Identifies costs charged to sites with site/spill identifiers (S/SIDs) and without S/SIDs • Redistributes costs for sites which initially did not have S/SIDs, but which were subsequently assigned an EPA S/SID • Works with EPA to reconcile the paid invoice amounts provided by EPA with contractor records • Prepares a draft annual allocation report containing a master allocation schedule; other schedules for startup costs, capital equipment depreciation, and nonsite activities; and a summary of allocation report • Submits two copies of draft annual allocation report to the SAB within 60 days of SAB notification to proceed • Submits two copies of the final annual allocation report to the SAB within 30 days of written notice from EPA • Submits summary allocation report on a DOS computer disk in Lotus 1-2-3 or ASCII format

51-033-112B

Last-minute changes in EPA policy may affect RAC equipment procedures.

Annual Closeout

SECTION 4.13

Table of Contents

4.13 Annual Closeout 4-69

4.13.1 Background and Requirement 4-71

4.13.2 Roles and Responsibilities for Annual Closeout 4-72

Exhibits

Exhibit 4-18 Roles and Responsibilities for Annual Closeout 4-72

Acronyms

CO	Contracting Officer
CPRNB	Cost Policy and Rate Negotiations Branch
FAB	Financial Analysis Branch
FACO	Financial Administrative Contracting Officer
MATS	Management Audit Tracking System
PO	Project Officer
RAC	Response Action Contract

4.13 Annual Closeout

Response Action Contract (RAC) costs are closed out annually to enable EPA to manage contract costs efficiently. Annual closeout follows an established set of requirements and procedures, as explained in this section.

4.13.1 Background and Requirement

RACs are cost-reimbursement, level-of-effort contracts with a potential performance period of 10 years. To enable EPA to effectively manage RACs for this extended performance period, the ALLOWABLE COST AND PAYMENT clause in contract section I, requires an annual closeout of the total costs and fees claimed for each fiscal year, including resolution of final indirect costs (see RAC clause INDIRECT COSTS in contract section G). The RAC Statement of Work (Program Support, Ongoing Administrative Support, Task 2—Contract Integrity) also states that the contractor may be required to provide an annual closeout report.

> RAC clause ALLOWABLE COST AND PAYMENT, in contract Section I, requires an annual closeout of total claimed costs and fees for each completed contract fiscal year.

RACs are closed out annually, according to the contractor's fiscal year. The contractor must submit cost claims to EPA, including information on direct and indirect costs incurred at the contract level and at the work assignment level. The contractor also must provide a list of invoice and voucher amounts submitted during the contractor's fiscal year. EPA audits the contractor's submittal of direct and indirect costs claimed. After the audit, final direct and indirect cost rates are negotiated by the contractor and EPA. The contractor invoices EPA to correct for discrepancies between the contractor's original submittal claim and the negotiated rates. Finally, the contractor provides EPA with a release discharging EPA from further liability for payments for that fiscal year.

Indirect Cost Rates

Contractors are reimbursed for indirect costs through indirect cost rates. Typically, indirect cost rates are a percentage of direct labor or a percentage of "total cost input" (total direct costs plus overhead costs).

The Contracting Officer (CO) establishes provisional billing rates for indirect costs for each contract. The contractor invoices EPA monthly, using the provisional billing rate, which is subject to adjustment when the final rates are established during the annual closeout procedure.

The policies and procedures for establishing final indirect cost rates are articulated in *Federal Acquisition Regulation* Subpart 42.7.

4.13.2 Roles and Responsibilities for Annual Closeout

Upon receipt of the contractor's annual claims, the following EPA personnel participate in the annual closeout process: the CO, the Project Officer (PO), the Financial Administrative Contracting Officer (FACO), and personnel from the Financial Analysis Branch (FAB) and the Cost Policy and Rate Negotiation Branch (CPRNB). The roles and responsibilities of EPA personnel involved with the annual closeout process and the contractor are listed in **Exhibit 4-18**.

Exhibit 4-18. Roles and Responsibilities for Annual Closeout

Individual	Role in Annual Closeout Process
PO	• Assists the CO, as needed, during direct cost negotiations • Reviews and approves invoices
CO	• Reviews contractor's schedule of direct and indirect costs and requests an audit by FAB of contractor's direct and indirect costs claimed • Negotiates contract-specific direct costs • Works with FACO to resolve any questioned direct or indirect costs • Incorporates the final indirect cost rate into the contract • Responsible for completing any Management Audit Tracking System (MATS) forms (within 150 days) and forwarding them to FACO • Reviews the final invoice and the contractor's release and identifies any estimated and unsettled costs outlined in the contractor's release • Executes the final release and forwards a copy of the release statement to the FACO
Financial Analysis Branch	• Reviews the direct and indirect cost submittals to ensure accuracy and completeness • Coordinates audits of the contractor's submittals with the CPRNB • Tracks audit to resolution through the MATS • Forwards copy of audit to the CO
Financial Administrative Contracting Officer	• Negotiates indirect costs and non-contract-specific direct costs • Works with CO to resolve any questioned direct or indirect costs
Cost Policy and Rate Negotiation Branch	• Reviews the audit reports and determines the issues to be negotiated • Negotiates indirect costs and non-contract-specific direct costs • Executes the final indirect rate agreement
CONTRACTOR	• Submits annual closeout claim to the CO within 150 calendar days of the end of contractor's fiscal year • Submits debit or credit voucher for any variances between claimed and negotiated costs • Submits a release statement to the CO after the negotiation of direct and indirect costs is completed

51-033-132B

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SECTION 4.14

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Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Issuing and Managing Work Assignments

CHAPTER 5

MAY 31, 1995

Table of Contents

5.1 Introduction 5-1

5.2 Roles and Responsibilities for Issuing and Managing Work Assignments ... 5-3

5.3 Allocating Site-Specific Work Assignments to Contractors 5-7

5.3.1 Background and Requirement 5-9

5.3.2 Roles and Responsibilities for Allocating Work Assignments 5-11

5.4 Developing the Work Assignment Statement of Work 5-13

5.4.1 Background and Requirement 5-15

5.4.2 Roles and Responsibilities for Developing the Work Assignment Statement of Work 5-17

5.5 Preparing and Using the Independent Government Cost Estimate 5-19

5.5.1 Background and Requirement 5-21

5.5.2 Roles and Responsibilities for Preparing and Using the Independent Government Cost Estimate 5-26

5.6 Preparing the Work Assignment Package and Issuing the Work Assignment 5-29

5.6.1 Background and Requirement 5-31

5.6.2 Roles and Responsibilities for Preparing the Work Assignment Package and Issuing the Work Assignment 5-32

5.7 Work Plan Technical Review and Cost Evaluation 5-35

5.7.1 Background and Requirement 5-37

5.7.2 Roles and Responsibilities for Work Plan Evaluation 5-38

5.8 Work Assignment Funding 5-41

5.8.1 Background and Requirement 5-43

5.8.2 Roles and Responsibilities for Work Assignment Funding 5-44

5.9 Establishing and Changing the Expenditure Limit 5-47

5.9.1 Background and Requirement 5-49

5.9.2 Roles and Responsibilities for Establishing and Changing the Expenditure Limit 5-51

5.10 Issuing Technical Direction 5-53

5.10.1 Background and Requirement 5-55

5.10.2 Roles and Responsibilities for Issuing Technical Direction 5-56

5.11 Amending the Work Assignment 5-59

5.11.1 Background and Requirement 5-61

5.11.2 Roles and Responsibilities for Amending the Work Assignment and Issuing Changes for a Remedial Action Work Assignment 5-63

5.12 Wage Rates and Surety Bonds for Remedial and Non-Time-Critical Removal Action Subcontracts 5-65

5.12.1 Background and Requirement 5-67

5.12.2 Roles and Responsibilities for Wage Rates and Surety Bonds for Remedial and Non-Time-Critical Removal Action Subcontracts 5-69

5.13 Value Engineering 5-71

5.13.1 Background and Requirement 5-73

5.13.2 Roles and Responsibilities for Value Engineering 5-76

5.14 Contractor Oversight 5-79

5.14.1 Background and Requirement 5-81

5.14.2 EPA's Relationship to Contractors and Subcontractors 5-83

5.14.3 Roles and Responsibilities in Contractor Oversight 5-83

5.15 Site Demobilization 5-85

5.15.1 Background and Requirement 5-87

5.15.2 Roles and Responsibilities for Site Demobilization 5-88

5.16 Work Assignment Closeout Procedures 5-89

5.16.1 Background and Requirement 5-91

5.16.2 Roles and Responsibilities for Work Assignment Closeout 5-92

5.17 Bibliography 5-95

Exhibits

Exhibit 5-1 Roles and Responsibilities for Allocating Work Assignments .. 5-11

Exhibit 5-2 Roles and Responsibilities for Developing the Work Assignment Statement of Work 5-18

Exhibit 5-3 Roles and Responsibilities for Preparing and Using the Independent Government Cost Estimate 5-27

Exhibit 5-4 Roles and Responsibilities for Preparing the Work Assignment Package and Issuing the Work Assignment 5-33

Exhibit 5-5 Roles and Responsibilities for Work Plan Evaluation 5-39

Exhibit 5-6 Roles and Responsibilities for Work Assignment Funding 5-45

Exhibit 5-7 How to Use the Expenditure Limits to Manage a Work Assignment 5-50

Exhibit 5-8 Roles and Responsibilities for Establishing and Changing the Expenditure Limit 5-52
Exhibit 5-9 Overview of Issuing Technical Direction 5-56
Exhibit 5-10 Roles and Responsibilities for Issuing Technical Direction 5-57
Exhibit 5-11 Roles and Responsibilities for Amending the Work Assignment and Issuing Changes for a Remedial Action Work Assignment 5-64
Exhibit 5-12 Roles and Responsibilities for Wage Rates and Surety Bonds for Remedial and Non-Tme Critical Removal Action Subcontracts 5-70
Exhibit 5-13 Roles and Responsibilities for Value Engineering 5-77
Exhibit 5-14 Roles and Responsibilities for Contractor Oversight 5-84
Exhibit 5-15 Roles and Responsibilities for Site Demobilization 5-88
Exhibit 5-16 Roles and Responsibilities for Work Assignment Closeout 5-93

This chapter provides background information and identifies roles and responsibilities for preparing, issuing, and administering program-support and site-specific work assignments (WAs) under Response Action Contracts (RACs).

5.1 Introduction

Information on issuing and administering WAs is presented in this chapter in 14 sections. The topics of these sections are:

- distributing work
- developing the WA statement of work
- preparing the independent government cost estimate for the WA
- preparing WA documentation and issuing the WA
- reviewing the contractor's work plan
- funding WAs
- establishing and changing expenditure limits
- issuing technical direction
- amending WAs
- approving wage rates and surety bonding for remedial action and non-time-critical removal subcontracts
- value engineering
- overseeing contractor work performance
- overseeing site demobilization
- overseeing WA closeout

Each section includes a discussion of the background and legal basis for the requirement, including general contract provisions and *Federal Acquisition Regulation* clauses. The purpose of this discussion is to provide sufficient background information to promote a complete understanding of the processes described in *Volume 2: Process Guide*.

The RAC WAMs, POs and COs function as the core contract management team responsible for issuing and managing WAs.

WA issuance and management is performed primarily by the designated contract managers: Work Assignment Managers (WAMs), Project Officers (POs), and Contracting Officers (COs). These individuals function as the core contract management team that administers and manages RACs. The Performance Evaluation Board members, the Superfund budget managers, and the Financial Management Center staff at Research Triangle Park manage the CMT and also are routinely involved in RAC contract administration. This guide focuses on the specific duties of the

designated contract managers. Where other parties are involved in a process, their roles are identified but are not elaborated.

Each of the following sections contains a detailed roles and responsibilities matrix that identifies the responsibilities of the WAM, PO, CO, other EPA entities, and the contractor in a particular process.

Roles and Responsibilities for Issuing and Managing Work Assignments

SECTION 5.2

5.2 Roles and Responsibilities for Issuing and Managing Work Assignments

The RAC WAMs, POs, and COs are responsible for issuing and managing WAs.

Administration of each Response Action Contract (RAC) is handled primarily by a core contract management team (CMT), composed of the Work Assignment Managers (WAMs), Project Officer (PO), and Contracting Officer (CO). The WAMs, PO, and CO all play active roles in issuing and managing work assignments (WAs). They work together to ensure that the government only orders work in accordance with the contract scope of work and present a unified front to the contractor in defining the government's requirements. The CMT works together in developing the WA package that is used as the basis for issuing WAs. Individual CMT members' responsibilities are summarized below.

The WAM prepares the WA and oversees work performance.

The WAM's primary responsibility is to monitor the contractor's progress in accomplishing the WA objectives within agreed-upon budgets and schedules. The WAM's duties include the following:

- developing the WA
- reviewing and recommending approval of the contractor's work plan (WP)
- setting expenditure limits for the WA
- issuing technical direction and preparingWA amendments, as needed, during the life of the WA
- reviewing contractor progress reports for WA activities
- reviewing and accepting WA deliverables;
- reviewing and recommending approval of WA costs on contractor invoices
- overseeing contractor performance of WA activities
- reviewing and recommending action on value engineering (VE) proposals
- evaluating contractor performance

The WAMs maintain daily contact with the contractor and are the most knowledgeable regarding specific WA activities. Because of this, the WAMs often provide WA-level information to the PO for his or her use in initiating requests to the CO for funding, exercising options, and other contract modifications.

The PO oversees performance and ensures that adequate funding and contract options are in place to support all WAs.

The PO is the primary contact for using the contract. The PO assists the Program in distributing work, and is responsible for reporting progress by the contractor and funding the contract from appropriate accounts. The PO determines the reasonableness of RAC costs during WP approval, monitors and reports overall quality of contractor performance, ensures that

Last-minute changes in EPA policy may affect RAC equipment procedures.

control measures are implemented for vulnerable contracting areas, recommends action on VE proposals, and ensures that the Superfund Program contracting strategy is implemented. The PO initiates requests to the CO for contract modifications, such as funding, exercising options, and statement of work changes. The PO prepares justifications for provision of government property to the contractor, reviews contractor progress reports, and approves contractor invoices. The PO works together with the CO to establish Regional WA management procedures that deviate from or supplement the procedures in this guide. The PO serves as the WAM on program support (PS) WAs.

The CO reviews, approves, and issues WA actions.

The CO reviews, approves, and issues all WA actions. The CO is the only individual that can authorize contract expenditures. The CO:

- reviews contractor progress reports and evaluates contractor performance on PS WAs
- approves the WAM as a designated contract manager for RACs
- follows established government contracting requirements and documents deviations from established Agency protocols
- coordinates with the PO to establish and document Regional WA management procedures

The WAM, PO, and CO maintain their respective contract document files required by the EPA Records Control Schedule, as well as other documents needed to fulfill their contract and WA administration and management responsibilities (see Chapter 11, "Record Management").

Sections 5.3 through 5.16 of this chapter contain detailed matrices that identify the roles and responsibilities of the WAM, PO, CO, other EPA entities, and the contractor in specific processes. The contractor's responsibilities are included to convey a complete picture of a process, rather than dictate or limit the contractor's contractual obligations.

Allocating Site-Specific Work Assignments to Contractors

SECTION 5.3

Table of Contents

5.3 Allocating Site-Specific Work Assignments to Contractors 5-7

5.3.1 Background and Requirement 5-9

5.3.2 Roles and Responsibilities for Allocating Work Assignments 5-11

Exhibits

Exhibit 5-1 Roles and Responsibilities for Allocating Work Assignments 5-11

Acronyms

CO	Contracting Officer
COI	Conflict of Interest
LOE	Level of Effort
PIRS	Performance Index Rating Score
PO	Project Officer
RAC	Response Action Contract
RD	Remedial Design
RI/FS	Remedial Investigation/ Feasibility Study
SOW	Statement of Work
WA	Work Assignment
WAAM	Work Assignment Allocation Matrix
WAM	Work Assignment Manager

5.3 Allocating Site-Specific Work Assignments to Contractors

This section provides background information on allocating site-specific work assignments (WAs) under Response Action Contracts (RACs) and cites roles and responsibilities of EPA Regional personnel in the work allocation process.

5.3.1 Background and Requirement

Site-specific WAs are issued to RAC contractors for remedial investigation/feasibility studies (RI/FSs), remedial designs (RDs), remedial actions, and other technical work areas specified in the contract statement of work (SOW). WAs are issued by the Region managing the contract or, in the case of a Regional crossover agreement, by the Region lending the contractor services. Section 4.9 details how the crossover WA decisions are made.

WAs are distributed by the Project Officer (PO)/program to individual contractors based on several factors. These factors include the following:

- average twelve-month Performance Index Rating Score (PIRS) rating
- conflict of interest (COI) screen
- capacity availability
- site-specific experience/knowledge
- related special experience/knowledge

The Region uses the Work Assignment Allocation Matrix (WAAM) to document the analysis of these for every WA issued. Each factor is described below.

Average Twelve-Month PIRS Rating

The average twelve-month PIRS is calculated on a "rolling basis" by combining the composite PIRS for the two most recent performance (award) fee evaluation periods, as described in section 5.3.3 of the *Process Guide*. The PIRS is a numerical score that provides a ranking of the relative performance of all RAC contractors in the Region. It includes both site-specific performance on technical WAs and program support performance on the overall contract. The PIRS is used as a primary factor in allocating new WAs based on the ranking of contractors within the Region. In Regions with only two RAC contractors, other factors, such as capacity or COI considerations, may take precedence over PIRS.

COI Screen

The Region may require RAC contractors to perform a COI screen prior to WA issuance to identify any COI issues. The Contracting Officer (CO)

makes determinations regarding COI as described in section 4.8. Contractors will not be assigned projects where the CO determines that COI exists.

Capacity Availability

When assigning new work, the PO should ensure that contract base quantities (minimums) are used while staying within level-of-effort (LOE) and dollar ceilings established in the contract. In order to make a valid determination of available contract capacity, the PO must keep a running total of both the obligated and estimated number of hours necessary to complete assigned projects for each contractor. The PO should consider follow-on work when assessing contractor capacity. If follow-on work is anticipated, the PO must allow for that when assigning new work. For example, if a contractor is performing well during the RI/FS phase and the PO feels that the contractor should continue with that site through RD and implementation oversight, then the hours necessary to complete the site should be considered in determining that contractor's available capacity.

Site-Specific Experience/Knowledge

A contractor may have specific experience or knowledge of a particular site. The contractor's previous experience on the site is considered in allocating work. For example, when issuing an assignment for RD, the contractor that conducted the RI/FS may be the preferred candidate due to this factor. This factor will apply often when issuing continuation WAs.

Related Special Experience/Knowledge

Although all RAC contractors are capable of performing any work area within the contract SOW, the Region may observe that certain contractors and/or site managers exhibit specific technical expertise or strengths. The Region should take advantage of contractor skills by matching contractors' demonstrated expertise with projects requiring these skills or abilities.

The Region should rely primarily on first-hand observations of contractor performance to assess a contractor's specific technical expertise. Because the contractors' personnel and associated capabilities will change over the five- to ten-year contract period, RAC contractors may voluntarily submit an annual statement of qualifications (25-page limit) to the PO. (EPA will not reimburse the contractors for preparing annual qualifications statements.) The annual qualifications statement should include information about the changes or improvements in the contractor's personnel, capabilities, and corporate experience. In particular it should focus on the availability of specific site managers and other key personnel. This assists POs in matching the particular strengths or expertise of a contractor to specific sites.

The PO/program should also ensure that each of the Region's RAC contractors receives enough work to fulfill the contract LOE minimums specified in the base and option periods of the term-form segment of the contract.

The Region should order work to meet contract LOE minimums.

5.3.2 Roles and Responsibilities for Allocating Work Assignments

The PO/program is responsible for allocating site-specific WAs. Where there are multiple POs, an individual may be designated as the capacity coordinator for the Region. The roles of the Work Assignment Manager (WAM), PO, and CO are shown in **Exhibit 5-1**.

Exhibit 5-1. Roles and Responsibilities for Allocating Work Assignments

Individual	Role in Allocating Work Assignments
WAM	• For sites where work is in progress, recommends continuing work with current contractor or transferring work to another contractor • Provides documentation supporting recommendation for continuing or transferring work
PO	• Assists program in assigning WAs to contractors based on pertinent factors • Completes WAAM • May reassign WA to another contractor if original contractor's performance deemed unsatisfactory
CO	• Makes COI determinations • Gives concurrence with contractor selection at time of WA issuance

51-033-74A

Developing the Work Assignment Statement of Work

SECTION 5.4

Table of Contents

5.4 Developing the Work Assignment Statement of Work 5-13

5.4.1 Background and Requirement 5-15

5.4.2 Roles and Responsibilities for Developing the Work Assignment Statement of Work 5-18

Exhibits

Exhibit 5-2 Roles and Responsibilities for Developing the Work Assignment Statement of Work 5-18

Acronyms

CO	Contracting Officer
LOE	Level of Effort
PO	Project Officer
PS	Program Support
QC	Quality Control
RA	Remedial Action
RAC	Response Action Contract
SOW	Statement of Work
WA	Work Assignment
WAM	Work Assignment Manager
WBS	Work Breakdown Structure

5.4 Developing the Work Assignment Statement of Work

This section provides background information on developing the statement of work (SOW) for a Response Action Contract (RAC) work assignment (WA) and discusses the roles and responsibilities of EPA Regional personnel in developing the SOW.

5.4.1 Background and Requirement

Under RACs, the Region orders work through written WAs. The heart of the WA is the SOW that defines the WA requirements and constitutes the legal agreement between EPA and the contractor regarding terms of WA performance and deliverables.

The heart of the WA is the SOW.

> RAC clauses WORK ASSIGNMENTS (TERM-FORM SEGMENT) and WORK ASSIGNMENTS (COMPLETION-FORM SEGMENT) in contract Section B require that the WA scope of work prepared by EPA falls within the overall scope of work of the contract.

The SOW:

- describes the work requirements and the criteria for determining whether they are met
- establishes the standards for measuring effective performance during WA and upon WA completion
- creates a baseline from which to determine the degree, extent, and ramifications of proposed WA changes

Types of Statements of Work

Two general types of SOWs are appropriate in RAC WAs: functional and design. These two types of approaches can be combined in one SOW as needed.

- **Functional SOW**—There are two subtypes within the functional SOW category: purely functional and performance.
  - *Purely functional*—Describes the WA technical objectives in detail but avoids prescribing the tasks required to complete the work.
  - *Performance*—Dictates a task-by-task approach to performing the work and can include performance-based specifications for the product(s).

A functional SOW describes technical objectives and may specify WA tasks, but does not prescribe the method of performance.

Since RAC WAs specify tasks in accordance with the contract SOW work breakdown structure (WBS), a RAC WA is a performance functional SOW, rather than a purely functional SOW.

A design SOW is very detailed and employs plans or blueprints.

- **Design SOW**—Sets forth precise design specifications and quality control (QC) requirements. A remedial action (RA) SOW is a design SOW because the contractor is required to implement a very detailed remedial design, containing design and material specifications and QC requirements. Design specifications increase the government's accountability for claims that arise during contract performance regarding design defects, since the government generally accepts responsibility for correctness and adequacy of design specifications.

Term-Form WAs

The term-form WA requires a specified LOE to be expended in accomplishing the SOW and can include either a functional or a design SOW.

Term-form WAs describe the scope of work in general terms and obligate the contractor to devote a specified level of effort (LOE) for a stated period of time. This type of WA is commonly referred to as an LOE WA, since the contractor is reimbursed for hours spent in WA effort. Under a term-form WA, the contractor is obligated to provide a specified number of hours on a best-effort basis performing WA-specified tasks during an agreed-upon time period. The term-form WA must describe and specify acceptance criteria for deliverables.

Completion-Form WAs

The completion-form WA stipulates detailed product specifications and acceptance criteria and can include either a functional or a design SOW.

A completion-form WA describes the scope of work by stating a definite goal or target and specifying end products. The products should be delivered within the estimated WA cost as a condition for payment of fees. If the contractor cannot complete the products within the stated estimated cost, EPA may elect to provide the contractor with additional funds to complete the work without providing any additional fee.

Regions are encouraged to use completion-form WAs for program support and site-specific work where contractors will deliver end products and where the work can be defined well enough to permit development of estimates within which the contractor can be expected to complete the work. The SOW of a completion-form WA must include product specifications and must delineate Agency inspection and acceptance criteria for the products.

Use of Completion- and Term-Form for Program Support WAs

The Office of General Counsel informally advises that completion-form WAs should be issued only when there is an end product. Day-to-day contract management activities are not likely to produce an "end product." Therefore, the completion-form WA is not the proper vehicle to use for assigning all types of program support (PS) work. In the case of mobiliza-

tion, equipment, and contract closeout, when there are specific end products, a completion-form WA can be used.

Last-minute changes in EPA policy may affect RAC equipment procedures.

While there is a need for consistency in EPA contracting, it is necessary to exercise good business sense, as well as good common sense, when administering any contract. This means that not all Regions will issue the same number of completion- and term-form WAs for PS. The contracting goal is to enable the Agency to complete its mission. In addition, the Agency needs to track dollars spent, as well as contractor activity and results. Therefore, if there is a definitive SOW and an end product, a completion-form WA should be used. If the SOW is not definitive and there is no tangible end product, such as in day-to-day contract management, the term-form WA is the appropriate mechanism.

Similarities of Completion- and Term-Form SOWs

Although the completion-form WA focuses on delivery of an end product and the term-form WA requires provision of a specified number of hours on a best-effort basis toward an end goal, the WA SOWs for completion- and term-form are quite similar:

- Both forms require a detailed delivery schedule and descriptions of deliverables.
- Both forms require acceptance criteria for deliverables.
- Both forms define a series of tasks to be performed, in accordance with the contract SOW work breakdown structure (WBS).

In fact, the only difference between the SOWs in the two forms may be a more comprehensive and detailed description of the end product deliverables in completion-form SOWs.

Work Breakdown Structure

The contract SOW, RAC Attachment A, contains a detailed WBS, descriptions of work areas and tasks in the WBS, and a list of subtasks that the Region may choose to stipulate in WAs. The WBS is the basis for the government and contractor cost estimates and dictates how the contractor will scope, schedule, track, and report work. Regardless of the type of WA (term- or completion-form), the WA SOW must be based on the contract SOW and use the same WBS, although the WBS for the WA SOW may be more detailed than the contract-level WBS. The Region may specify some or all of the subtask activities identified in the contract SOW and may specify additional subtask activities that fall within the scope of the task.

The WA SOW must use the WBS of the contract SOW but may take the WBS to a greater level of detail.

The contract SOW WBS consists of work areas, tasks, and subtasks. Work areas fall under four major categories:

- Program Support (Other Response)
- Fund-Lead Site-Specific Activities

- Site-Specific Enforcement Support
- Other Site-Specific Technical Assistance

5.4.2 Roles and Responsibilities for Developing the Work Assignment Statement of Work

The Work Assignment Manager (WAM) has primary responsibility for preparing the WA SOW, with the Project Officer (PO) and Contracting Officer (CO) performing review and approval functions. The roles of the individuals involved in SOW development are shown in **Exhibit 5-2.**

Exhibit 5-2. Roles and Responsibilities for Developing the Work Assignment Statement of Work

Individual	Role in WA SOW Development
WAM	• Defines work requirement • Develops WBS • Defines WA deliverables and establishes delivery schedule • Determines period of performance • Determines whether WA should be issued as term- or completion-form • Writes the WA SOW
PO	• Provides input on WA SOW development, assisting the WAM in defining special WA terms and assumptions for cost estimating • Assists WAM in determining whether the WA should be issued as term- or completion-form • Reviews WA SOW for clarity and conformance with contract SOW
CO	• Reviews and approves WA SOW

51-033-71A

Preparing and Using the Independent Government Cost Estimate

SECTION 5.5

Table of Contents

5.5 Preparing and Using the Independent Government Cost Estimate 5-19

5.5.1 Background and Requirement 5-21

5.5.2 Roles and Responsibilities for Preparing and Using the Independent Government Cost Estimate 5-26

Exhibits

Exhibit 5-3 Roles and Responsibilities for Preparing and Using the Independent Government Cost Estimate 5-27

Acronyms

CCE	Construction Cost Estimate
CO	Contracting Officer
IGCE	Independent Government Cost Estimate
LOE	Level of Effort
OSWER	Office of Solid Waste and Emergency Response
PO	Project Officer
RA	Remedial Action
RAC	Response Action Contract
RD	Remedial Design
RI/FS	Remedial Investigation/ Feasibility Study
SOW	Statement of Work
WA	Work Assignment
WAM	Work Assignment Manager
WBS	Work Breakdown Structure
WP	Work Plan

5.5 Preparing and Using the Independent Government Cost Estimate

This section provides background information on the independent government cost estimate (IGCE) process, identifies Agency requirements for preparing IGCEs, and defines the roles and responsibilities of the Work Assignment Manager (WAM), Project Officer (PO), and Contracting Officer (CO) in IGCE development.

5.5.1 Background and Requirement

An IGCE is the government's estimate of what it should cost to accomplish the statement of work (SOW). EPA is required to develop an IGCE for every work assignment (WA) or WA amendment estimated to exceed $25,000. Although an IGCE is not required for contract actions under $25,000, the WAM must document the basis for the costs. The IGCE is used to evaluate contractors' estimated WA costs and serves as a basis for negotiating costs with the contractor. EPA directives and guidance establish IGCEs as an integral part of the WA process and outline the IGCE process and participants.

An IGCE is the government's estimate of what it should cost to accomplish the SOW. EPA is required to develop an IGCE for every WA costing over $25,000.

Office of Solid Waste and Emergency Response (OSWER) Directive No. 9242.2-06, issued on January 31, 1992, requires the technical program office to develop an IGCE prior to any contract action estimated to exceed $25,000.

OSWER Directive No. 9202.1-12, issued on July 29, 1993, outlines the roles and responsibilities for preparing IGCEs.

The *EPA Guide for Preparing Independent Government Cost Estimates*, issued on June 1, 1994, establishes the effective preparation and use of IGCEs as an EPA priority and outlines major tasks necessary to prepare IGCEs.

The *EPA Guidance for Scoping the Remedial Design*, EPA/540-F-93-026, provides information on developing an IGCE for a remedial design (RD) WA. The guidance also includes a work breakdown structure (WBS) (consistent with the Response Action Contract [RAC] SOW) and model SOW for both RD and RD oversight WAs.

Before estimating WA costs, the WAM develops the WA SOW. The SOW includes a description of the work requirement, the WBS, a list of products and deliverables, acceptance criteria, and a project schedule. (See section 5.4 for guidance on preparing the SOW.) The WA WBS must be

A carefully prepared SOW with a detailed WBS is necessary to produce an accurate and useful IGCE.

consistent with the WBS of the RAC SOW. The WBS creates a structure for monitoring costs and level of effort (LOE) and serves as a baseline for reporting progress by providing a framework to track individual task and subtask budgets, schedules, and performance. The Region develops its IGCE based on the SOW WBS.

Accurate cost estimates come from:

- a detailed WBS
- an SOW that contains clear, detailed, and complete descriptions of every task and subtask in the WBS
- detailed descriptions of deliverables and delivery schedules, including data requirements
- gathering cost data based on cost history, previous scopes of work similar to the current project, and the WAM's best professional judgement
- selecting a cost-estimating methodology or a combination of methodologies suited for each aspect of the work requirement
- using cost-estimating reference books or software tools

Cost estimates must be supported by clear rationale and assumptions.

Effective cost estimates are supported by appropriate rationale and specific assumptions. A proven method for collecting accurate cost data is to fill out cost estimate worksheets for each task identified in the WBS. The worksheets can be used along with any of the recommended cost estimating methodologies to document cost rationale. (See the *EPA Guide for Preparing Independent Government Cost Estimates*, DCN EPA-202-B-94-003.)

Cost-Estimating Methodologies

There are several cost-estimating methods that may be used to compute the WA costs in an IGCE. Often, a combination of techniques is more effective than using a single technique.

Engineering Method

The engineering method produces a bottom-up cost estimate from the lowest level of identifiable work.

The engineering method involves examining and defining separate task elements at the lowest WBS detail level and using rates for nonestimated elements, such as quality assurance and project management. The estimator begins with the lowest level of identifiable work and identifies labor and material costs required to complete the work. Rates for nonestimated elements are added based on the estimated direct labor. The individual items are added, forming the "bottom-up" cost estimate.

Parametric Method

The parametric method uses a database of similar elements and generates an estimate based on a selected task performance or design characteristic. The parametric method requires a relationship between some performance

parameters, such as timeliness, comprehensiveness, thoroughness (independent variables), and the WA cost (dependent variable).

The parametric method uses a database to produce a top-down estimate, which can be used to confirm the accuracy of the bottom-up estimate.

Parametric cost estimating is dependent upon the cost information available in the cost database. Technology enhancements excluded from the database, but included in the WA, will lead to erroneous cost estimates. For example, attempting to estimate the cleanup cost of a site with a single contamination pathway using an estimate from a site with multiple contamination pathways (surface, subsurface, aquifer, and air) would yield a much higher cost estimate.

Parametric estimating is a "top-down" process, as opposed to the "bottom-up" process historically used in estimating cost. Top-down cost data are less accurate, but are often within a few percentage points of bottom-up cost data.

Parametric cost estimating involves about ten percent of the effort required to perform a bottom-up estimate, but requires in-depth knowledge of the database or software program to achieve accurate estimates. Also, as new data becomes available, adjusting the parametric cost estimates can be accomplished quickly and efficiently (adjustments to estimates from bottom-up methodologies are time-consuming).

Extrapolation and Analogy Techniques

Actual costs can be extrapolated from a similar WA and adjusted for minor WA differences to create the new WA cost estimate.

Extrapolation and analogy techniques can be used in tandem with the engineering and parametric cost-estimating methods. Extrapolation is used to develop estimates from actual costs, usually from a previous WA in the same series (types of remedial investigation/feasibility study [RI/FS], remedial action [RA], RD, etc.).

The accuracy of the extrapolation method depends on the similarity between the WA at issue and the previous WA. The more similar the two WAs are, the less the uncertainty and the more accurate the estimate.

Comparisons to a previous WA require adjustments to compensate for cost differences in the current WA. These differences can be factored accurately into the estimate using cost information from contractor monthly cost/performance reports from previous WAs, trade magazines, journals, and industry-specific construction estimating handbooks.

The analogy technique estimates costs based on cost comparisons with similar WAs.

The analogy method compares tasks or subtasks in a new WA with similar types of tasks or subtasks in an existing WA for which accurate cost data exists.

Uncertainty in an analogy cost estimate is due to the subjective evaluations made by the cost estimator. In most cases, actual technical comparisons can be made. When cost relationships based on technical differences pose discrepancies, the cost estimator should use more than one analogous

task to compare against the new WA task. The key is to make a single comparison for each WA task or subtask evaluation. The total estimate will involve multiple analogous cost estimates.

Unit Cost Estimates

Unit cost estimates base total costs on cost-per-unit information. An example of readily available unit costs is a commercial lab price list modified to reflect typical EPA reporting requirements, or the *U.S. Army Corps of Engineers Unit Price Book.* The cost estimator should ensure that conditions closely resemble those represented in the *Unit Price Book.* For estimated costs excluded from the *Unit Price Book*, the first choice to use for the IGCE would be a "similar-to" comparison selected with the assistance of the IGCE Coordinator.

Combination of Cost-Estimating Techniques

EPA may use one method or a combination to estimate WA costs. Different techniques can be used to estimate different WA tasks.

As government cost estimates increase in complexity and content, it is more likely that a variety of estimating techniques will be employed in the course of gathering, processing, and reviewing information, and presenting results for review by EPA management. For example, part of the material costs could be developed using the *Unit Price Book* and remaining estimates could be based on actual costs from previous WAs using contractor invoices. Other completely new WAs have no reasonably similar history and pure estimates must be developed.

Cost estimates will not always follow the same development philosophy throughout any one cost estimate. It is important, however, to identify a primary method during the initial WA estimate planning process.

Completing the IGCE involves considering several other factors, all of which must be included in the tasks to be completed.

Cost Estimating

The cost estimator writes a detailed description of the tasks by cost element type. The description should include information justifying the number of hours for professional or technical levels as well as other direct costs, such as travel and per diem. The cost estimator includes low-cost material in a single estimate, determines the number of hours required for each labor category, and describes the effort required for each category. Finally, the cost estimator distributes the total hours estimated for each labor category among the subtasks and compares the time allotted with the effort described to determine whether the allotment is reasonable.

Labor and Overhead Rates

The contract rates relevant to the prime contract should be used for estimating costs. If the contractor to be used is unknown, the estimator should request a recommended rate from the IGCE coordinator.

The cost estimator must forecast labor costs for term-form WAs based on hours worked. Completion-form WAs are based upon the completion of the end product(s). Labor estimates for both term- and completion-form WAs must be measured in hours. The cost estimator should apply contract price escalators as appropriate.

Construction Cost Estimates (CCEs)

CCEs itemize the principle elements of the cost to a contractor to perform work. The estimates include breakdowns of types and quantities of labor, equipment, and material required to fulfill work specifications. A CCE developed by Regional staff or prepared by an architecture and engineering contractor and reviewed and approved by either the U.S. Army Corps of Engineers or EPA may serve as the subcontract portion of an IGCE if the CCE is provided to the prime contractor for subcontracting.

Documenting Rationale and Assumptions

Throughout the estimating process, the cost estimator makes decisions and assumptions concerning information used in the estimate. Sources of information should be noted and major decisions and assumptions must be documented and supported by an explanation describing why the information used represents the most probable cost for the tasks involved. Types of decisions and assumptions that must be supported include, but are not limited to: (1) the number of hours to perform a given task and the labor category(ies) required; (2) travel (number of trips, number of individuals traveling, destination, length of stay); and (3) copying costs (document size, number of pages, number of copies). Judgments, such as the inflation rate used, should be tied to prior inflation rates, trends, or information from recognized forecasting services.

To the extent that a specific or unique set of guidelines is used for an estimate, these guidelines should be documented. Deviations from the guidelines should be noted specifically.

Cost-Estimating Software Models

Cost-estimating software can process extensive information and generate reports at specified cost levels.

Cost-estimating systems help cost estimators rapidly consider volumes of information, navigate the necessary steps, and prevent unnecessary variations in the cost-estimating process. Automated cost estimating also allows the cost estimator to produce cost reports in a format which highlights information required for evaluation and allows the estimator to trace costs from the lowest level to the total cost level.

Cost estimation usually incorporates several computer systems. These systems assist the cost estimator by providing access to databases containing cost information. They facilitate the processing of large amounts of detailed information necessary to support a government negotiation objective.

Four of the most popular cost-estimating software packages are: ENVEST, MCACES Gold, Granular Activated Carbon, and Air Stripping.

There are several software packages that can be used when developing cost estimates for response work. Four of the most popular packages are:

- **ENVEST Estimating Software** is a cost-estimating tool used to model the cost of remediation work. The package contains an RI/FS model, an RD model, RA technology models, and site work and utility models. This program usually is used with the parametric estimating method and creates a top-down estimate. The RI/FS model provides the greatest amount of detail for estimates.
- **MCACES Gold** is a complex software tool for estimating construction costs. It uses a bottom-up estimating process based on the *U.S. Army Corps of Engineers Unit Price Book.* The costs are broken down into categories by geographic locations. The supporting databases store different types and classifications of cost information. These databases include unit prices, crews, assemblies, labor rates, equipment rates, and models. Use of this software requires an in-depth knowledge of construction and requires an experienced estimator.
- **Granular Activated Carbon** (the Drinking Water and Groundwater Remediation Cost Evaluation) provides valuable analysis of performance, cost information, and sensitivity. The program shows granular activated carbon costs and performance for the remediation of hazardous waste sites or drinking water treatment. This helps the estimator compare various cleanup technologies. The program also provides examples and guidelines for changing design parameters to influence cost and performance.
- The **Air Stripping** program shows air stripping costs and performance for the remediation of hazardous waste sites or drinking water treatment. The program helps the cost estimator compare technologies. The program includes examples and guidelines for changing design parameters to influence cost and performance.

MCACES Gold can be used for construction estimates and ENVEST can be used when performing parametric estimates for RI/FS, RD, and RA estimates. These two systems are particularly useful in cost estimates involving engineering activities and LOE work or estimates using the engineering method.

5.5.2 Roles and Responsibilities for Preparing and Using the Independent Government Cost Estimate

The WAM has primary responsibility for ensuring that the IGCE is prepared. The WAM may use an in-house cost estimator/coordinator, if available, to develop or assist in the development of the IGCE. The PO and CO perform review functions during the IGCE process. The WAM, PO, and CO all use the IGCE to evaluate the contractor's work plan (WP) cost estimate. **Exhibit 5-3** identifies the specific roles of the individuals involved in the IGCE process.

Exhibit 5-3. Roles and Responsibilities for Preparing and Using the Independent Government Cost Estimate

Individual	Role in Preparing and Using the IGCE
WAM (assisted by cost estimator and/or program technical personnel, if available)	• Develops WA WBS and SOW • Breaks down costs for WA tasks into cost elements • Identifies sources of cost information • Selects cost-estimating methodology(ies) and techniques • Develops IGCE, including backup documentation and rationale • Compares IGCE to WP cost estimate to determine if contractor costs are reasonable
PO	• Performs IGCE technical review • Compares IGCE to WP cost estimate to determine if contractor costs are reasonable
CO	• Reviews IGCE • Compares IGCE to WP cost estimate to determine if contractor costs are reasonable

51-033-76C

Preparing the Work Assignment Package and Issuing the Work Assignment

SECTION 5.6

Table of Contents

5.6 Preparing the Work Assignment Package and Issuing the Work Assignment 5-29

5.6.1 Background and Requirement 5-31

5.6.2 Roles and Responsibilities for Preparing the Work Assignment Package and Issuing the Work Assignment 5-32

Exhibits

Exhibit 5-4 Roles and Responsibilities for Preparing the Work Assignment Package and Issuing the Work Assignment 5-33

Acronyms

CO	Contracting Officer
IGCE	Independent Government Cost Estimate
PO	Project Officer
PR	Procurement Request
RAC	Response Action Contract
SOW	Statement of Work
WA	Work Assignment
WAAM	Work Assignment Allocation Matrix
WAF	Work Assignment Form
WAM	Work Assignment Manager
WAP	Work Assignment Package

5.6 Preparing the Work Assignment Package and Issuing the Work Assignment

This section provides background, cites contractual requirements, and discusses the roles and responsibilities of the Work Assignment Manager (WAM), Project Officer (PO), and Contracting Officer (CO) in preparing and issuing the work assignment (WA).

5.6.1 Background and Requirement

Under Response Action Contracts (RACs), the government orders work through written WAs issued to the contractor.

> RAC clause, STATEMENT OF WORK-CONTRACT WHERE WORK IS ORDERED BY WORK ASSIGNMENTS OR DELIVERY ORDERS in contract Section C states that the contractor shall perform work under this contract only as directed in WAs issued by the CO. Contract clauses, WORK ASSIGNMENTS (TERM-FORM SEGMENT) and WORK ASSIGNMENTS (COMPLETION-FORM SEGMENT), in contract Section B specify the timetable and documentation requirements for issuing WAs.

The WAP includes the WAF, SOW, IGCE, Form 1900-65a, PR, and WAAM.

To initiate a new WA, the contract management team prepares a work assignment package (WAP). The WAP includes the following items:

- **Work Assignment Form (WAF)**—The WAF is a one-page form used to initiate and track the various actions required to approve, modify, and complete a WA. The WAF has been updated recently to allow for the following: identifying the WA as term- or completion-form; reordering the bulk-funding category, activity code, and site/spill identifiers; and setting or revising the expenditure limit.
- **Statement of Work (SOW)**—The SOW is a clear description of the work required of the contractor. It includes a detailed work breakdown, all required deliverables, work quality requirements, and delivery schedule.
- **Independent Government Cost Estimate (IGCE)**—An IGCE is the Region's cost estimate of the work and materials required to complete the WA. The IGCE is used to negotiate WA costs with the contractor.
- **Nomination and Appointment of Contracting Officer's Representative (COR) Form 1900-65a**—Form 1900-65a is used to designate the WAM for the new WA.

- **Procurement Request (PR), EPA Form 1900-8**—The PR is used to obligate funds to remedial action WAs and other WAs that are individually funded. Most RAC WAs will be bulk-funded (see sections 4.3 and 5.8). The WAM or PO may complete the PR depending on Regional procedures.
- **Work Assignment Allocation Matrix (WAAM)**—This notice is used to identify which contractor will receive the WA and document the rationale for contractor selection (see section 5.3). The WAAM is added to the WAP by the PO.

The PO reviews and concurs with the WAP, working with the WAM to improve or correct any problems. After reviewing the WAP, the PO or other program personnel decides which prime contractor should receive the WA and completes the WAAM and adds it to the WAP. The CO reviews and approves the WAP and issues the WA to the selected contractor.

5.6.2 Roles and Responsibilities for Preparing the Work Assignment Package and Issuing the Work Assignment

The WAM is responsible for preparing the WAP. The PO and CO have WAP review responsibilities. The CO approves the WAP and issues the WA. **Exhibit 5-4** lists the key responsibilities of EPA personnel and the contractor in preparing and issuing the WA.

Exhibit 5-4. Roles and Responsibilities for Preparing the Work Assignment Package and Issuing the Work Assignment

Individual	Role in Work Assignment Preparation and Issuance
WAM	• Prepares WAP • May prepare PR for individually funded WAs • Forwards WAP to PO for review • Provides input to PO regarding WA issues
PO	• Reviews WAP for completeness, accuracy, and compliance with technical contract requirements • Discusses WA issues with WAM • Provides input to CO to resolve WA issues • Provides rationale for contractor selection • Assigns the WA number • Signs WA and forwards WAP to CO indicating concurrence • May prepare PR for individually funded WAs
CO	• Reviews WAP for completeness, accuracy, and compliance with terms and conditions of the contract • Consults with PO to resolve WA issues prior to approval • Signs WAF to indicate approval of WA • May assign the WA number, depending on the Region • Processes PRs (if included in WAP) • Prepares and issues a contract modification for individually funded WAs to adjust the contract funding • Issues WA to contractor with copies to WAM and PO • Receives contractor's WA acceptance
CONTRACTOR	• Acknowledges WA receipt by signing and returning the WAF

51-033-69C

Work Plan Technical Review and Cost Evaluation

SECTION 5.7

MAY 31, 1995

Table of Contents

5.7 Work Plan Technical Review and Cost Evaluation 5-35

5.7.1 Background and Requirement 5-37

5.7.2 Roles and Responsibilities for Work Plan Review and Evaluation 5-38

Exhibits

Exhibit 5-5 Roles and Responsibilities for Work Plan Review and Evaluation 5-39

Acronyms

CO	Contracting Officer
IGCE	Independent Government Cost Estimate
PO	Project Officer
SOW	Statement of Work
WA	Work Assignment
WAM	Work Assignment Manager
WP	Work Plan

5.7 Work Plan Technical Review and Cost Evaluation

This section describes the background and requirement for reviewing the contractor's work plan (WP) and evaluating the WP cost estimate. It also identifies the responsibilities of the Work Assignment Manager (WAM), Project Officer (PO), and Contracting Officer (CO) in reviewing the WP, evaluating costs, and negotiating final WP approval.

5.7.1 Background and Requirement

The WP is the contractor's response to a government-issued work assignment (WA). The WP contains the following:

The WP is the contractor's response to a WA.

- contractor's proposed technical approach to performing WA tasks
- description of deliverables
- schedule
- staffing plan
- equipment, subcontracting, and other special requirements of the WA
- detailed cost estimate for performing the WA

Last-minute changes in EPA policy may affect RAC equipment procedures.

The WP is due 30 days after the contractor receives the WA. The WA clearly specifies those activities the contractor is authorized to begin before the WP is approved (see section 5.6.3).

The WP is due 30 days after the contractor receives the WA.

> Contract clauses, WORK ASSIGNMENTS (TERM-FORM SEGMENT) and WORK ASSIGNMENTS (COMPLETION-FORM SEGMENT) in contract Section B, specify that the contractor must submit a WP containing a detailed description of work by task and a comprehensive cost estimate in accordance with *Federal Acquisition Regulation* 15.804-6 within 30 days of WA receipt.

The WAM and PO are responsible for reviewing the contractor's WP to ensure that the WP is responsive to the WA statement of work (SOW) and that the contractor's costs are reasonable. The independent government cost estimate (IGCE) is used to evaluate cost reasonableness. If the WP cannot be approved as submitted, EPA may provide a written request to the contractor to correct deficiencies and submit a revised WP. EPA also may enter into WP negotiations with the contractor. The CO, with technical assistance from the PO and WAM, holds WP negotiations with the contractor.

WP negotiations can be conducted only by the CO.

Partial WP approval can be used so that some tasks can be started while problematic ones are resolved.

EPA may grant partial WP approval to prevent minor WP deficiencies from disrupting the commencement of urgent WA activities. Partial approval allows EPA the flexibility to grant contractors permission to initiate critical work while reserving the Agency's ability to negotiate modifications to the WP. Partial WP approval is desirable when critical aspects of a WP are acceptable and other, less time-crucial, aspects require modification. The government must issue WP approval or partial approval within 45 days of receiving the contractor WP or issue a stop-work order to the contractor.

5.7.2 Roles and Responsibilities for Work Plan Review and Evaluation

The WAM, PO, and CO play active roles in the WP review and evaluation process. The responsibilities of each individual are identified in **Exhibit 5-5**.

Exhibit 5-5. Roles and Responsibilities for Work Plan Review and Evaluation

Individual	Role in Work Plan Review and Evaluation
WAM	• Schedules and attends scoping meeting • Reviews WP for technical sufficiency, approach, schedule, personnel, cost reasonableness, and compliance with WA requirements • Requests additional information from contractor as necessary to review and evaluate WP • Prepares memo detailing technical review of WP tasks and recommends approval, partial approval, or disapproval for each task, and forwards memo to PO • Documents and explains in the technical review memo the differences between the contractor's cost estimate and the IGCE • Completes and signs WP evaluation checklist and forwards it to PO • Provides EPA's technical position for reasonable alternatives if contractor's technical approach, schedule, or costs are deemed unreasonable • Prepares WA form for WP approval, partial approval, or disapproval, and forwards to PO • Recommends adjusting WA expenditure limit upon WP approval • Attends session to negotiate WP with PO and CO • Verifies that WP changes are reflected in revised WP
PO	• Generally attends scoping meeting • Reviews WP relevant to "big picture" items, including technical sufficiency, equipment needs, special requirements, subcontracts, compliance with SOW and cost management goals; discusses issues or concerns with WAM • Requests additional information from contractor as necessary to review and evaluate WP • Evaluates WAM recommendations and comments for completeness/ thoroughness of review package • Discusses aspects of WP with WAM • Signs WP checklist indicating concurrence with WAM's recommendations and forwards to CO • Attends session to negotiate WP with CO and WAM • Verifies that negotiated WP changes are reflected in revised WP
CO	• May attend scoping meeting • Reviews WP, technical review memorandum, and recommendations from WAM and PO • Requests additional information from contractor as necessary to review and evaluate WP • Approves, partially approves, or disapproves WP • Notifies contractor of approval, partial approval, disapproval, or need to negotiate WP • Negotiates WP with contractor and documents proceedings
CONTRACTOR	• Attends scoping meeting • Prepares and submits WP, including Official Form 60 or Standard Form 1411, and submits it to CO within 30 days of WA receipt, with copies to PO and WAM • Communicates with EPA personnel to answer questions, clarify issues, or negotiate WP

51-033-60A

Last-minute changes in EPA policy may affect RAC equipment procedures.

Work Assignment Funding

SECTION 5.8

Table of Contents

5.8 Work Assignment Funding 5-41

5.8.1 Background and Requirement 5-43

5.8.2 Roles and Responsibilities for Work Assignment Funding 5-44

Exhibits

Exhibit 5-6 Roles and Responsibilities for Work Assignment Funding 5-45

Acronyms

CO	Contracting Officer
EL	Expenditure Limit
IFMS	Integrated Financial Management System
PO	Project Officer
PR	Procurement Request
RA	Remedial Action
RAC	Response Action Contract
WA	Work Assignment
WAF	Work Assignment Form
WAM	Work Assignment Manager
WAP	Work Assignment Package

5.8 Work Assignment Funding

This section discusses the background and responsibilities for funding Response Action Contract (RAC) work assignments (WAs), including site-specific and bulk-funding. The responsibilities of the Work Assignment Manager (WAM), Project Officer (PO), and Contracting Officer (CO) in WA funding are highlighted.

5.8.1 Background and Requirement

While the majority of site work is bulk-funded under RACs, EPA requires that Fund-lead remedial actions (RAs) and completion-form WAs be funded site-specifically. Other WAs also may be funded site-specifically if the PO deems it to be more practical.

Site-Specific Funding

A separate procurement request (PR) is required for each site-specifically funded WA. The Office of General Counsel, in a memorandum dated April 23, 1993, determined that completion-form WAs must be funded site-specifically to provide a recordable event for funding obligation purposes. The WA may be incrementally funded and a separate PR issued for each funding action.

> Office of Solid Waste and Emergency Response Directive 9200.314-2, *Program Management Manual*, April 1994, requires that RAs be funded site-specifically. Completion-form WAs that fall under the same funding category may be grouped on one PR as long as the site-specific information for each WA is identified on the PR.

Bulk Funding

The RAC contract is bulk-funded, which means that the contract as a whole is funded periodically according to allowance or category, rather than funding each WA separately. The majority of WAs use the contract's bulk funding. The four bulk-funding categories in RACs are:

The combined ELs of WAs in a funding category cannot exceed the funding available in that category.

- program support (other response)
- site characterization
- enforcement
- removal

For WAs using contract bulk funding, funds are committed and obligated periodically to the various funding categories. Funds are obligated to the contract using generic accounting information that identifies the funding

category but does not include specific activity or site codes. As WAs are issued under the contract, each WA is associated with a particular funding category and contains site-specific information for the WA. This means that invoices for WA costs are paid from a specific funding category and the contractor invoices site-specifically.

The WA's expenditure limit (EL) is used as the WA funding ceiling (see section 5.10 for a description of ELs). The combined ELs of WAs associated with a funding category cannot exceed the funding available in that category.

5.8.2 Roles and Responsibilities for Work Assignment Funding

The WAM or PO may initiate the WA funding request. The PO and CO review it. **Exhibit 5-6** describes the general responsibilities of the WAM, PO, and CO in WA funding.

Exhibit 5-6. Roles and Responsibilities for Work Assignment Funding

Individual	Role in WA Funding
WAM	***Site-Specifically Funded WAs*** • May prepare PR and submit it (with work assignment package [WAP]) to PO for review ***WAs Under Bulk-Funding*** • Notifies advice-of-allowance coordinator of funding needs through planning process • Establishes ELs for WAs using work assignment form (WAF) • Notifies the contractor on WAF of the bulk-funding category and activity and site codes to use for a WA when invoicing • Notifies the contractor on WAF of the bulk-funding category and activity and site codes to use for a WA when invoicing • Plans anticipated costs in the Comprehensive Environmental, Response, Compensation, and Liability Information System
PO	***Site-Specifically Funded WAs*** • Notifies advice-of-allowance coordinator of funding needs through planning process • May prepare PR and obtains proper PR approvals • Forwards WAP to CO ***WAs Under Bulk-Funding*** • Prepares PR and obtains PR approvals • Monitors combined ELs for WAs under a funding category to ensure they do not exceed funding available in that category • Ensures that the contractor is notified through the WAF of the bulk-funding category and activity and site codes to use for various WAs when invoicing • Ensures that invoices contain specific activity and site codes and draw down from the appropriate bulk-funding categories
CO	***Site-Specifically Funded WAs*** • Reviews and processes PR • Prepares contract-funding modification • Issues contract modification to contractor and distributes to PO • Sends contract modification to the Financial Management Center at Research Triangle Park for entry of obligation into Integrated Financial Management System (IFMS) • Ensures that funds are available by freezing funds in the IFMS ***WAs Under Bulk-Funding*** • Ensures that combined ELs for WAs under a funding category do not exceed funding available in that category
CON TRACTOR	***Site-Specifically Funded WAs*** • Receives contract-funding modification and WA ***WAs Under Bulk-Funding*** • Invoices using specific activity and site codes as specified in RAC Reports of Work

51-033-104C

Establishing and Changing the Expenditure Limit

SECTION 5.9

Table of Contents

5.9 Establishing and Changing the Expenditure Limit 5-47

5.9.1 Background and Requirement 5-49

5.9.2 Roles and Responsibilities for Establishing and Changing the Expenditure Limit 5-51

Exhibits

Exhibit 5-7 How to Use the Expenditure Limit to Manage a Work Assignment 5-50

Exhibit 5-8 Roles and Responsibilities for Establishing and Changing the Expenditure Limit 5-52

Acronyms

CO	Contracting Officer
EL	Expenditure Limit
PO	Project Officer
RAC	Response Action Contract
WA	Work Assignment
WAF	Work Assignment Form
WAM	Work Assignment Manager
WP	Work Plan

5.9 Establishing and Changing the Expenditure Limit

This section provides background information on the use of expenditure limits (ELs) to control the dollar and hour amounts available to the contractor during the performance of a work assignment (WA). This section also discusses the roles and responsibilities of EPA officials involved in setting and changing ELs.

5.9.1 Background and Requirement

The EL establishes the dollar and hour limits for an individual WA. The WAM may initiate a change to an EL using the WAF.

Response Action Contracts (RACs) allow a contractor to start work upon receipt of a WA, expending funds up to the EL established in the WA. The EL is established during initial WA development and is used to notify the contractor of how many dollars and hours are available when the WA is issued. The Work Assignment Manager (WAM) can initiate an increase or decrease in the EL at any time during WA performance by preparing a work assignment form (WAF) for Project Officer (PO) concurrence and Contracting Officer (CO) approval. If the EL exceeds the approved work plan (WP) budget, the WAM provides an explanation on the WAF. The CO approves the WAF, if appropriate, and issues it to the contractor.

ELs must never exceed the total WA funding for individually funded WAs or the total funding available in the bulk-funding category for bulk-funded WAs.

The EL for an individually funded WA must never exceed the total funding available on that WA. For bulk-funded WAs, the combined ELs of WAs associated with a bulk-funding category cannot exceed the funding available in that category. RACs contain four bulk-funding categories: program support (other response), site characterization, enforcement, and removal (see section 4.3, "Contract Funding"). Finally, combined ELs for all bulk-funded and individually funded WAs must not exceed the total obligated dollars within the contract.

The EL serves as the WA funding ceiling. The contractor must not expend funds beyond the EL without express approval of the CO, as specified in the contract. The WAM and PO monitor contract expenditures to ensure that the contractor stays within ELs established for WAs.

> RAC clauses WORK ASSIGNMENTS (TERM-FORM SEGMENT) and WORK ASSIGNMENTS (COMPLETION-FORM SEGMENT), in section B of the contract, state that (1) upon receipt of the WA the contractor may start work up to the EL in the WA, and (2) the contractor shall not exceed the EL, level of effort, or period of performance for a WA without the express approval of the CO.

The WAM uses the EL as a key tool to help manage the phasing and execution of a WA. There are three primary uses for an EL:

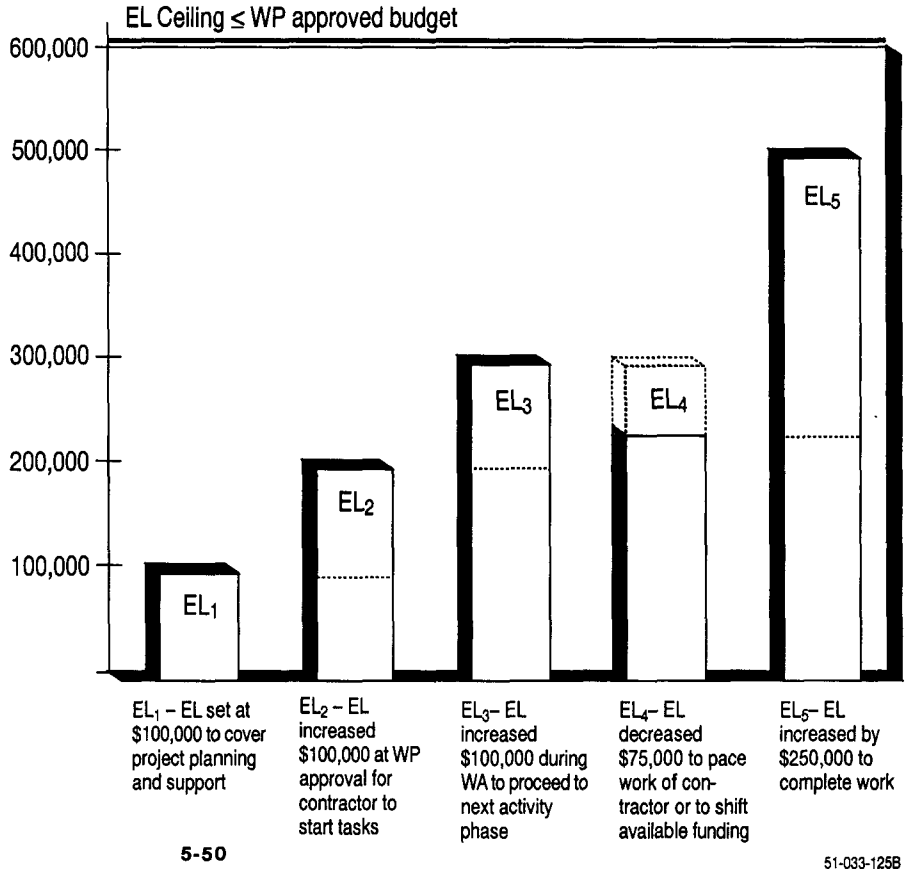
At WA Initiation—When the WA is issued, the WAM prepares the WAF which sets the EL to limit the contractor's work to distinct tasks or activities. For example, at the start of a WA, the contractor is authorized to initiate Task 1, Project Planning and Support, and the EL is set to limit expenditures to Task 1 until the WP is approved. The WAF also may authorize and set the EL to include certain technical tasks to be undertaken prior to WP approval.

At WP Approval—After the WP budget is approved, the WAM prepares a WAF recommending an increase in the EL to allow the contractor to start technical work on all or a portion of the WA tasks.

During WA Performance—The WAM can recommend raising or lowering ELs to manage task execution. For example, the WAM may recommend raising the EL to allow the contractor to proceed to the next phase of a project or lowering the EL to more carefully monitor the work of a poorly performing contractor. For individually funded WAs, however, the EL cannot exceed WA funding. For example, if the WA is funded with $600,000, the EL may not exceed $600,000. For WAs using contract bulk funding, the PO and CO track the amounts of combined ELs for all WAs using a bulk-funding category to ensure that obligated dollars within the applicable bulk-funding category are not exceeded.

Exhibit 5-7 provides an example of how ELs can be used to manage task execution during a WA.

Exhibit 5-7. How to Use the Expenditure Limit to Manage a Work Assignment



Normally, the EL should not exceed the approved WP budget. However, the CO may authorize it in certain circumstances, including:

- To cover CO-approved cost increases that are not yet incorporated in a WA amendment and revised WP
- During the interim period when the CO has issued a WA amendment, but the revised WP is not yet developed or approved

The WAM must identify on the WAF any situation where the recommended EL exceeds the WP-approved budget and explain the increase.

5.9.2 Roles and Responsibilities for Establishing and Changing the Expenditure Limit

The WAM recommends setting and changing the WA EL as needed by preparing a WAF. The PO and CO review and sign the WAF. The CO must approve all EL actions. **Exhibit 5-8** identifies the roles and responsibilities for the individuals involved in the EL process.

Exhibit 5-8. Roles and Responsibilities for Establishing and Changing the Expenditure Limit

Individual	Role in Establishing and Changing the Expenditure Limit
WAM	***Bulk-funded WAs:*** • Prepares WAF recommending EL increases or decreases • Provides justification on WAF if recommended EL exceeds WP-approved budget ***Individually Funded WAs:*** • Prepares WAF recommending EL increases or decreases • Ensures that EL is within WA funding
PO	***Bulk-funded WAs:*** • Reviews and signs WAF to indicate concurrence • Verifies that EL is within WP-approved budget or that adequate explanation is provided for why EL exceeds budget • Forwards copy of WAF to CO • Ensures that combined ELs of WAs using a particular bulk-funding category do not exceed funding in that category ***Individually Funded WAs:*** • Reviews and signs WAF • Verifies that EL is within WA funding • Forwards copy of WAF to CO
CO	***Bulk-funded WAs:*** • Reviews and signs WAF to indicate approval • Verifies that EL is within WP-approved budget or that adequate explanation is provided for why EL exceeds budget • Forwards approved WAF to contractor • Ensures that combined ELs of WAs using a particular bulk-funding category do not exceed funding in that category ***Individually Funded WAs:*** • Reviews and signs WAF to indicate approval • Verifies that EL is within WA funding • Forwards approved WAF to contractor
CON TRACTOR	• Receives WAF with EL change from CO

51-033-126B

Issuing Technical Direction

SECTION 5.10

Table of Contents

5.10 Issuing Technical Direction 5-53

5.10.1 Background and Requirement 5-55

5.10.2 Roles and Responsibilities for Issuing Technical Direction 5-56

Exhibits

Exhibit 5-9 Overview of Issuing Technical Direction 5-56

Exhibit 5-10 Roles and Responsibilities for Issuing Technical Direction 5-57

Acronyms

CO	Contracting Officer
PO	Project Officer
RAC	Response Action Contract
SOW	Statement of Work
TD	Technical Direction
TDM	Technical Direction Memorandum
WA	Work Assignment
WAF	Work Assignment Form
WAM	Work Assignment Manager
WP	Work Plan

5.10 Issuing Technical Direction

This section provides background information and discusses the roles and responsibilities involved in issuing technical direction (TD).

5.10.1 Background and Requirement

The CO generally authorizes the WAM and PO to issue TD.

EPA provides technical direction to Response Action Contract (RAC) contractors to help the contractors complete the work assignments (WAs). TD may be issued in response to a contractor question, to clarify provisions in the statement of work (SOW) or approved work plan (WP), in response to project or site activities, or to comment on or document approval of deliverables. The Contracting Officer (CO) generally authorizes the Work Assignment Manager (WAM) and Project Officer (PO) to issue TD. The PO is the CO's primary technical representative and generally is authorized to provide TD on contract performance. WAMs generally are authorized to provide TD on their specific WAs. The RAC provides this authorization as shown below.

> RAC clause, TECHNICAL DIRECTION, in contract Section H gives the CO, PO, and WAM authority to issue TD to the contractor within the scope of work of the contract or WA, which (1) assists the contractor in accomplishing the WA SOW, and (2) comments on and approves deliverables.

TD must be within scope of the contract and WA.

RACs strictly define the TD that can be provided. TD must be within the scope of the contract and the WA. TD cannot institute additional work outside the scope of the contract or WA, constitute a change as defined in the CHANGES clause, cause an increase or decrease in the estimated cost of the contract or WA, alter the period of performance, or change any other express terms or conditions of the contract.

TD must be documented in writing. Verbal TD may be issued and confirmed in writing within five calendar days.

TD must be documented in writing. TD may be issued verbally initially and confirmed in writing within five calendar days of verbal issuance. The written documentation requirements for TD may vary among Regions. A work assignment form (WAF) is the recommended vehicle for providing TD to the contractor, but other forms of TDM, including letters and memoranda, are acceptable. Any type of written documentation is considered a "technical direction memorandum" (TDM). The PO and CO review each TDM to verify that it falls within the scope, budget, and schedule of the contract SOW and WA.

The WAM usually initiates the TD, which is always reviewed by the PO and CO, but not formally approved by them unless the TDM is in the form

of a WAF. The WAM uses TD to help the contractor accomplish SOW tasks, but TD cannot be used to authorize changes in the SOW that exceed the WP approved budget or level of effort. Changes of this nature must be documented and approved through a formal WA amendment as described in section 5.11. **Exhibit 5-9** illustrates the major players and sequence of events involved in issuing TD.

When issuing TD, the government must avoid appearing to direct the contractor's activities or create a personal services relationship (see section 2.3.6, "Personal Services").

5.10.2 Roles and Responsibilities for Issuing Technical Direction

The WAM, PO, or CO may issue TD, although TD usually is issued by the WAM. The PO and CO always review the TDM. **Exhibit 5-10** provides a breakdown of the major responsibilities of the WAM, PO, CO, and contractor in issuing TD.

Exhibit 5-9. Overview of Issuing Technical Direction

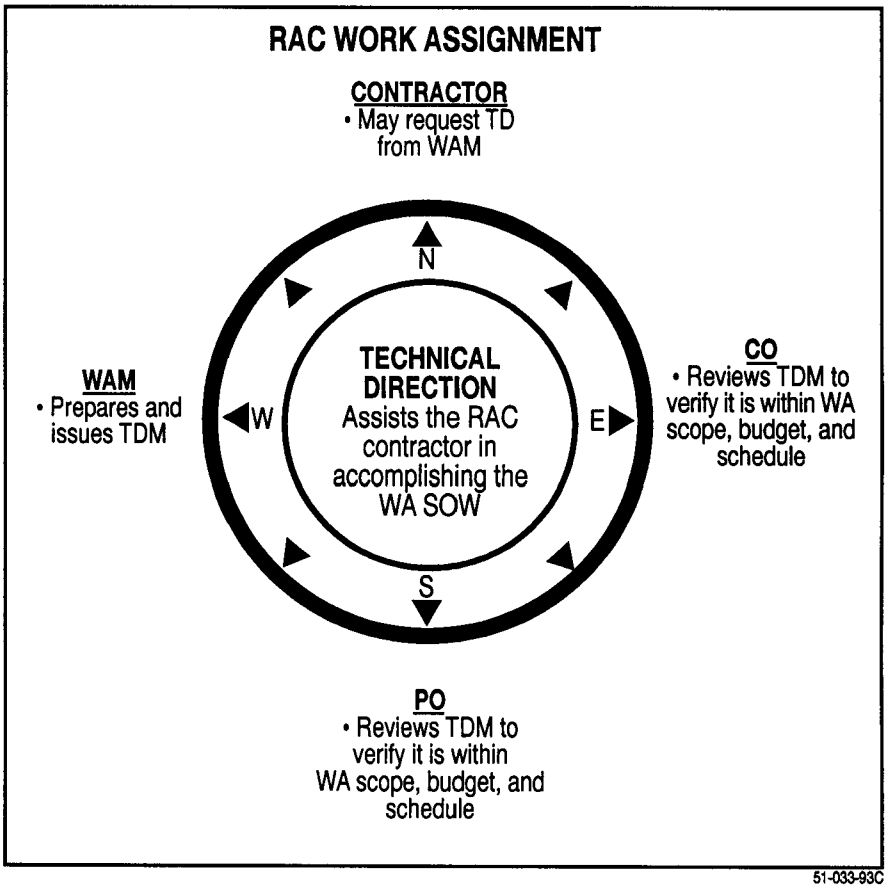


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Exhibit 5-10. Roles and Responsibilities for Issuing Technical Direction

Individual	Role in Issuing Technical Direction
WAM	• Issues TD within scope and budget of WA • Documents TD provided to the contractor • Documents verbal TD within five calendar days of issuance • May consult with PO or CO regarding TD before issuance • May issue new TD or prepare WA amendment in response to TD issues identified by the PO or CO • Maintains copies of all TDM and verbal TD records • Provides copy of TDM to PO and CO
PO	• Reviews TDM for compliance with contract-specified TD requirements • Provides guidance to WAM on the scope and impact of TD • Works with WAM and CO to issue new TD or formally amend the WA if TD exceeds contract-specified limitations
CO	• Provides guidance to WAM on scope and impact of TD • Reviews TDM for compliance with contract-specified TD requirements • Works with WAM and PO to issue new TD or formally amend the WA if TD exceeds contract-specified limitations
CONTRACTOR	• May request TD from EPA • Receives TD and implements direction

51-033-94A

Amending the Work Assignment

SECTION 5.11

Table of Contents

5.11 Amending the Work Assignment 5-59

5.11.1 Background and Requirement 5-61

5.11.2 Roles and Responsibilities for Amending the Work Assignment and Issuing Changes for a Remedial Action Work Assignment 5-63

Exhibits

Exhibit 5-11 Roles and Responsibilities for Amending the Work Assignment and Issuing Changes for a Remedial Action Work Assignment 5-64

Acronyms

CO	Contracting Officer
IGCE	Independent Government Cost Estimate
LOE	Level of Effort
OF	Optional Form
PO	Project Officer
RA	Remedial Action
RAC	Response Action Contract
RD	Remedial Design
SOW	Statement of Work
WA	Work Assignment
WAF	Work Assignment Form
WAM	Work Assignment Manager
WP	Work Plan

5.11 Amending the Work Assignment

This section provides background information on amending a work assignment (WA) and identifies the roles and responsibilities of EPA personnel.

5.11.1 Background and Requirement

A formal WA amendment is used to change the statement of work (SOW) or work plan (WP) when site conditions differ from original projections or when other unforeseen changes affect the WP's approved scope, level of effort (LOE), or dollar values. A WA amendment is required when there is a change to the WA scope or cost. Accordingly, a WA amendment may:

- modify a WA to change or revise its scope
- modify a WA to increase or decrease the WA cost or LOE

Each amendment that changes the WA scope must be accompanied by an amended or revised SOW and the contractor must submit a revised WP for Contracting Officer (CO) approval.

Amending the WA to Change or Revise its Scope

While performing work, the contractor may become aware of the potential need for changes in WA cost or scope. The contractor must notify the Work Assignment Manager (WAM) of the possibility. If the WAM determines that a change to the work requirement is necessary, the WAM amends or revises the SOW and the contractor submits a revised WP for the CO's approval. The WAM cannot direct the contractor to perform work that exceeds the WA's scope, LOE, or budget.

Amending the WA to Increase or Decrease Cost or Level of Effort

The WA and WP should be amended when funds or LOE above the WP-approved budget are needed to complete the WA, or when funds or LOE levels need adjustment. The contractor may notify EPA that it cannot complete a task within the WP-approved budget or LOE for several reasons including, but not limited, to the following:

- unanticipated and, therefore, underestimated costs in the original WP
- use of lower or higher professional-level staff than anticipated
- cost overruns
- changes in the contractor's indirect rates

These situations may require changes to the WP-approved cost or LOE. The contractor must provide EPA with a detailed description of the circumstances, so EPA can determine the cause of the change (scope

growth or cost overrun) and whether the change is reasonable. The description should include:

- amount of the increase or decrease
- circumstances leading to the increase or decrease
- work to be performed if a change is made
- recommendations to alleviate the situation

A new IGCE is required if a change in WA scope exceeds $25,000.

Depending on the reason for a change in the WP-approved LOE or budget, the contractor may submit a revised WP after the WA amendment is issued with CO approval. If the contractor submits a revised WP, the WP is reviewed and approved as outlined in section 5.7, "Work Plan Technical Review and Cost Evaluation." A new independent government cost estimate (IGCE) is required if a change to the WA scope exceeds $25,000.

Changes in a Remedial Action WA

The CHANGES clause in RAC construction subcontracts provides flexibility to adjust to actual field conditions as work progresses.

WA amendments may be required during a construction project to address site changes. Response Action Contract (RAC) construction subcontracts contain a CHANGES clause and other related clauses that provide the flexibility to adjust for actual field conditions and to reinterpret drawings and specifications as the work progresses. Under the CHANGES clause (see Appendix B, Contract Clause Matrix), the "construction manager" (the RAC prime contractor) can change the work described in the contract to adjust for actual site conditions. The construction manager also can order additional work within the scope of the contract to meet the government's need to implement the remedy.

Construction projects usually have a reserve fund built into the WP that is used to cover the cost of frequent changes associated with construction projects.

The RAC prime contractor's subpool construction subcontractor (the "constructor") is obligated to accomplish the work ordered by the construction manager and, in return, is guaranteed an equitable adjustment to both the price and project schedule. Whenever the work is changed, the RAC prime contractor and the constructor must negotiate an acceptable price. When negotiations are successful, the changes to the work are accomplished under a supplemental agreement to the contract. If the parties cannot reach agreement, the constructor is ordered to proceed with work under a change order for a price that the construction manager considers reasonable (see section 4.5, "Contract Modifications"). If the constructor is unsatisfied, a claim can be filed to resolve the issue. Because changes are common to construction projects, a reserve fund is usually built into the WP (and included in the IGCE) to cover the cost of changes. Reserve funds vary, but are approximately 15% of the contracted price for the work, according to the June1995, version of the *Remedial Design/Remedial Action (RD/RA) Handbook.*

Claims for constructive changes can be used by constructors to obtain additional compensation for performing fixed-price subcontracts. A

constructive change is an oral or written act or omission by the CO or other authorized government official that is construed as having the same effect as a written change order. A constructive change has two elements: (1) a change element, which is examining constructor performance to see if it went beyond the minimum standards demanded by the fixed-price subcontract, and (2) an order element, in which the government's representative, by word or deed, requires the contractor to perform work that is not a necessary part of the contract.

There are two distinct contractual relationships under RACs: the relationship between EPA and the prime contractor and the relationship between the prime contractor and the subcontractor(s). The constructor is a subcontractor under the RAC prime contractor, which means that the government is not considered a party to the actual construction subcontract. Only the RAC prime contractor has the authority to negotiate or order changes to the construction subcontract.

Only the RAC prime contractor has the authority to negotiate or order changes to the construction subcontract.

The RAC prime contractor is responsible for negotiating changes with the subcontractor and notifying EPA of potential or needed changes to the subcontract. After the prime contractor and the constructor have negotiated, the prime contractor prepares a contract modification to the contract in the form of a supplemental agreement or a change order. The CO reviews and concurs with all changes. Changes beyond the scope of the WA and changes requiring additional funding require issuance of a WA amendment. This is done concurrently with the prime contractor's modifications to the construction subcontract. The prime contractor must inform the CO of change order activities at all times, even if the change does not require a WA amendment. WA amendments are processed according to the procedures outlined in section 5.11.1 of *Volume 1: Process Guide.*

5.11.2 Roles and Responsibilities for Amending the Work Assignment and Issuing Changes for a Remedial Action Work Assignment

The WAM generally identifies the need to amend a WA and prepares the WA amendment. The Project Officer (PO) and CO both review the amendment and the CO approves it. **Exhibit 5-11** identifies the responsibilities of individuals involved in amending a WA. During the performance of a construction project, site changes often must be addressed after work has begun on an RA WA. Exhibit 5-11 also identifies the responsibilities of individuals involved in issuing changes for RA WAs.

Exhibit 5-11. Roles and Responsibilities for Amending the Work Assignment and Issuing Changes for a Remedial Action Work Assignment

Individual	Role in Amending the Work Assignment and Issuing Changes to a Remedial Action Work Assignment
WAM	***Amending the Work Assignment*** • Prepares work assignment form (WAF) package for amendment (WAF, SOW, IGCE, and procurement request) • Helps PO and CO clarify outstanding issues ***Issuing Changes to a Remedial Action Work Assignment*** • Provides comments on subcontract modification • Provides WAF package for WA amendment
PO	***Amending the Work Assignment*** • Reviews WAF package for WA amendment. • Reviews amended WA SOW to ensure tasks are within contract SOW ***Issuing Changes to a Remedial Action Work Assignment*** • Reviews and coordinates program comments on subcontract modification • Reviews WAF package for WA amendments
CO	***Amending the Work Assignment*** • Reviews and approves WAF package for the amendment • Prepares and issues contract modification if funding involved ***Issuing Changes to a Remedial Action Work Assignment*** • Reviews and concurs with all changes, including subcontract modification • Approves and issues WA amendments
Prime Contractor	***Amending the Work Assignment*** • Responds to WA amendment by submitting revised WP (or cost estimate) for change ***Issuing Changes to a Remedial Action Work Assignment*** • Conducts field appraisal for the scope and cost of the potential change • Issues change orders to subcontractors or signs supplemental agreements with subcontractor • Modifies subcontract with subcontractor to reflect negotiations or changes • Informs CO of all change activity
Construction Subcontractor	***Amending the Work Assignment*** • Receives and implements WA amendments ***Issuing Changes to a Remedial Action Work Assignment*** • Requests change due to changes in site conditions • Prepares and submits proposal to prime contractor

51-033-128D

Wage Rates and Surety Bonds for Remedial and Non-Time-Critical Removal Action Subcontracts

SECTION 5.12

Table of Contents

5.12 Wage Rates and Surety Bonds for Remedial and Non-Time-Critical Removal Action Subcontracts 5-65

5.12.1 Background and Requirement 5-67

5.12.2 Roles and Responsibilities for Wage Rates and Surety Bonds for Remedial and Non-Time-Critical Removal Action Subcontracts 5-69

Exhibits

Exhibit 5-12 Roles and Responsibilities for Wage Rates and Surety Bonds for Remedial and Non-Time-Critical Removal Action Subcontracts 5-70

Acronyms

CO	Contracting Officer
DBA	Davis-Bacon Act
DOL	Department of Labor
FAR	*Federal Acquisition Regulation*
NTCR	Non-Time-Critical Removal
PO	Project Officer
RA	Remedial Action
RAC	Response Action Contract
SCA	McNamara-O'Hara Service Contract Act
SF	Standard Form

5.12 Wage Rates and Surety Bonds for Remedial and Non-Time-Critical Removal Action Subcontracts

This section describes wage rates and surety bonding for remedial action (RA) and non-time-critical removal (NTCR) action subcontracts under Response Action Contracts (RACs). Roles and responsibilities of the Project Officer (PO), Contracting Officer (CO), and prime contractor are highlighted.

5.12.1 Background and Requirement

The prime contractor identifies whether each contract is a "construction" contract or a "service" contract and applies the proper wage rates. The Davis-Bacon Act (DBA) is the prevailing wages law for construction workers and the McNamara-O'Hara Service Contract Act (SCA) is the wage law for government contractor employees who provide services. In addition to a wage rate law, any government contract and subcontract for substantial and segregable construction exceeding $25,000 is subject to the Miller Act, a surety bonding law.

The wage law for construction workers is the Davis-Bacon Act. The wage law for government contractors providing services is the McNamara-O'Hara Service Contract Act.

Davis-Bacon Act

The DBA applies to any construction contract exceeding $2,000 for the actual construction, alteration, or repair (including painting and decorating) of a public building or public work, financed in whole or in part from federal funds.

A RAC clause in section H, DAVIS-BACON ACT WAGE DETERMINATIONS FOR RAC SUBCONTRACTS, requires the prime contractor to use the prevailing wages listed in the "General Wage Determinations Issued under Davis-Bacon and Related Acts" when developing solicitations for construction subcontracts exceeding $2,000. This guidance is issued by the Department of Labor (DOL) and available through the Government Printing Office (*Federal Acquisition Regulation* [*FAR*] 22.404-1).

Service Contract Act

The SCA applies to any government contract or subcontract that exceeds $2,500, is performed in the United States, and has the principal purpose of furnishing services through service employees. A service employee performs a covered service and is not engaged in a bona fide executive, administrative, or professional capacity, as defined in 29 *Code of Federal Regulations* 541.

The SCA requires that workers employed by government service contractors be paid a minimum wage and be provided minimum benefits as specified by the Secretary of Labor.

Last-minute changes in EPA policy may affect RAC equipment procedures.

Examples of contract services related to Superfund sites include:

- maintenance, overhaul, repair, servicing, rehabilitation, salvage, modernization, or modification of supplies, systems, or equipment
- routine, recurring maintenance of real property
- advisory and assistance services
- refuse removal
- operation of government-owned equipment facilities and systems

Surety Bonds

The Miller Act applies to substantial and segregable construction exceeding $25,000 under RACs.

Under a RAC clause in section H, PERFORMANCE AND PAYMENT BONDS, the Miller Act applies when there is substantial and segregable construction under a subcontract exceeding $25,000. Although intended primarily for construction contracts, the Miller Act applies equally to "construction" and "other than construction" (i.e., service) contracts if there is substantial and segregable construction exceeding $25,000.

The Miller Act (40 *United States Code* 270a-270f) requires the contractor to post performance and payment bonds. A performance bond assures the government that its projects will be completed. A payment bond assures payments to certain subcontractors and suppliers of labor and material under Federal projects.

Whenever the Miller Act applies, bonding is required. The CO determines the penal amount of the performance bond by evaluating the risks associated with the project and the estimated cost of the construction activity to calculate an amount sufficient to protect the government's interests. The prime contractor furnishes the performance bond unless the prime contractor determines, and the CO consents, that it is in the government's best interest to allow the RA subcontractor to obtain the bond. The CO may also consent to RA subcontractor provision of payment bonds. Payment bonds are required only when performance bonds are required. The penal amounts for payment bonds are listed in *FAR* 28.102-2.

The Miller Act does not apply, and bonding is not required, for contracts without substantial and segregable construction exceeding $25,000. However, performance and payment bonds may be permitted for "other than construction" contracts (*FAR* 28.103-1 and -2) when the CO determines bonding to be in the government's best interest. The CO determines the amount of the performance bond in the same manner as for contracts where the Miller Act applies. The CO may also consent to RA subcontractor provision of payment bonds. As with those contracts, the prime contractor furnishes the bond unless the prime contractor determines, and the CO consents, that it is in the government's best interest to allow the RA subcontractor to obtain the bond. In that case, the same advance agreement and documentation is required as for contracts where the Miller Act applies. The CO also may consent to RA subcontractor provi-

sion of payment bonds. Payment bonds are required only when performance bonds are required, and the CO determines the penal amounts of the bonds on a case-by-case basis (*FAR* 28.103-3).

Performance bonds under service contracts are warranted under the following circumstances:

- government property or funds are provided to the contractor for use in performing the contract or as partial compensation (as in retention of salvaged material)
- a contractor sells assets to, or merges with, another concern, and the government, after recognizing the latter concern as the successor in interest, requires assurance that it is financially capable
- substantial progress payments are made before delivery of end items starts
- contracts are for dismantling, demolition, or removal of improvements when no subsequent construction work is anticipated

Four RAC clauses pertain to wage rates and surety bonding:

RAC clause in Section H, PERFORMANCE AND PAYMENT BONDS, applies the Miller Act to substantial and segregable construction exceeding $25,000 under RACs.

RAC clause in Section H, ADVANCE AGREEMENT ON BONDING, allows the CO to consent to the subcontractor providing Miller Act bonds in lieu of the prime contractor with the advance agreement that doing so does not affect the privity of contract between the prime contractor and the subcontractor.

RAC clause in Section H, DAVIS-BACON ACT (DBA) WAGE DETERMINATIONS FOR RAC SUBCONTRACTS, provides for the use of prevailing wages as determined by the Department of Labor for all construction subcontracts exceeding $2,000.

RAC clause in Section I, SERVICE CONTRACT ACT OF 1965, AS AMENDED, provides for minimum wages and benefits for service employees.

5.12.2 Roles and Responsibilities for Wage Rates and Surety Bonds for Remedial and Non-Time-Critical Removal Action Subcontracts

The PO, CO, and the prime contractor are the primary players in determining wage rates and bond requirements. Their roles are identified in **Exhibit 5-12**.

Exhibit 5-12. Roles and Responsibilities for Wage Rates and Surety Bonds for Remedial and Non-Time-Critical Removal Action Subcontracts

Individual	Role in Wage Rates and Surety Bonding
PO	• Verifies labor classifications on Standard Form (SF) 308 with CO • Discusses labor rates for SCA wage determinations with CO when appropriate
CO	• Ensures that DBA requirements are incorporated in construction and service-with-construction subcontracts • Requests DBA wage determination from DOL if necessary, using SF 308 • Verifies information on SF 308 with prime contractor and verifies labor classifications on SF 308 with PO • Ensures applicable SCA provisions are followed in service and service-with-construction contracts • Reviews and forwards SF 98/98a to DOL for wage determinations under SCA • Determines penal amounts for performance bonds and payment bonds per *FAR* requirements • At prime contractor's request, may consent to subcontractor providing performance and payment bonds
CON TRACTOR	• Identifies whether RA subcontract is construction or service with construction and applies DBA or SCA wage rates accordingly • Uses DOL publication to make wage determinations for DBA • Forwards a SF 308 to CO to request a wage determination under DBA for unpublished wage determinations • Verifies labor classification on SF 308 with CO before CO forwards SF 308 requesting wage determinations to DOL • Incorporates DBA prevailing wages when developing solicitation subcontracts for construction worth more than $2,000 • Gives CO notice of intent to make a service contract, using SF 98/98a • Incorporates SCA wage rates when applicable • May request CO's authorization to allow subcontractor to provide bonds • Furnishes performance and payment bonds to CO
Subcontractor	• Furnishes performance and payment bonds upon CO consent

51-033-151B

Value Engineering

SECTION 5.13

Table of Contents

5.13 Value Engineering 5-71

5.13.1 Background and Requirement 5-73

5.13.2 Roles and Responsibilities for Value Engineering 5-76

Exhibits

Exhibit 5-13 Roles and Responsibilities for Value Engineering 5-77

Acronyms

A/E	Architect-Engineer
CO	Contracting Officer
FAR	*Federal Acquisition Regulation*
NTCR	Non-Time-Critical Removal
OMB	Office of Management and Budget
PO	Project Officer
RA	Remedial Action
RAC	Response Action Contract
RD	Remedial Design
SOW	Statement of Work
VE	Value Engineering
VECP	Value Engineering Change Proposal
VEP	Value Engineering Proposal
WA	Work Assignment
WAM	Work Assignment Manager

5.13 Value Engineering

This section provides the background and requirements for conducting value engineering (VE) under Response Action Contracts (RACs). VE services typically are performed during remedial designs (RDs) and remedial actions (RAs), and may be performed during non-time-critical removals (NTCRs).

5.13.1 Background and Requirement

As defined per Office of Management and Budget (OMB) circular No. A-131, VE is "an organized effort directed at analyzing the functions of systems, equipment, facilities, services, and supplies for the purpose of achieving the essential functions at the lowest life-cycle cost consistent with required performance, reliability, quality, and safety." VE can be performed by both Agency and contractor personnel. OMB Circular No. A-131, issued on May 21, 1993, requires the use of VE, when appropriate, by Federal departments and agencies. The circular also requires EPA to establish an Agency contact for VE.

Two VE approaches are incorporated in RACs. The first approach is a mandatory program in which the government requires and pays for specific VE efforts by the prime contractor or Team subcontractors during design under Architect-Engineer (A/E) contracts. The A/E contractor and Team subcontractors are not permitted to share cost savings resulting from VE proposals (VEPs) submitted during the design phase.

The government reimburses the prime contractor and Team subcontractors for performance of mandatory VE efforts during remedial design; however, no cost sharing occurs.

The second approach is a voluntary, incentive-based program which encourages RAC construction subcontractors to use their own resources to develop and submit VE change proposals (VECPs). The construction subcontractor submits VECPs (through the prime contractor) for project changes that will save money and do not compromise quality or functionality if implemented. As an incentive for VE, the construction subcontractor receives (through the prime contractor) a portion of the savings realized by the government. Neither the prime contractor nor Team subcontractors can perform construction work under RACs. Consequently, the prime contractor and Team subcontractors are not allowed to share in cost savings resulting from VECPs. Only subpool subcontractors performing construction work are eligible to share in cost savings resulting from VECPs.

Only subpool subcontractors performing construction work are eligible to share in cost savings resulting from VECPS.

OMB Circular No. A-131 requires Federal departments and agencies to use VE when appropriate.

Federal Acquistion Regulation (FAR) 48.201(f), Clauses for Supply or Service Contracts, requires the insertion of *FAR* 52.248-2 in solicitations and contracts whenever the government requires and pays for a specific VE effort in A/E contracts.

RACs contain three clauses pertaining to VE: VALUE ENGINEERING—ARCHITECT-ENGINEER *(FAR 52.248-2)*, in contract Section H, requires the contractor to perform VE evaluation and review and study of design documents and submit VEPs to the CO.

VALUE ENGINEERING—CONSTRUCTION (*FAR* 52.248-3), in contract Section H, required in construction contracts for more than $100,000, encourages the voluntary submission of VECPs by the construction contractor by allowing contractor sharing of savings as an incentive.

APPLICABILITY OF VALUE ENGINEERING CONTRACT, in contract Section H, defines how *FAR* clauses 52.248-2 and 52.248-3 are applied in RACs. This clause addresses the passing of cost savings resulting from VECPs to the construction subcontractor through the prime contractor, and specifies that VE will be done at the work assignment (WA) level for RACs. This clause substitutes appropriate language into clauses 52.248-2 and 52.248-3 to effect interpretation of the *FAR* clauses at the WA level.

Value Engineering in Remedial Designs

As required by *FAR* 52.248-2 and the RAC Statement of Work (SOW), RACs require a VE screen for every Fund-lead RD. The Work Assignment Manager (WAM) ensures that the RAC contractor performs a VE screen for every RD by including this task in the WA. The contractor performs a VE screen to determine if potential cost savings can be realized through a change in some aspect of the RD or a reformulation of the RD. The WAM reviews the results of the VE screen and determines whether a VE study is warranted. The RAC contractor may be assigned the VE study task if the contractor is capable of conducting an independent and objective study. Alternatively, the Region may request the U.S. Army Corps of Engineers to conduct the VE study or contract with an independent firm with the requisite expertise.

A VE study is performed in six phases: information, speculation, creative analysis, development, presentation, and implementation.

The six-phase process of a typical VE study (information, speculation, analysis, development, presentation and implementation) is standardized and typically takes the form of a one-week workshop. Less complex projects may be reviewed in less time. A detailed description of the VE study process is found in the *Guidance Document for Value Engineering*

Review During Remedial Design, EPA S40. The VE study is similar to the design review, which concentrates on functional aspects, such as whether the design works, is sufficiently reliable, and meets the designer's contractual obligations, but focuses on reducing the investment necessary to achieve those functions. That focus, however, does not preclude the VE study team from identifying technical errors or omissions for consideration during design review.

The VE study should be scheduled to minimize affecting the design schedule. If the VE workshop and decision-making process are completed without delaying the schedule (i.e., not on the critical path), then the only potential schedule impact is caused by a design change resulting from the VE process and not from the VE process itself. A design change and its associated cost are considered when EPA decides to accept or reject the VE recommendation.

EPA considers design changes and their associated costs when deciding to accept or reject VE study recommendations.

The product of the VE study is the VE study report, which includes VEPs. A VEP is a change proposal describing the difference between the existing and proposed designs, the comparative advantages and disadvantages of each, the VEP's impact on project cost, and the VEP's effect on design or construction schedules. The WAM, Project Officer (PO), and Contracting Officer (CO) review the VE study report and VEPs. The CO may also request that the Design and Construction Advisor review the VE study report and VEPs. After the CO approves a VEP, it is implemented by a WA amendment.

A VEP is a change proposal to save costs without sacrificing integrity and functionality.

Value Engineering in Remedial Actions

FAR 52.248-3, Value Engineering—Construction, provides for cost-savings sharing between EPA and the construction subcontractor as an incentive for the subcontractor to voluntarily submit VECPs. *FAR* 52.248-3(h) provides that RAC contractors must include a clause similar to *FAR* 52.248-3 in their RA subcontracts of $50,000 or more and also should include a VE clause in subcontracts of lesser value.

To ensure the VE program's effectiveness and integrity, individuals and firms with previous involvement in the RD or other project VE activities are not eligible to participate in the development and preparation of VECPs.

RACs VE requirements appear in the RAC SOW under the RD and RA work areas as shown below.

Remedial Design

In the RD work area, the following VE activities are standard subtasks:

Task 8—Preliminary Design

- Conduct and/or assist in VE screening

Task 10—Intermediate Design

- Initiate VE study if VE screening identified potential project savings

Task 11—Pre-final/Final Design

- Report results of VE study and incorporate accepted VE recommendations into final design

Remedial Action

In the RA work area, the following VE activities are standard subtasks:

Task 5—Management Support

- Engineering support option—Supplemental engineering support for field change requests, VE proposals, resident engineer non-conformance reports, and redesign activities

Task 6—Detailed Resident Inspection (Resident Engineer)

- Review and recommend action on VE proposals

Design Assistnace

In the design assistance work area, the following VE activity is identified as a subtask:

Task 2—Technical Assistance

- Conduct and/or assist in the technical analysis of VECPs

Value Engineering in Non-Time-Critical Removals

VE is not required for NTCRs but may be performed for large removal efforts. The WAM decides whether to include a VE screen as part of the engineering evaluation/cost analysis on a WA-specific basis.

5.13.2 Roles and Responsibilities for Value Engineering

The contractor performs VE activities, with the WAM, PO, and CO reviewing and approving VE results. **Exhibit 5-13** lists the roles and responsibilities of the individuals involved in the VE process.

Exhibit 5-13. Roles and Responsibilities for Value Engineering

Individual	Role in Value Engineering
WAM	• Ensures that VE screening and a VE study, if appropriate, are conducted • Reviews and recommends action on VE study recommendations and VEPs • Reviews and recommends action on VECPs submitted during RA • Ensures VEPs and VECPs are in compliance with the Record of Decision requirements • Decides if VE is necessary for a NTCR
PO	• Reviews and recommends action on VE study recommendations and VEPs • Reviews and recommends action on VECPs submitted during RA
CO	• Receives and reviews VE study and VEPs • Authorizes contractor to incorporate approved VEPs • Implements VEPs by WA amendment • Receives and approves the VECP submitted during the RA • Consents to incorporation of VECP by subcontractor
CON TRACTOR	• Conducts or assists in VE screening during the RD • May conduct VE study if VE screening identifies potential project savings during the RD • Reports results of VE study and submits VEPs • Incorporates approved VEPs into RD • Submits VECP, developed by the subcontractor during RA, to the CO • Passes entitled savings from accepted VECP on to subcontractor

51-033-168A

Contractor Oversight

SECTION 5.14

Table of Contents

5.14 Contractor Oversight 5-79

5.14.1 Background and Requirement 5-81

5.14.2 EPA's Relationship to Contractors and Subcontractors 5-83

5.14.3 Roles and Responsibilities in Contractor Oversight 5-83

Exhibits

Exhibit 5-14 Roles and Responsibilities in Contractor Oversight 5-84

Acronyms

CO	Contracting Officer
FAR	*Federal Acquisition Regulation*
PEB	Performance Evaluation Board
PO	Project Officer
PS	Program Support
RAC	Response Action Contract
SOW	Statement of Work
WA	Work Assignment
WAM	Work Assignment Manager
WP	Work Plan

5.14 Contractor Oversight

Much of the Congressional and public scrutiny of the Superfund program has focused and will continue to focus on remedial contracting because of the large amount of money spent in this area. Consequently, EPA must be especially vigilant in managing and overseeing Response Action Contracts (RACs) due to their size and scope. This section provides background information on required contractor oversight under RACs and identifies the responsibilities of the Work Assignment Manager (WAM), Project Officer (PO), and Contracting Officer (CO) in contractor oversight.

5.14.1 Background and Requirement

The WAM, PO, and CO work together as a team in contractor oversight.

The oversight clause in RAC section I WORK OVERSIGHT IN ARCHITECTURE-ENGINEERING CONTRACTS *(Federal Acquisition Regulation [FAR]* 52.236-24) (April 1984) gives the CO the right to monitor contractor compliance with overall contractual terms and conditions and to ensure that individual work assignments (WAs) are managed properly. Under RACs, the WAM, PO, and CO work together as a team to ensure that contractors satisfactorily meet all contract requirements and specifications. Other Agency personnel may support this core management team.

The CO has overall responsiblility for administrative monitoring of contract terms and conditions but relies on PO and WAM assistance for monitoring the contract's technical aspects. The PO monitors the technical aspects of program support (PS) activities and acts as a liaison between the CO and WAM on specific WA performance issues. The WAM ensures that the contractor meets individual WA requirements and specifications. If these requirements are not met, the CO has the right to stop all or any of the work called for by the contract, according to RAC section F, STOP-WORK ALTERNATE I (*FAR* 52.212-13) (August 1989).

Note that the contractor is not in default because of failure to perform this contract under its terms if the failure arises from causes beyond the control of the contractor, as prescribed by RAC section I, EXCUSABLE DELAYS (*FAR* 52.249-14) (April 1984).

Several methods are used to monitor contractor performance and WA progress:

Regular Communication—Regular interaction between EPA and the contractor is necessary for effective contractor oversight.

Site Visits—The inspection clauses in RAC section E, INSPECTION AND ACCEPTANCE (EP52.246-100) (April 1984) and INSPECTION OF SERVICES COST-REIMBURSEMENT (*FAR* 52.246-5) (April 1984)

give EPA the right to inspect and test all work performed under the contract to determine if the contractor is providing the requested products and services.

Work Plan Review—The proposed costs, technical approach, staffing requirements, major milestones, individual tasks, deliverables, and schedules for completion listed in the the work plan (WP) make it a useful tool for monitoring contractor performance.

Technical and Financial Progress Report Review—The contractor's written progress reports describe progress under the contract and on specific WAs. The content and format of these reports are outlined in the contract and can be supplemented in the WA statement of work (SOW).

Deliverable Review—The WAM identifies and indicates acceptance of WA deliverables using the WAM Documentation of Invoice Review and Approval form. The government can recoup the provisional base fee already paid to the contractor if, upon WA completion, the final WA performance rating is unsatisfactory.

Audits—The audit clause in RAC section I, AUDIT-NEGOTIATION (*FAR* 52.215-2) (February 1993), gives the CO the right to examine and audit books, records, documents, and other evidence and accounting practices, regardless of form or type.

RAC clauses INSPECTION AND ACCEPTANCE (EP 52.246-100) (April 1984) and INSPECTION OF SERVICES COST-REIMBURSEMENT (*FAR* 52.246-6) (April 1984), in contract Section E, give EPA the right to inspect and test all work performed under the contract to determine if the contractor is providing the requested products and services.

RAC clause STOP-WORK ALTERNATE I (*FAR* 52.212-13) (August 1989), in Section F, gives the CO the right to stop work at any time during the term of the contract.

RAC clause AUDIT-NEGOTIATION (*FAR* 52.215-2) (February 1993), in Section I, gives the CO the right to audit contractor books, records, and documents.

RAC clause EXCUSABLE DELAYS (*FAR* 52.249-14) (April 1984), in Section I, states that contractors are not liable for delays or failure to perform work for reasons beyond their control.

RAC clause WORK OVERSIGHT IN ARCHITECTURE-ENGINEERING CONTRACTS (*FAR* 52.236-24) (April 1984), in Section I, gives the CO the right to oversee and monitor contractor work under the contract.

5.14.2 EPA's Relationship to Contractors and Subcontractors

EPA oversight of the contractor does not include direct oversight of subcontractors. The prime contractor has sole responsibility for the performance and management of its subcontractors. EPA's only direct contractual relationship is with the prime contractor. EPA may not direct the activities of any subcontractor. Specifically, a WAM should not recommend or request to have specific subcontractor personnel assigned to work on a WA or invite subcontractor personnel to attend a meeting related to a WA. The prime contractor determines the subcontractor's WA role.

COs work directly with prime contractors and have only incidental contact with subcontractors.

Under RACs, EPA's role regarding subcontractors is limited to subcontract review and consent (section 4.7) and determining the bonding requirements for subcontractors (section 5.12). Although subcontractor performance may be part of a prime contractor's work on a WA, EPA interacts only with the prime contractor when overseeing and monitoring contract performance. EPA may ask the prime contractor to communicate information to subcontractors, but WAMs, POs, and COs only work directly with prime contractors. COs may have incidental contact with subcontractors when reviewing and approving subcontractors and determining bond amounts.

5.14.3 Roles and Responsibilities in Contractor Oversight

The WAM, PO, and CO work as a team supported by other EPA personnel as appropriate. Each member of the team is responsible for monitoring a different aspect of contractor performance. The CO is responsible for overall contract management and focuses on the administrative aspects of the contract. The CO is not involved in the day-to-day operation and oversight of WAs. The CO only becomes involved when problems or situations requiring special attention arise. Most contractor oversight on individual WAs is performed by the technical monitors, the PO and WAM, who advise the CO on technical issues and assist the CO in decision-making.

The PO oversees contractor technical performance. This entails examining overall contractor performance, working to identify and resolve problems, and bringing problems to the CO's attention. The WAM oversees contractor performance on individual WAs and ensures that the contractor meets individual WA specifications and requirements. The PO generally acts as a WAM for PS WAs. The PO's role occasionally may overlap with the WAM's role when monitoring individual WAs.

Exhibit 5-14 lists the roles and responsibilities for the WAM, PO, CO, and contractor in contractor oversight.

Exhibit 5-14. Roles and Responsibilities in Contractor Oversight

Individual	Role in Contractor Oversight
WAM	• Determines whether SOW requirements are accomplished effectively and efficiently • Oversees timeliness and quality of contractor services through monitoring WA performance and reviewing WPs, technical and financial progress reports, and deliverables throughout the life of the contract • Documents and notifies PO or CO of unsatisfactory contractor services or products • Ensures that the contractor implements appropriate action to remedy deficiencies • Maintains regular communication with prime contractor • May conduct site visits • Reviews monthly RAC progress reports • Inspects and accepts deliverables • Evaluates contractor WA performance
PO	• Monitors technical performance of contractor for PS activities and all WAs • Assists in the resolution of performance issues identified by the WAM on individual WAs • Evaluates monthly technical and financial reports for PS • Assures accurate invoice accounts established on WAs • Reviews monthly RAC progress reports • Conducts site visits • May act as WAM for PS WAs • Evaluates contractor PS performance for Performance Evaluation Board (PEB)
CO	• Ensures that contractors meet all contract terms and conditions of the contract • Provides clarification and interpretation of contract clauses • Evaluates performance with feedback from PO and WAM • Resolves problems or issues identified by PO and WAM • Reviews and approves conflict of interest plan • Reviews Financial Administrative Contracting Officer reports • Reviews and consents to subcontracts • Reviews monthly RAC progress reports • Evaluates contractor performance for PEB
CON TRACTOR	• Provides monthly progress reports and invoices • Updates standard operating procedures as necessary • Responds to Regional management team inquiries regarding WA activities

51-033-123B

Site Demobilization

SECTION 5.15

Table of Contents

5.15 Site Demobilization 5-85

5.15.1 Background and Requirement 5-87

5.15.2 Roles and Responsibilities for Site Demobilization 5-88

Exhibits

Exhibit 5-15 Roles and Responsibilities for Site Demobilization 5-88

Acronyms

CO	Contracting Officer
DCMC	Defense Contract Management Command
O&M	Operations and Maintenance
PA	Property Administrator
PO	Project Officer
PRP	Potentially Responsible Party
RI/FS	Remedial Investigation/ Feasibility Study
WA	Work Assignment
WAM	Work Assignment Manager

5.15 Site Demobilization

This section provides background information on demobilizing a site after a remedial or removal action is complete and identitifes the responsibilities of the Work Assignment Manager (WAM), Project Officer (PO), and Contracting Officer (CO) in overseeing site demobilization. Although written specifically for site demobilization following remedial and removal actions, the information in this section may be used for remedial investigation/feasibility study (RI/FS) demobilization as applicable.

5.15.1 Background and Requirement

Site demobilization occurs after a remedial or removal action has been performed and EPA determines that the work is complete. Site demobilization encompasses the activities required to:

- dismantle and remove construction equipment from the site
- remove temporary buildings and structures from the site
- remove all unnecessary materials
- complete all necessary restoration or replacement of public or private property affected by remediation activities
- transfer or dispose of government property as instructed by EPA or the Defense Contract Management Command (DCMC)
- clean up and remove site debris
- transfer all finalized documentation collected during the construction such as log books and records to EPA
- disconnect utilities no longer needed on site
- transfer responsibility for continuing site services, such as utilities and phone, to the incoming party responsible for operations and maintenance (O&M)
- relinquish site responsibility to the State, Tribal Government, or potentially responsible party (PRP)

Last-minute changes in EPA policy may affect RAC equipment procedures.

> The Response Action Contract statement of work requires the contractor to perform site demobilization in remedial and removal action work assignments (WAs) under a separate task, "Project Completion and Closeout."

Site demobilization generally occurs at the end of a remedial or removal action. However, if the contract expired or was terminated while an action was in progress, the contractor would be required to demobilize at that time and transfer responsibility to the new contractor.

Site demobilization generally occurs at the end of a remedial or removal action.

5.15.2 Roles and Responsibilities for Site Demobilization

The primary player in site demobilization is the contractor. The WAM, PO, CO, Property Administrator (PA), Contract Property Coordinator, and Plant Clearance Officer play roles in overseeing demobilization and providing instructions for government property disposition. Through an interagency agreement, DCMC serves as EPA's PA (see Chapter 8 for more information on government property acquisition and management). The roles of individuals involved in site demobilization are identified in **Exhibit 5-15**.

Exhibit 5-15. Roles and Responsibilities for Site Demobilization

Last-minute changes in EPA policy may affect RAC equipment procedures.

Individual	Role in Site Demobilization
WAM	• During the remedial planning phase, develops a strategy to address property needs and disposition • Determines WA site restoration requirements • Resolves transfer issues and O&M needs with the incoming party • Determines O&M site access needs with the incoming party • Determines when the remedial or removal action is functional • Certifies site transfer
PO	• Acts as technical advisor to the CO and PA in the development of the final disposition instructions • Certifies that property left in place is part of the remedy
CO	• Coordinates with the PO and PA to recommend final property disposition instructions
Property Administrator	• Responsible for all property administration functions from acquisition to final disposition
Contract Property Coordinator	• Internally screens government property for reuse within Superfund
Plant Clearance Officer	• Issues the final property disposition instructions
CON TRACTOR	• Submits final government-furnished property inventory to the PA • Removes property, machinery, temporary buildings, or materials from sites according to PA instructions • Transfers responsibility for the utilities, phone, and licenses to the incoming PRP • Prepares and transfers site records to EPA or the Federal Records Center, as instructed by EPA in the WA or through a technical direction memorandum

51-033-91C

Work Assignment Closeout Procedures

SECTION 5.16

Table of Contents

5.16 Work Assignment Closeout Procedures 5-89

5.16.1 Background and Requirement 5-91

5.16.2 Roles and Responsibilities for Work Assignment Closeout 5-92

Exhibits

Exhibit 5-16 Roles and Responsibilities for Work Assignment Closeout.... 5-93

Acronyms

CO	Contracting Officer
FRC	Federal Records Center
LOE	Level of Effort
PA	Property Administrator
PEB	Performance Evaluation Board
PO	Project Officer
RAC	Response Action Contract
SOW	Statement of Work
WA	Work Assignment
WACN	Work Assignment Closeout Notification
WACR	Work Assignment Completion Report
WAM	Work Assignment Manager

5.16 Work Assignment Closeout Procedures

This section provides background information and describes the responsibilities of the Work Assignment Manager (WAM), Project Officer (PO), and Contracting Officer (CO) in work assignment (WA) closeout.

5.16.1 Background and Requirement

WA closeout is specified as a separate task in every Response Action Contract (RAC) WA. Closeout activities are specified in the WA and included by the contractor in the work plan and cost estimate. WA closeout involves agreements between EPA and the contractor regarding:

- final evaluation of contractor performance using the Work Assignment Completion Reports (WACRs) by EPA and the contractor
- organization and retirement of WA records
- government property disposition
- verifying and processing final WA costs

> The RAC statement of work (SOW) requires the contractor to perform WA closeout as a separate task in each WA.

Work Assignment Completion Report

There are two WACR forms. One is the EPA-prepared WACR used to evaluate the contractor's overall performance on the WA. The other is the contractor-prepared WACR used for self-evaluation of overall WA performance. The contractor WACR also summarizes WA level of effort (LOE) and cost.

Both the EPA- and contractor-prepared WACRs provide information on contractor WA performance, cost, and schedule. They include evaluations in the seven performance (award) fee evaluation categories: project planning, technical competence and innovation, schedule and cost control, resource utilization, reporting, effort, and small and small disadvantaged business utilization (see Chapter 6).

The contractor-prepared WACR is submitted to EPA and is used as part of the contractor review. The EPA-prepared WACR is forwarded to the Performance Evaluation Board (PEB) and is used to determine the contractor's performance (award) fee.

The contractor-prepared WACR is one of the key deliverables under a WA closeout task.

Records Organization and Retirement

Both the contractor and EPA perform records organization and retirement activities. RAC clause H.31-RETENTION AND AVAILABILITY OF

WA records must be retained until disposal permission is obtained from the CO.

CONTRACTOR FILES requires the contractor to retain original records relating to the contract until:

- all litigation involving the records has been settled and CO approval is obtained
- 10 years have passed from the date of final payment on the contract, no litigation involving the records is being instituted, and CO approval is obtained

In addition, the WA SOW requires the contractor to maintain parallel files with EPA throughout WA performance. This enables the Region to compare EPA and contractor files, if necessary, to ensure that the WA files are complete. After the PO and WAM WA files are reviewed and complete, the WAM and PO may retire them to the Federal Records Center (FRC). WA file closeout should be performed at WA closeout throughout the life of the contract.

RAC clause H.31-RETENTION AND AVAILABILITY OF CONTRACTOR FILES and the WA SOW both require the contractor to maintain and retain WA records.

Government Property Disposition

Last-minute changes in EPA policy may affect RAC equipment procedures.

In some instances, the government provides property to the contractor or authorizes the contractor to acquire property for site use. During WA closeout, the Property Administrator (PA), in consultation with the WAM, PO, and CO, determines the disposition of government property in contractor possession. Additional information on government property disposition is located in Chapter 8.

Verification and Processing of WA Charges

EPA reviews WA charges and ensures that charges are accurate and processed promptly so that the final WA invoice can be submitted to the Financial Management Center at Research Triangle Park in a reasonable amount of time. As part of the annual closeout, the government establishes the final indirect rates. If these rates differ from the provisional rates billed during the year, the contractor invoices (debits or credits) for the difference. See section 4.13.1 for annual closeout procedures.

5.16.2 Roles and Responsibilities for Work Assignment Closeout

Both the Region and the contractor play key roles in the WA closeout process. Specific responsibilities of individuals involved in WA closeout are identified in **Exhibit 5-16.**

Exhibit 5-16. Roles and Responsibilities for Work Assignment Closeout

Last-minute changes in EPA policy may affect RAC equipment procedures.

Individual	Role in Work Assignment Closeout
WAM	• Notifies PO that WA is complete and submits the Work Assignment Closeout Notification (WACN) Work Assignment Form • Prepares WACR • Ensures that files are complete and submitted to the FRC • Consults with PA regarding the disposition of government property • Approves final WA cost and LOE
PO	• Reviews and approves EPA's WACN • Approves and signs the WACR and includes EPA and contractor WACRs in package to PEB • Ensures files are complete and submitted to the FRC • Consults with PA regarding the disposition of government property • Approves final WA cost and LOE • Reviews and approves final WA invoice
CO	• Approves and issues the WACN • Consults with PA regarding the disposition of government property • Reviews and approves final WA invoice • Approves final WA cost and LOE
Property Administrator	• Recommends the disposition of government property based on consultations with WAM, PO, and CO
CON TRACTOR	• Prepares and submits WACR (self-evaluation) • Maintains organized WA records • Submits a final inventory of government property and disposes of the property according to the government's instructions • Submits final WA costs and final WA invoice

51-033-108D

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SECTION 5.17

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This chapter provides background information on the conditions and alternatives for the delivery of analytical services under Response Action Contracts (RACs) and identifies Work Assignment Manager (WAM), Project Officer (PO), and Contracting Officer (CO) responsibilities for acquiring and managing analytical services.

9.1 Background and Requirement

The term "analytical services" encompasses a wide variety of functions, including sample analysis, analytical support, data validation, data evaluation, and oversight of quality assurance (QA) activities. Overseeing a contractor engaged in these activities requires a knowledge of sampling practices, QA, chemistry, geology, and, occasionally, biology.

Analytical services may be acquired through CLP, Regional ESD laboratories, a Regional laboratory contract, or RACs.

Analytical services may be acquired through existing EPA providers—the Contract Laboratory Program (CLP), the Regional Environmental Services Division (ESD) laboratory, or a Regional laboratory contract—or may be contracted through RACs. It is usually advisable to attempt to use existing EPA analytical services providers before attempting to obtain RAC contractor assistance.

The RAC statement of work (Contract Attachment A) specifies that the contractor may be required to provide analytical services under several different site-specific work areas, including:

- Remedial Investigation/Feasibility Study (RI/FS)
- Remedial Design (RD)
- Non-time Critical Removal (NTCR) Support
- RI/FS Oversight
- Remedial Design/Remedial Action (RD/RA) Oversight
- Removal Oversight
- Sampling and Analytical Support
- Pre-design Investigation
- Treatability Study/Pilot Testing
- Assessment of Risk

Separate work assignments (WAs) can be issued for each contract work area. Analytical work under RACs also may be performed as a task within a WA, such as the RI/FS, RD, or other work area listed above. Before analytical work is procured using RACs, the Region must decide which of three strategies to use. Each approach may be appropriate and each has different advantages. The three approaches are:

A RAC contractor may be tasked to perform analytical work under an open-ended analytical support WA, as part of a site-support WA, or an event-specific analytical support WA.

Open-ended approach—The open-ended approach uses an open-ended analytical support WA (i.e., Sampling and Analytical Support) that provides analytical support services to many different events and sites. A multi-site WA cannot include analytical support for preliminary assessments or NTCRs because they require separate funding. Sections 4.3 and 5.8 address funding issues.

WA-task approach—The WA-task approach includes analytical services as a task within a WA for site-specific field work.

Event-specific approach—The event-specific approach uses an event-specific analytical support WA that provides support for one event at a single site.

In general, the factors that influence the relative advantages and disadvantages of the three options involve paperwork requirements, consistency of communication with a contractor, and non site-related costs. For example, both the open-ended approach and the WA-task approach probably will have about the same amount of paperwork (the event-specific approach likely will require much more), but the open-ended approach should provide more consistency in communications with the contractor (especially with respect to analytical performance expectations), while the WA-task approach likely will result in lower project management costs incurred by the contractor.

Region-specific guidance should be consulted when determining how analytical services should be acquired and managed.

Each Region also considers Region-specific factors that influence the acquisition method choice. Unique geographic, site, and contaminant characteristics affect each Region's analytical services requirements and the way analytical services are structured and acquired. Regions, therefore, may differ in their routine use of the three acquisition options identified above and Region-specific guidance should be consulted.

Planning

Proper planning and use of technical experts are needed to successfully acquire and manage analytical services.

Proper planning, including consultation with technical experts, is essential when acquiring and managing analytical services. Proper planning during initial WA preparation can minimize inadequate sampling, inappropriate or unnecessary analyses, and the resulting insufficient or incomplete data. Proper planning also can prevent EPA from being billed for unnecessary or unrequested analytical services.

The configuration of the analytical support WA is influenced by the scope of the analytical work and whether the site's project manager acts as the WAM for the analytical functions. The project manager may benefit from having someone else manage the analytical work for large events (open-ended approach).

9.2 Roles and Responsibilities for Analytical Services Acquisition and Management

Depending on Regional preference, the analytical services WAM may be the EPA project manager (the Regional Project Manager or On-Site Coordinator) for the site, another designated official from an office such as the Regional Sample Control Center or Customer Service Office, or the RAC PO. Under RACs, the WAM is responsible for acquiring and managing analytical services and therefore should have knowledge and experience directly related to analytical services acquisition. The WAM should have knowledge of and previous experience with sampling practices, QA procedures, chemistry, and geology. The PO and CO provide support in preparing and issuing the analytical services WA or WA task and in approving the contractor's work plan (WP). (See Chapter 5 for a summary of the WAM, PO, and CO roles and responsibilities for issuing and managing WAs.)

The roles and responsibilities of the WAM, PO, CO, contractor, and subcontractor in acquiring and managing analytical services are shown in **Exhibit 9-1**.

Exhibit 9-1. Roles and Responsibilities for Acquiring and Managing Analytical Services

Individual	Role in Analytical Services Acquisition and Management
WAM	• Identifies need for analytical services and develops specifications for them • Prepares WA, including detailed specifications for analytical services • Reviews and approves contractor-prepared Sampling and Analysis Plan (SAP) • Monitors WA performance to ensure that analytical services performed are consistent with stated data quality objectives and that products meet required specifications • Determines if data are usable • Coordinates analytical data package file retirement
PO	• Reviews and concurs with WA and WP (see Chapter 5)
CO	• Reviews and approves WA and WP (see Chapter 5) • Reviews and consents to subcontractors
CONTRACTOR	• Prepares and submits WP (see Chapter 5) • May prepare and submit SAP • May subcontract for analytical work as detailed in the SAP • May perform a data validation review of analytical work or subcontract this function to another subcontractor • Submits analytical data package to WAM • May perform a data usability review • Submits all files to retention center as directed by WAM
Subcontractor(s) (if applicable)	• Performs analytical work as detailed in the SAP • May inspect work of previous subcontractor that performed the analysis • May perform a data validation review of previous subcontractor's work

51-033-160B

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Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Administering the Performance (Award) Fee Plan

CHAPTER 6

MAY 31, 1995

Table of Contents

6.1 Background and Requirement 6-1

6.1.1 Base and Performance (Award) Fee Provisions 6-1

6.1.2 Documentation of Performance Evaluations 6-4

6.1.3 Development of Performance Index Rating Score 6-5

6.2 Roles and Responsibilities for Administering the Performance (Award) Fee Plan 6-6

6.3 Bibliography 6-7

Exhibits

Exhibit 6-1 Relationship of Contractor Performance and Fee Structure 6-2

Exhibit 6-2 Payment of Base Fee 6-3

Exhibit 6-3 Roles and Responsibilities for Administering the Performance (Award) Fee Plan 6-6

Acronyms

CO	Contracting Officer
FDO	Fee Determination Official
PEB	Performance Evaluation Board
PEF	Performance Evaluation Form
PIRS	Performance Index Rating Score
PO	Project Officer
PS	Program Support
RAC	Response Action Contract
RES	Regional Evaluation Summary
WA	Work Assignment
WACR	Work Assignment Completion Report
WAM	Work Assignment Manager

This chapter provides background information and describes the roles and responsibilities for administering the base and performance (award) fee provisions of the Response Action Contracts (RACs).

6.1 Background and Requirement

Contractor performance evaluations for active work assignments (WAs) that meet contract-specified minimums and performance (award) fee determinations for completed WAs are performed semiannually, in accordance with the contract Performance (Award) Fee Plan.

Contract fee provisions are specified in two contract clauses and the Performance (Award) Fee Plan attachment.

The PAYMENT OF BASE FEE clause in contract Section G specifies that the base fee will be paid provisionally on the basis of percentage of work completed. This clause states that the contractor shall return all base fee to the government for WAs that receive a final performance rating of "unsatisfactory." The clause also states that Fee Determination Official (FDO) fee determinations are not subject to the disputes clause.

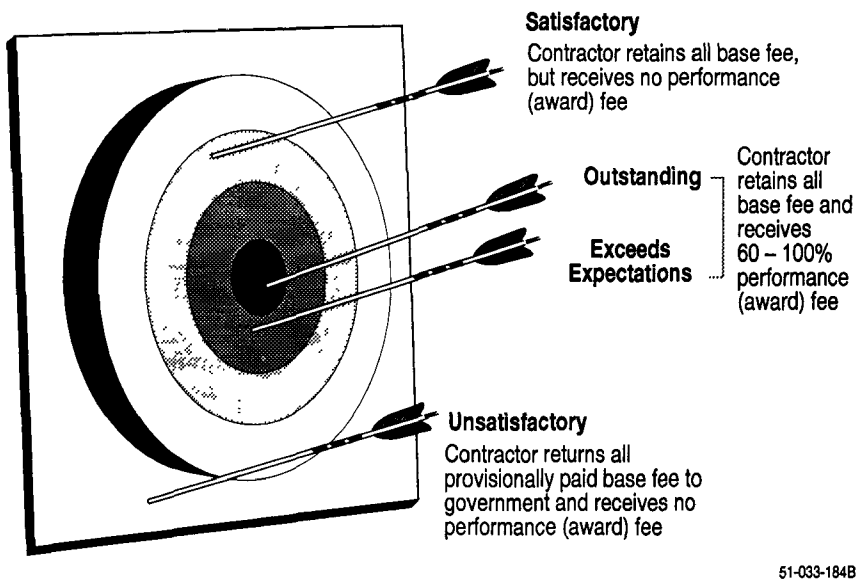
The AWARD FEE clause in contract Section G specifies that every six months the government will subjectively evaluate the quality of contractor performance according to the award fee plan. This clause gives the government the right to change unilaterally the award fee plan as long as the contractor is notified prior to the start of the six-month evaluation period during which the change will occur. The clause also states that Fee Determination Official (FDO) fee determinations are not subject to the DISPUTES clause.

The PERFORMANCE (AWARD) FEE PLAN, a contract attachment, describes administration of the base and award fee provisions of the contract.

6.1.1 Base and Performance (Award) Fee Provisions

The contract specifies payment of two types of fees—base fee and performance (award) fee—and contains separate provisions regarding payment of base fee and performance (award) fee. As shown in **Exhibit 6-1**, RACs' fee structure promotes performance excellence by providing for fees commensurate with contractor performance.

Exhibit 6-1. Relationship of Contractor Performance and Fee Structure



Base Fee Provisions

The purpose of the base fee is to compensate the contractor for risk and provide an incentive for satisfactory work. The base fee applies to both term-form and completion-form WAs, and to both program support (PS) and site-specific activities. Base fee is paid to the contractor provisionally based on the percentage of work completed.

- For term-form WAs, the percentage of work completed is the ratio of direct labor hours performed to the direct labor hours authorized in the contract.
- For completion-form WAs, the percentage of work completed is the ratio of incurred costs to total work plan budget.

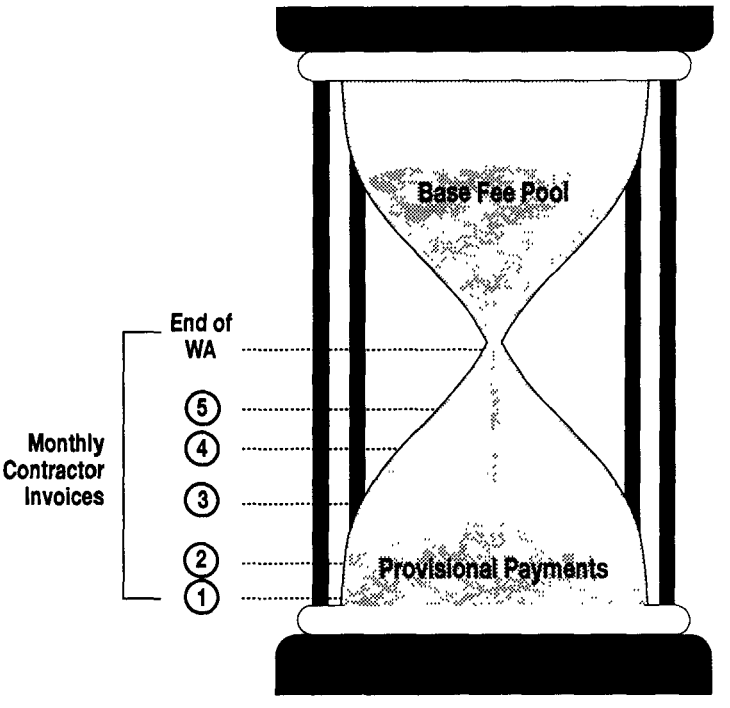
Contractors claim the provisional base fee amount incrementally on their monthly invoices. Payment of base fee is depicted in **Exhibit 6-2**.

The contractor retains the base fee for completed WAs rated "satisfactory" or above. If the final WA performance rating is "unsatisfactory," the contractor must return all provisional base fee received for that WA.

The base fee does not vary with performance and is retained fully by the contractor as long as the contractor's final performance rating for a completed WA is "satisfactory" or above. If the contractor's final performance rating on a completed WA is "unsatisfactory," then the contractor is contractually obligated to return to the government all base fee received provisionally for that WA. The contractor returns the base fee in the form of a credit for the appropriate amount on the next voucher. No interest payments will be made to the government on returned base fees. The contractor cannot challenge the FDO's written base fee determinations under the disputes clause of the contract.

The base fee pool for the WA is calculated as a percent of the WA fee-bearing estimated costs. See the specific terms of individual contracts for

Exhibit 6-2. Payment of Base Fee



The base fee is paid provisionally to the contractor each month on the basis of percentage of work completed during that month.

51-033-142A

the actual negotiated percentage rates for base fee payable to contractors and Team and subpool subcontractors.

Some Regions have included language in the contract's Performance (Award) Fee Plan that reduces the base fee pool when the contractor receives an "unsatisfactory" performance rating for any evaluation period during WA performance. In this case, the WA's base fee pool is reduced commensurate with the amount of base fee that could have been earned during the evaluation period for which the contractor received the "unsatisfactory" rating.

Performance (Award) Fee Provisions

Performance fee is payable only on WAs that receive a final performance rating of "exceeds expectations" or "outstanding."

The performance (award) fee affords the contractor an opportunity to earn additional fee commensurate with performance. The performance fee applies to both term-form and completion-form WAs, and to both PS and site-specific activities. If, in the final WA evaluation, the contractor's performance receives a rating of "exceeds expectations" or "outstanding," then the contractor receives from 60 percent to 100 percent of the available performance fee for that WA. Because performance fee is payable only on completed WAs with a final rating of "exceeds expectations" or "outstanding," the performance fee motivates the contractor to provide excellence in performance and products.

In term-form WAs, the performance (award) fee pool is established as a percentage of the WA fee-bearing estimated costs. See the specific terms of individual contracts for the actual negotiated percentage rates for performance (award) fee payable to contractors and Team and subpool subcontractors. If the Peformance Evaluation Board (PEB) evaluates contractor performance on a completed WA as "exceeds expectations" or "outstanding," the contractor receives from 60 percent to 100 percent of the negotiated performance (award) fee pool for the WA.

In completion-form WAs, the Contracting Officer (CO) establishes the amount of the WA performance (award) fee pool during WA negotiations. If the PEB determines that the contractor's end products meet the specifications and acceptance criteria in the WA and rates contractor performance as "exceeds expectations" or "outstanding," then the contractor receives from 60 percent to 100 percent of the negotiated performance (award) fee.

The FDO makes the final determination of performance (award) fee amount.

For both term- and completion-form WAs, the PEB recommends the percentage of the performance (award) fee and the FDO makes the final determination of the amount of performance (award) fee the contractor will receive. The contractor cannot challenge the FDO's written performance (award) fee determinations under the DISPUTES clause of the contract.

Some Regions have included language in the contract's performance (award) fee plan that reduces the performance (award) fee pool when the contractor receives an "unsatisfactory" performance rating for any evaluation period during WA performance. In this case, the performance (award) fee pool would be reduced commensurate with the amount of performance (award) fee that could have been earned during the evaluation period for which the contractor received the "unsatisfactory" rating.

6.1.2 Documentation of Performance Evaluations

Three types of forms are used to document contractor performance on individual WAs.

Performance Evaluation Form (PEF)

The PEF is used as a summary evaluation report to evaluate the contractor's overall performance on individual PS and site-specific WAs during the six-month evaluation period. It is also used on an *ad hoc* basis as a performance event report to document performance problems and outstanding performance. Used as a performance event report, the PEF provides immediate feedback to the contractor. It is particularly useful in notifying the contractor of performance deficiencies so that the contractor can take corrective action before the end of the evaluation period. The performance event report PEFs provide valuable real-time information

that is used in preparing the summary evaluation report PEF at the end of the evaluation period.

Regional Evaluation Summary (RES)

The RES provides a summary performance rating on all active WAs, and serves as the primary mechanism for documenting satisfactory WA performance for the six-month evaluation period. The RES provides a complete record of project performance on WAs performed by the contractor, facilitating the preparation of work assignment completion reports (WACRs) and the determination of performance (award) fee for completed WAs.

Work Assignment Completion Report (WACR)

The WACR provides a concise review of the contractor's project performance on individual WAs and is used to recommend the final WA performance rating. A WACR is prepared by the contractor as a self-evaluation and by EPA as an overall performance evaluation for every WA completed.

6.1.3 Development of Performance Index Rating Score

The Performance Index Rating Score (PIRS) is a numerical score designed to provide a composite rating of a RAC contractor's performance on all active WAs. The PIRS consists of two components:

- Rating of site-specific performance on technical WAs
- Rating of PS performance on PS WAs

The PIRS enables the Project Officer (PO) to rank the relative performance of all RAC contractors in the Region. This ranking is used as a primary factor in allocating new WAs among contractors. The PIRS is developed during the semiannual performance evaluation process and approved by the PEB before use in allocating work.

The PIRS is derived from the contractor performance ratings that are included on the RES. The RES includes a numeric performance rating for each site-specific and PS WA on a scale of zero to one-hundred. The PIRS is a weighted average of the RES ratings for each WA, based on the level of effort used on the WAs during the rating period. The weighted average RES rating for site-specific work accounts for 75 percent of the PIRS and the weighted average RES rating for PS accounts for 25 percent.

6.2 Roles and Responsibilities for Administering the Performance (Award) Fee Plan

The Work Assignment Manager (WAM), PO, CO, and PEB are the contract performance monitors. **Exhibit 6-3** identifies the responsibilities of the individual performance monitors in administering the RAC Performance (Award) Fee Plan.

Exhibit 6-3. Roles and Responsibilities for Administering the Performance (Award) Fee Plan

Individual	Role in Administering the Performance (Award) Fee Plan
WAM	• Prepares PEFs for WAs active during the evaluation period • Prepares WACRs for WAs completed during the evaluation period • Attends PEB meeting, if requested, providing additional justification for ratings
PO	• Prepares PEFs for PS WAs active during the evaluation period • Prepares WACRs for PS WAs completed during the evaluation period • Oversees and organizes the overall WA evaluation process • Reviews contractor-prepared WACRs and resolves questions with the contractor and WAM as needed • Coordinates with the WAMs and CO to provide justification for recommended performance ratings • Performs a quality control check to ensure that all evaluations are fully justified • Prepares RES • Prepares package of performance evaluation materials for the PEB • Presents evaluation summary and highlights to the PEB • Prepares the PEB report based on PEB findings and recommendations • Coordinates with the CO, as needed, to ensure that PEB deliberations and fee recommendations are accurately addressed in the PEB report • Coordinates and chairs contractor de-briefing within two weeks after PEB meeting
CO	• Prepares PEFs for PS WAs active during the evaluation period • Prepares WACRs for PS WAs completed during the evaluation period • Calculates available performance (award) fee for completed WAs • Participates in PEB meeting • Coordinates with PO during preparation of PEB report • Develops final performance (award) fee calculations • Prepares evaluation/performance (award) fee letter for FDO signature • Prepares contract modification authorizing contractor to invoice for FDO-approved fee amount and adjusting contract performance (award) fee pool
Performance Evaluation Board	• Reviews performance evaluation materials prepared by PO • Conducts deliberations concerning contractor performance on active and completed WAs and makes fee recommendations for completed WAs • PEB chairperson ensures that PEB report accurately reflects the deliberations, performance determinations, and fee recommendations of the PEB and signs the PEB report
Fee Determination Official	• Makes final determination of performance (award) fee amount • Issues evaluation/performance (award) fee letter to contractor

51-033-143A

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Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Using RAC Reports

CHAPTER 7

MAY 31, 1995

Response Action Contract "Reports of Work," Attachment B to the solicitation/contract, is being revised. This chapter will be issued after "Reports of Work" (Attachment B) has been finalized.

Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Equipment

CHAPTER 8

MAY 31, 1995

Due to last-minute changes in EPA policy on government property, Chapter 8 will be issued at a later date.

Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Delivery of Analytical Services

CHAPTER 9

MAY 31, 1995

Table of Contents

9.1 Background and Requirement 9-1

9.2 Roles and Responsibilities for Analytical Services Acquisition and Management 9-3

9.3 Bibliography 9-4

Exhibits

Exhibit 9-1 Roles and Responsibilities for Acquiring and Managing Analytical Services 9-3

Acronyms

CLP	Contract Laboratory Program
CO	Contracting Officer
DAS	Delivery of Analytical Services
ESD	Environmental Services Division
NTCR	Non-Time-Critical Removal
PO	Project Officer
QA	Quality Assurance
RAC	Response Action Contract
RD	Remedial Design
RI/FS	Remedial Investigation/ Feasibility Study
SAP	Sampling and Analysis Plan
WA	Work Assignment
WAM	Work Assignment Manager
WP	Work Plan

Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Cost Management

CHAPTER 10

MAY 31, 1995

Table of Contents

10.1 Background and Requirement 10-1

10.2 Roles and Responsibilities for Cost Management 10-8

10.3 Bibliography 10-10

Exhibits

Exhibit 10-1. Roles and Responsibilities for Cost Management 10-9

Acronyms

CIS	Contract Information System
CO	Contracting Officer
CPS	Contract Payment System
DCAA	Defense Contract Auditing Agency
FAR	*Federal Acquisition Regulation*
FAS	Financial Analysis Section
FMC-RTP	Financial Management Center, Research Triangle Park
IFMS	Integrated Financial Management System
IGCE	Independent Government Cost Estimate
OAM	Office of Aquisition Management
OIG	Office of Inspector General
PO	Project Officer
RAC	Response Action Contract
SOW	Statement of Work
WA	Work Assignment
WAM	Work Assignment Manager
WP	Work Plan

This chapter provides background information on cost management issues in Response Action Contracts (RACs). The Chapter discusses cost management issues as they apply throughout the RAC period of performance and describes responsibilities of the Work Assignment Manager (WAM), Project Officer (PO), and Contracting Officer (CO) in cost management.

10.1 Background and Requirement

As cost-reimbursement contracts, RACs give EPA the flexibility to modify contractor tasks and authorize additional funds to handle the uncertainties inherent in contractor performance of remedial work. Cost-reimbursement contracts as a class, however, provide little incentive for contractors to voluntarily control costs or limit the use of professional labor hours. It is the responsibility of EPA Regional contract personnel to apply cost management strategies to limit the potential for excessive contractor expenditures. Effective monitoring of contractor costs enables EPA to:

- ensure that work assignment (WA) activities are being accomplished according to the planned schedule and within the budget
- identify any budget variances and determine if resolving the variances requires contractor concessions, work plan (WP) revisions, stop work orders, or additional project funding
- ensure that the quality of work performed is consistent with EPA needs as defined in the contract and WA
- ensure that the contractor uses equipment and personnel in a beneficial and cost-effective manner

Last-minute changes in EPA policy may affect RAC equipment procedures.

Contractor costs are closely monitored throughout the life of the contract and each WA.

Cost management is an oversight process designed to ensure that the government receives goods and services commensurate with the price billed for the goods and services. The cost management oversight process proceeds throughout the life of the contract or WA. It begins with the identification of the objective(s) of a potential contract or WA and continues until the contract or WA is closed out.

Success of the cost management process depends on effective communication between the WAM, PO, CO, and contractor. For example, it must be clear to all parties throughout the life of the contract or WA exactly what quality of goods and services is being or will be provided, in what period of time, and at what cost. At the contract level, this task is primarily accomplished during negotiations between the CO and contractor. At the WA level, the PO and WAM, in conjunction with the contractor, implement and maintain the cost management strategy.

Cost management is a priority throughout all activities associated with every contract or WA. This chapter provides a brief description of the

opportunities present within the RAC implementation and management process to control costs. These areas include:

- reviewing contract modifications
- reviewing contractor claims
- reviewing WAs and WPs
- reviewing WA amendments and WP revisions
- reviewing contractor deliverables
- reviewing final WA and contract costs
- reviewing progress reports
- documenting costs for cost recovery
- managing cost and progress information
- reviewing contractor invoices/vouchers
- conducting invoice/voucher validation reviews

This chapter includes the background and requirements for invoice review and invoice/voucher validation. Other chapters and sections of the *RAC Users' Guide* provide background and requirement information on most of these issues. This chapter does not duplicate that material, but highlights how these activities are related to cost management.

Reviewing Contract Modifications

Changes to the terms and conditions of a contract may become necessary after work has commenced. These changes are made through contract modifications and must be within the scope of the contract. According to legal convention, a change is within the scope if it was reasonably within the contemplation of the parties when the contract was executed. When considering contract modifications, EPA personnel must include cost as part of their decision-making. See section 4.5 for information on contract modifications.

Reviewing Contractor Claims

A contractor may make a claim at any time during the contract period of performance. A contractor claim is a written demand for compensation, clarification, or modification of the contract; or relief from some aspect of the contract. Based on the determination of the CO, the resolution of a contractor claim may include modifying the contract, WA, or WP. The process to determine how to best resolve a contractor claim should include cost management concerns as a factor in the decision. See section 4.6 for information on contractor claims.

Reviewing WAs and WPs

Effective cost management begins at the WA level when the WAM prepares the initial WA statement of work (SOW). The SOW should be as detailed as possible to avoid contractor misinterpretation that could lead to unnecessary or unapproved contractor expenditures. EPA personnel should review the contractor WP to ensure that cost management issues are properly addressed. The WA SOW is described in section 5.4.

The government is not obligated to pay for any contractor expenditures related to work that is not detailed in the WP. It is, therefore, in the best interest of both parties to clarify any such areas of potential misunderstanding during WP preparation to minimize the need for future negotiation. WP review and approval is discussed in section 5.7.

Reviewing WA Amendments and WP Revisions

During the course of a WA, the WAM may find it necessary to amend the WA to address an unforeseen situation. WA amendments may involve changes to WA scope, level of effort or cost. The WAM prepares the amendment, revising the SOW as needed and preparing a new independent government cost estimate (IGCE) for amendments involving an increase or decrease of more than $25,000. The WAM should document the reasons for WA changes, including increases or decreases in WA funding.

The contractor is required to prepare a revised WP and cost estimate in response to the amendment. The new WP details all resources and costs necessary to perform the additional tasks. Amendments to the WA can represent a significant increase in the approved WP budget. It is necessary, therefore, for EPA personnel to review the new WP and the additional associated costs, including additional labor costs, as thoroughly as they reviewed the original WP and pay special attention to all cost management issues. Section 5.7 discusses WP review and approval; WA amendments are discussed in section 5.11.

Reviewing Contractor Deliverables

Cost management is a cost oversight process designed to ensure that the government receives goods and services commensurate with the price billed for the goods and services. It is equally important to review the *quality* as well as the cost of the goods and services provided under RACs. The acceptance of inferior quality goods and services does not contribute to the goals of effective cost management or the ultimate goals of EPA. Section 5.14 provides information on reviewing contractor deliverables.

The quality of the goods and services provided by the contractor is as important as cost to the objectives of effective cost management.

Reviewing Final WA Performance and Contract Costs

EPA personnel evaluate contractor performance every six months during WA performance, at the conclusion of each WA, and at the end of the contract period of performance. In this evaluation, the Regional Performance Evaluation Board rates the contractor on its ability to minimize and control costs, among other activities. This provides feedback to the contractor regarding their cost management efforts and serves as a springboard for corrective action. See Chapter 6 for detailed information on the performance (award) fee process.

Reviewing Progress Reports

Effective cost management requires the WAM, PO, and CO to carefully review contractor monthly progress reports.

RAC contractors are required to submit a comprehensive set of monthly financial and technical progress reports to EPA. These progress reports include contract- and WA-level technical and financial information that enables EPA to track progress, resolve problems, monitor expenditures, and review and approve contractor invoices. The reports contain technical information, presented in narrative form, and cost information, presented as financial reports in both hard-copy and electronic form. Thorough review and comparison of technical and financial reports enables Regional personnel to assess and ensure contractor progress and compliance with work schedules and budgets and is a valuable monitoring tool.

Each progress report contains specific information on contract- or WA-level costs, which EPA uses to monitor RAC costs and progress. Chapter 7 describes each monthly report in the process guide.

The WAM, PO, and CO each are involved in reviewing the contractor's progress reports. The WAM and PO, for example, use the progress reports as their primary tool for reviewing contractor invoices. This review method is particularly effective in RACs because the contractor is required to (1) report and invoice for the same calendar period, (2) submit progress reports concurrently, (3) differentiate between "incurred and invoiced" costs and "incurred and not invoiced" costs, and (4) use the same database fields, names, terms, and definitions in reports and invoices. EPA is required by the Prompt Payment Act (Public Law 97-177) to pay invoices within 30 days of contractor submittal of a properly prepared invoice. The CO uses the contract financial status reports to oversee contractor performance at the contract-level.

Prompt feedback on contractor performance emphasizes EPA's dedication to cost management.

The WAM, PO, and CO should provide contractors with immediate feedback on contractor performance as part of the review of the progress reports. Immediate feedback allows EPA to address performance issues with the contractor, demonstrates to the contractor the importance that EPA attaches to cost management concerns, and provides the contractor with an additional incentive to voluntarily control costs.

Documenting Costs for Cost Recovery

The goal of the cost management process—to protect the government from unnecessary and excessive costs—is closely related to the goal of the cost recovery process—to reimburse the government for all RAC-related expenditures. The ability to recover all RAC-related expenditures from potentially responsible parties is highly dependent on the accuracy of cost documentation.

Maximizing cost recovery begins before the initiation of work at a site. Since it is not known at the start of the process whether cost recovery will proceed to judicial action, the WAM must require in the WA that cost documentation be prepared in compliance with Agency guidelines. All costs and activities that relate to the performance of removal or response actions and that describe the technical aspects of the activities, therefore, must be fully documented. Proof of expenditures must show that work was authorized by the proper individual or agency, performed as detailed by the contract, accurately invoiced, and paid. Only then can EPA successfully recover its costs in subsequent cost recovery actions. See Chapter 11 for information on records management.

Managing Cost and Progress Information

Effective cost monitoring depends on the availability of reliable indicators of contractor costs and progress. These indicators are provided in the contractor's monthly progress reports and the contract management report. Each Region maintains contract management information in a computerized database or other contract information system (CIS). This cost management information includes a ratio of Program Support versus site-specific costs, average labor rates, use of term-form versus completion-form, and WAs at 75% utilization.

While each Region's CIS may contain additional variables, the data contained in the CIS should be important cost management indicators. The WAM, PO, and CO use CIS data to monitor contractor performance.

Reviewing Contractor Invoices

A fundamental way that Regional personnel can control contractor costs and monitor contractor performance is to carefully monitor monthly contractor vouchers or invoices. Invoices detail contractor monthly expenditures by cost element (i.e, direct labor, materials, subcontracts, indirect expenses, etc.) making it possible to identify high levels of expenditures. The invoice is accompanied by an invoice backup report (RAC Invoice Backup Reports) that provides detailed costs by WA and WA task for individual invoice line items. The invoice backup report also is submitted with the progress report so the Region can review invoice costs prior to receiving the actual invoice.

The monthly progress reports are the primary resource for the invoice review process.

The monthly RACs progress reports cover the same calendar period as the invoice and define the same data elements. EPA personnel, therefore, are able to effectively use the progress reports as their primary resource during invoice review. The progress reports contain additional information that provides explanations for the invoiced costs.

The purpose of invoice review is to:

- determine whether contractor charges are commensurate with services performed
- certify that work for which payments are claimed has been satisfactorily performed
- ensure that invoiced costs are reasonable
- determine if possible contractor oversights or abuses have occurred

When contractors are aware that the government is keeping close watch on contractor costs, they have additional incentive to manage their work efficiently.

EPA personnel must determine whether the contractor's invoiced costs are reasonable.

A thorough review of the monthly voucher for the reasonableness of the claimed amount must be performed in order to approve or suspend payment of the invoice. To accomplish this, Regional personnel must be knowledgeable of the *Federal Acquisition Regulation (FAR)* Part 31 guidelines and applicable supplements that outline reasonable costs. Familiarity with these guidelines is integral to cost management, since the WAM, PO, and CO must apply these principles during invoice review and throughout the life cycle of every contract and WA.

Cost Reasonableness

The burden of proof lies with the contractor. The fact that a contractor incurred a cost does not constitute reasonableness.

There is no presumption of reasonableness that accompanies contractor costs. The reasonableness of specific costs must be examined with particular care in areas where firms are not subject to effective competitive restraints.

> According to *FAR* 31.201-3, a cost is reasonable if its nature and amount does not exceed that which would be incurred by a prudent person in the conduct of competitive business.

The WAM should use a price list, the original IGCE, or the contractor's *approved* cost estimate as the basis for comparing the reasonableness of the contractor's invoiced costs. If the costs are unique and cannot be compared based on competitive markets, then the contractor is required to provide its methodology in determining costs. This information should be found in the contractor's Cost Accounting Standards Disclosure Statement. (See Chapter 5, section 5.5 for information on the preparation and use of the IGCE.)

Program Management Costs

The Office of Solid Waste and Emergency Response and the Office of Aquisition Management (OAM) require the tracking and reporting of program management costs. Program management costs must be segregated into administrative and technical support costs. Unique activity codes are used for these categories. The following definitions have been developed to assist in this process.

- Administrative support costs are non-site specific costs necessary for managing the overall contract, regardless of the amount of site-specific work.
- Technical support costs are non-site specific costs involving technical activities that cover multiple sites and are related to site-specific work conducted under the contract.

An Office of Administration and Resource Management memorandum dated February 11, 1993 and signed by Richard Guimond and Sallyanne Harper provides guidance on program management activities under remedial contracts.

Several types of activities may fall into both administrative and technical categories. Subcontracting issues that are not site-specific, for example, are classified as administrative support costs. Actual equipment costs are categorized as technical support costs, as are labor costs associated with the justification and approval of equipment purchases. Travel and other direct costs can fall into either category and should be allocated between administrative support and technical support areas for tracking purposes. Clerical support also should be segregated by cost and classified appropriately. Clerical support, travel, and other direct costs should be monitored closely during invoice review to avoid the potential for contractor excess. EPA personnel should ensure that contractors understand and adhere to the proper administrative and technical support cost allocations.

Conducting Voucher/Invoice Validation Reviews

EPA performs periodic voucher validation reviews to ensure that billings are made in accordance with contractual terms and that they are adequately documented.

The CO or designated representative performs periodic voucher/invoice validation reviews, yearly and as needed, to ensure that billings are made in accordance with contractual terms and that contractor invoices are adequately documented. This review should not be confused with the monthly invoice review. It is recommended that these reviews be performed on-site at the contractor's office to verify costs against primary source documents and accounting records. In some cases, however, this may not be possible due to staff resources or lack of travel funds. The reviews, therefore, may be conducted as desk reviews using information received by mail or facsimile.

An OAM memorandum dated August 3, 1993 and signed by Betty L. Bailey encourages COs to review at least one voucher per contract annually. Vouchers for contracts that are vulnerable to mischarging of contract costs should be reviewed more often.

The voucher/invoice validation review may uncover cost management issues.

The CO's voucher/invoice validation review, in addition to ensuring that the contractor is following proper billing procedures, also should assess potential cost management issues. Specifically, the CO should:

- examine any unusual items being claimed or any costs that appear unusual based on the scope of work being performed
- examine all high-cost items
- compare costs from each cost element with similar WAs to detect any anomalies

The CO is not presumed to know the exact market value of all items. Past EPA experience and common sense are used to determine if the claimed costs elements appear reasonable. Vouchers are reviewed on a sample basis only. It is not intended that the voucher review procedures be used to conduct a full review. The CO also may request the Defense Contract Auditing Agency (DCAA) to review individual vouchers. The DCAA review can assure the CO that the contractor is using acceptable rates and billing according to approved procedures.

10.2 Roles and Responsibilities for Cost Management

The WAM, PO, CO and contractor must maintain constant communication for effective cost management. Well-defined roles, activities, and responsibilities assist in promoting effective staff communication and accountability. **Exhibit 10-1** identifies the roles and responsibilities of personnel involved in cost management.

Exhibit 10-1. Roles and Responsibilities for Cost Management

Individual	Role in Cost Management
WAM	• Monitors contractor costs using Regionally developed CIS, updating CIS as needed • Reviews and compares contractor monthly technical and financial progress reports • Gives contractor feedback regarding monthly progress report • Monitors contractor costs using the monthly progress report • Assists PO in reviewing monthly invoices • Documents acceptance of WA deliverables using the Documentation of Invoice Review and Approval form
PO	• Monitors contractor costs using Regionally developed CIS, updating CIS as needed • Reviews and approves contractor monthly technical and financial progress reports • Monitors contractor costs using the monthly progress reports and voucher validation review results • May request voucher validation reviews • Reviews and approves payment of monthly invoices • Suspends payment of unreasonable monthly invoices and recommends disallowment to CO • Ensures that costs are documented properly for cost recovery • Reallocates bulk-funded obligations to site-specific charges when approving invoices for payment
CO	• Monitors contractor costs using Regionally developed CIS, updating the CIS as needed • Conducts periodic voucher validation reviews, annually or as requested by the PO • Disallows payment of unreasonable monthly invoice charges based upon PO recommendations
CON TRACTOR	• Submits monthly technical and financial progress reports • Submits monthly invoices

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Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Records Management

CHAPTER 11

MAY 31, 1995

Table of Contents

11.1 Background and Requirement 11-1

11.2 Roles and Responsibilities for Records Management 11-5

11.3 Bibliography 11-7

Exhibits

Exhibit 11-1 Overview of RAC Records 11-2

Exhibit 11-2 Roles and Responsibilities for Records Management 11-5

Acronyms

AR	Administrative Record
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CO	Contracting Officer
ORC	Office of Regional Counsel
OSC	On-Scene Coordinator
OSWER	Office of Solid Waste and Emergency Response
PO	Project Officer
FRC	Federal Records Center
RAC	Response Action Contract
RC	Records Center
SCORES	Superfund Cost Organization and Recovery System
SCRIPS	Superfund Cost Recovery Image Process System
WA	Work Assignment
WAM	Work Assignment Manager

Response Action Contract (RAC) records management involves the management of contract management records and work assignment (WA) final deliverables records. This chapter describes the background and requirements for the management of these records.

11.1 Background and Requirement

RAC records management is the process of ensuring that all RAC records are created, maintained, and properly retired or disposed. Records generated under RACs may be permanent or nonpermanent. Permanent records never will be destroyed and ultimately will be transferred to the National Archives after being held at the Federal Records Center (FRC). Nonpermanent site-specific records generally are retained in one of EPA's Regional Superfund Record Centers (RC) for at least a year and then stored in the FRC for 30 years before being destroyed. RAC records support cost recovery, litigation, and public inquiries.

Under 44 United States Code Section 3301, a "record" is defined as all books, papers, maps, photographs, machine-readable materials, or other documentary materials, regardless of physical form or characteristics, made or received by an agency of the United States government under federal law or in connection with the transaction of public business. This includes internal agency activity records to which the public does not have access as well as public records. According to the definition, records are preserved or are appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the government or because of the informational value of data in the records.

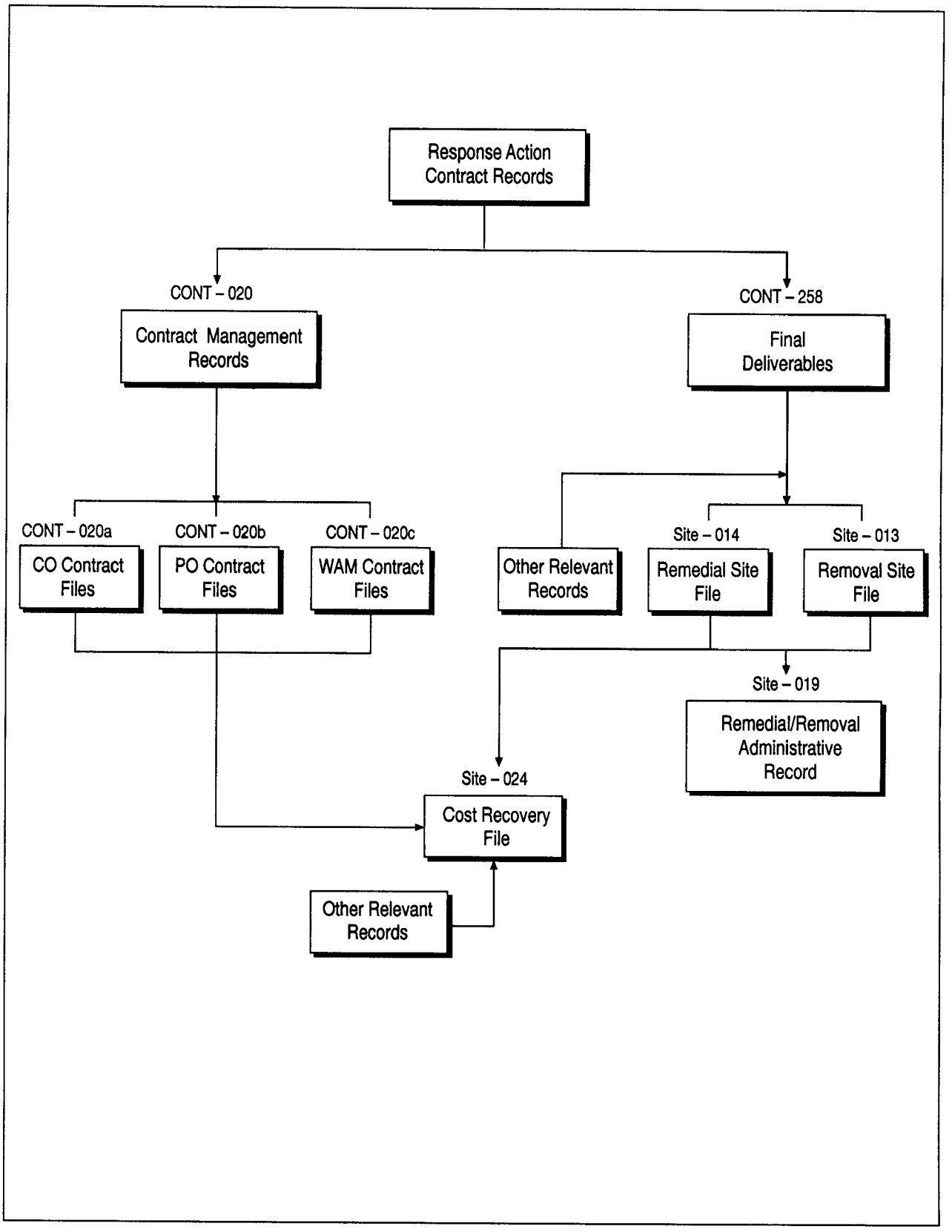
A record is any book, paper, map, photograph, machine-readable material, or other documentary material, made or received by a government agency in the transaction of public business.

To ensure consistency and order in records management, EPA must ensure that the contractor organizes its files in the same manner as EPA. Contractor compliance will produce parallel filing systems and ensure complete files.

Exhibit 11-1 depicts the flow of RAC records. RAC records are *contract management records* or *WA deliverable records*. Contract management records include Work Assignment Manager (WAM), Project Officer (PO), and Contracting Officer (CO) contract files. Contract files contain documents that are pertinent to contract execution.

WA deliverable records include final deliverables and documents relating to deliverables. Copies of WA final deliverable products (e.g., project reports such as the remedial design), made from the WA deliverables file, become part of the site file. Site files contain site-specific documents on remedial or removal site activities and decisions. Site files also contain

Exhibit 11-1. Overview of RAC Records



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other relevant records such as enforcement records, public affairs/community relations records, state/local government records, potentially responsible party records, and applicable or relevant and appropriate requirements. Selected documents from the site file comprise the administrative record (AR) for the site. Cost recovery files are compilations of information from contract files, site files, financial management records, and other EPA files.

Contract files, site files, related financial management and enforcement files, and cost recovery files contain all the information EPA needs for accurate and complete documentation of site activities and decisions. Site files, AR files, and cost recovery files become inactive at designated milestones and are broken and retired. All RAC records are organized into record series, as discussed below. Two predominant series are the contract file series and the site file series. Further guidance on record series and schedules that provide information on each series is found in *Records Management Standards for Superfund Contractors and Grantees.*

Contract files, site files, related financial management and enforcement records, and cost recovery files contain information EPA needs for documentation of site activities and decisions.

The final draft for *Records Management Standards for Superfund Contractors and Grantees*, Office of Solid Waste and Emergency Response (OSWER), September 30, 1994, provides guidance on record series and schedules requirements.

Contract Files

RAC contract records fall into two record series:

- CONT-020 Superfund Site-Specific Contract Management Records
- CONT-258 Final Deliverables

There are three types of contract management files. The CO contract management file, EPA series number CONT-020a, is established by the CO when a contract is awarded. The CO keeps all contract management documents in the file. The PO contract management file, EPA series number CONT-020b, is established by the PO. The PO keeps all contract documents related to his or her contract management responsibilities in the file. The WAM contract management file, EPA series number CONT-020c, is established when a WA is issued. The WAM contract management file includes documents used for WA oversight and technical direction.

The final deliverables file also is a type of contract file. The WAM maintains the final deliverables file, CONT-258, which consists of final draft/ final deliverables submitted by contractors to EPA. Copies of site-

specific final deliverables are placed in site files.

Site Files

The WAM supervises the formation of site files from copies of site-specific final deliverable records and other noncontract site file documents. There are removal site files and remedial site files.

Removal files may be established at the notification of a potential hazardous waste site. Remedial files usually begin as pre-remedial files; the pre-remedial information is incorporated into the remedial file when it is created.

- SITE-013 Removal Site Files, Superfund Site-Specific
- SITE-014 Remedial Site Files, Superfund Site-Specific

Administrative Record

ARs are covered under the following record series:

- SITE-019 Administrative Record, Superfund Site-Specific

The AR contains documents that form the basis for the selection of Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) response actions. CERCLA Section 113 (k)(l) requires that EPA establish ARs for CERCLA response action selection. Documents from remedial site files and removal site files and other non-site-specific documents (e.g. Superfund Compendium) may be selected to create a remedial or removal AR. The AR coordinator pulls together vital information from site files and other sources to create the AR. Under direction from the AR coordinator, who serves as the WAM for the RC, and the RC manager, the RC staff organizes and indexes the AR.

Public access to ARs promotes understanding of Agency decisions in selecting a final remedy. The site staff should use the AR as a tool for encouraging public involvement. The AR also serves as a foundation for the cost recovery file.

Cost Recovery File

Cost recovery files are covered by the following record series:

- SITE-024 Cost Recovery Records

The cost recovery file is a compilation of records used for cost recovery. Unlike the AR, however, the cost recovery file includes information from all contract files, site files, and other EPA files. Typical contract management documents contained in the cost recovery files include contract and tasking documentation, work assignment forms, correspondence from the PO to the CO, final deliverables, progress reports, closeout reports, and contract modifications. Other relevant documents in the cost recovery file

are pulled from financial collections and include timesheets, travel vouchers, invoices, and financial tracking reports.

The EPA cost recovery staff creates the cost recovery file. The cost recovery file facilitates responsible party reimbursements to EPA for any remedial or removal costs. Active cost recovery files are stored at the Regional Financial Management Division, at Research Triangle Park, or at the RC. Records are also available in the Superfund Cost Recovery Image Process System (SCRIPS) and in the Superfund Cost Organization and Recovery System (SCORES).

11.2 Roles and Responsibilities for Records Management

The key players in records management activities are the WAM, PO, CO, Superfund RC Manager, and the RC staff. Other players in records management include the Office of Regional Counsel (ORC) attorneys, the contractor, cost recovery personnel, and the FRC staff.

Exhibit 11-2 lists the individual roles and responsibilities of the parties involved in records management.

Exhibit 11-2. Roles and Responsibilities for Records Management

Individual	Role in Records Management
WAM	• Responsible for WA documentation • Establishes, maintains, and retires WAM contract management file • Establishes, maintains, and retires site files • Collects all project-related information from the prime contractor and subcontractors to create the site files; has sole authority in the final technical review of the site files • For site files, ensures that: - complete copies of decision and activity documents are filed correctly - files are distributed routinely to the Regional office from the site - files are retired to the FRC • Establishes, maintains, and retires the final deliverables file • Selects documents for AR and oversees the organization and indexing of the AR by the RC staff
PO	• Responsible for overall project documentation • Establishes, maintains, and retires PO contract management file
CO	• Responsible for overall contract documentation • Establishes, maintains, and retires CO contract management file
EPA Cost Recovery Personnel	• Prepare cost recovery package • Retire cost recovery documents not maintained as part of the site file

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Exhibit 11-2. Roles and Responsibilities for Records Management, contd.

Individual	Role in Records Management
ORC Attorney	• Involved in: - Freedom of Information Act releasability - AR preparation - cost recovery package preparation - Superfund enforcement records preparation
Regional Records Officer	• Signs off on Records Transmittal and Receipt Form (Standard Form 135) • Coordinates retirement activities • Coordinates across programs (divisions) in a Region
Superfund RC Manager (usually a contractor)	• Manages contractor staff performing the RC contract tasks (if RC staffed by contractor) • Provides support to WAMs and ORC attorneys • Coordinates preparation and maintenance of site files, and provides training in records management
RC Staff (usually staffed by a contractor)	• Maintain the manual and automated records management systems • Provide day-to-day support in adding documents to files and tracking records • Maintain active site files and contract files • Organize and index ARs • Gather pertinent documents from the site files to create the remedial or removal AR for public access and litigation purposes, upon direction from the WAM • Retire AR records
FRC Staff	• Maintain all inactive site files and contract files • Receive inactive files from RCs • Retain nonpermanent files for 30 years • Transfer permanent files to the National Archives at the designated time
AR Coordinator	• Serves as WAM for RC contract • Coordinates preparation and maintenance of AR files • Provides training in ARs
CON TRACTOR	• Uses EPA filing structure to maintain files • Retains contract records until all litigation is settled or until 10 years after final contract payment, subject to CO approval

51-033-170(2)B

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Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Contract Closeout

CHAPTER 12

MAY 31, 1995

Table of Contents

12.1 Background and Requirement 12-1

12.2 Roles and Responsibilities for Contract Closeout 12-3

12.3 Bibliography 12-5

Exhibits

Exhibit 12-1 Roles and Responsibilities for Contract Closeout 12-3

Acronyms

CO	Contracting Officer
DCMC	Defense Contract Management Command
PA	Property Administrator
PCO	Plant Clearance Officer
PO	Project Officer
PS	Program Support
RAC	Response Action Contract
SOW	Statement of Work
WA	Work Assignment
WAM	Work Assignment Manager

This chapter provides background information on the contract closeout process for Response Action Contracts (RACs). It identifies the roles and responsibilities of EPA Regional personnel, other responsible government officials, and the contractor in contract closeout.

12.1 Background and Requirement

As defined in Unit Two of EPA's *Acquisition Handbook*, contract closeout is the "wrap-up" of a completed contract. Contract closeout includes reviewing the contract file, taking the necessary actions to resolve outstanding issues, and retiring the contract file.

> Unit Two of the *Acquisition Handbook*, "Standard Procedures For Closing Out and Retiring Completed Contracts," details conventional contract closeout procedures. It should be consulted to obtain additional information on contract closeout.

The contract closeout process begins when EPA issues the contract closeout Work Assignment (WA) to the contractor. All technical WAs should be completed before the contract closeout WA is issued. The contract closeout WA should be issued in sufficient advance of the end of the contract to allow all closeout activities to be completed before the end of the contract period. The contract closeout WA, as specified in the RAC statement of work (SOW), is a program support (PS) (other response) WA that requires the contractor to perform a series of tasks designed to ensure that:

- the government has received the goods or services required under the contract
- the contractor has been paid the correct amount
- all government property is properly accounted
- all required reports have been received
- the contract file is properly documented and transmitted to the official record retention center

Last-minute changes in EPA policy may affect RAC equipment procedures.

Chapter 5 details the procedures for issuing and managing WAs.

> The RAC SOW requires a contract closeout work area tasked under program support (other response).

Last-minute changes in EPA policy may affect RAC equipment procedures.

The contract closeout process includes all physical and administrative activities that must occur to successfully conclude a contract. The physical activities primarily relate to the final disposition of all government property and the transfer of all contract and site files to the appropriate record retention facility. The administrative activities concern the final evaluations of contractor performance, preparation of all final reports, resolution of any outstanding billing issues, and filing and indexing all contract and site records.

Site-specific WAs must be completed with sufficient time before contract expiration to allow for contract closeout.

All site-specific WAs must be scheduled to be completed with enough time before the end of the contract period to allow time for contract closeout. The Project Officer (PO) prepares and issues a PS WA for contract closeout when all site-specific WAs are complete and several months remain before the end of the contract period of performance. The contract closeout WA, as described in the RAC SOW, requires the contractor to complete all activities necessary to close out the RAC. As delineated in the SOW, there are seven PS WA tasks that must be completed as part of the contract closeout WA:

- Task 1 - Project Planning and Support
- Task 2 - Records Maintenance and Disposition
- Task 3 - Equipment Transfers
- Task 4 - Reconciliation of Contract Utilization and Costs
- Task 5 - Final Allocation of Costs
- Task 6 - Preparation of Final Reports
- Task 7 - Work Assignment Closeout

Delays in the closeout process may result in the government's inability to recover over-payments from the contractor.

Overseeing contractor contract closeout activities is an important EPA responsibility. As contract files become older, the closeout process becomes more problematic. Excessive delay may increase the difficulty of the closeout process due to the increased possibilities of misplaced or missing records and changes in contractor or EPA personnel. Delays also may hamper the government's ability to recover any over-payments from the contractor. EPA personnel, therefore, must ensure that contractors perform contract closeout activities in a timely manner.

Quick Closeout

Unit Two of the *Acquisition Handbook* details the procedures for quick closeout of contracts with an estimated cost, excluding fee, of $1,000,000 or less. Under normal circumstances, RACs are not, eligible for quick closeout. If, however, a RAC does not exceed the $1,000,000 maximum, the *Acquisition Handbook* should be consulted for information on quick closeout procedures.

12.2 Roles and Responsibilities for Contract Closeout

Contract closeout, like all activities performed under RACs, requires communication and cooperation on the part of all participants. Effective communication and cooperation require a clear understanding of individual roles and responsibilities. The primary participants in the contract closeout process are the Contracting Officer (CO), PO (usually functions as the Work Assignment Manager [WAM] for contract closeout), contractor, and the Property Administrator (PA). An official from the Defense Contract Management Command (DCMC) serves as the PA for RACs (see Chapter 8).

The specific roles of EPA and contractor personnel are outlined in **Exhibit 12-1.**

Exhibit 12-1. Roles and Responsibilities for Contract Closeout

Last-minute changes in EPA policy may affect RAC equipment procedures.

Individual	Role in Contract Closeout
WAM* / PO	• Develops contract closeout WA • Monitors WA progress and ensures deliverables are submitted in a timely manner • Certifies contract closeout WA is complete • Advises the CO and PA on technical issues related to final government property disposition instructions • Completes a PO's Evaluation of Contractor Performance (EPA Form 1900-27) • Certifies that all contract technical requirements have been met • Recommends the disposition of government property in the possession of the contractor • Reviews and determines the accuracy of the contractor's reporting of inventions, data rights, copyrights, and software development • Examines and approves the completion voucher • Reviews and accepts final reports and all other WA deliverables
CO	• Issues contract closeout WA • Consults and updates the contract closeout checklist • Coordinates with the PO and PA to establish final government property disposition instructions • Completes a CO's Evaluation of Contractor Performance (EPA Form 1900-26) • Updates and maintains the contract information contained in the Region's contract information system • Requests the contractor to submit the Contractor's Cumulative Claim and Reconciliation (EPA Form 1900-10) • Requests property clearance report, if applicable, from the PA • Requests the invention report, if applicable, from the contractor • Requests a final contract audit from the Chief, Financial Analysis Branch • Requests Contractor's Assignment of Refunds, Rebates, and Credits (EPA Form 1900-5), Contractor's Release (EPA Form 1900-6), and, if applicable, Assignee's Release (EPA Form 1900-3) • Processes final/credit voucher • Authorizes the abandonment of government property as appropriate

* The PO usually serves as WAM for the contract closeout WA.

51-033-137B

Exhibit 12-1. Roles and Responsibilities for Contract Closeout, contd.

Last-minute changes in EPA policy may affect RAC equipment procedures.

Individual	Role in Contract Closeout
Property Administrator (DCMC)	• Serves as the CO's designated representative in matters related to government property • Monitors compliance with government property regulations and contract requirements • Requests inventories of government property in the possession of contractors • Certifies that a contract has been cleared of all outstanding government property issues • Prepares final government property disposition instructions which are issued by the Plant Clearance Officer (PCO)
CON TRACTOR	• Submits final government property inventory to the PA • Removes government property from sites as directed by PCO • Removes temporary buildings and structures where appropriate • Transfers responsibility for the utilities, phone, and licenses to the incoming responsible party • Reconciles contract utilization and cost with EPA • Completes completion voucher, if appropriate • Performs final allocation of site-specific costs • Prepares and transfers all contract and site records to EPA or the Federal Records Center, as instructed by EPA • Completes a Contractor's Cumulative Claim and Reconciliation Form (EPA Form 1900-10) • Submits an invention report, if necessary, to CO

51-033-137B(2)

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Response Action Contract
Users' Guide

Volume 1: Reference Guide

Revisions to the *RAC Users' Guide*

CHAPTER 13

MAY 31, 1995

Table of Contents

13.1 Background and Requirement 13-1

13.2 Roles and Responsibilities for Revising the *RAC Users' Guide* 13-1

Exhibits

Exhibit 13-1 Roles and Responsibilities for Revising the *RAC Users' Guide* 13-1

13.1 Background and Requirement

The Headquarters Long Term Contracting Strategy (LTCS) Users' Guide Coordination Work Group monitors legislation, directives, and updates to source documents used in LTCS component users' guides (e.g., *Federal Acquisition Regulation*, *EPA Acquisition Regulation*, Contracts Management Manual, Office of Solid Waste and Emergency Response (OSWER) directives, and Procurement Policy Notice changes), and ensures that applicable changes are transferred to the LTCS users' guides. This work group is chaired by the OSWER Acquisition Staff office and composed of users' guide leads from all LTCS components, including Respond Action Contracts (RACs). To ensure that the *RAC Users' Guide* continually reflects current information, the *RAC Users' Guide* lead distributes supplemental guidance as needed during the year and performs annual updates to the *Users' Guide*.

13.2 Roles and Responsibilities for Revising the *RAC Users' Guide*

The *RAC Users' Guide* lead, with input from Project Officers (POs), Contracting Officers (COs), and the LTCS Users' Guide Coordination Work Group, is responsible for making necessary revisions to the *RAC Users' Guide*. The roles of the individuals involved in the revision process are identified in **Exhibit 13-1**.

Exhibit 13-1. Roles and Responsibilities for Revising the *RAC Users' Guide*

Individual	Role in Revising the *RAC Users' Guide*
WAM	• Receives and implements revisions
PO	• Proposes revisions • Receives and implements revisions • Provides revisions to WAMs
CO	• Proposes revisions • Receives and implements revisions
RAC Users' Guide Lead	• Requests proposed revisions from POs and COs • Reviews and incorporates revisions • Distributes revisions
LTCS Users' Guide Coordination Work Group	• Meets semiannually to discuss revisions and updates

51-033-130

Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Glossary

APPENDIX A

Portions of this glossary have been reprinted from *The Government Contracts Reference Book* (©1992) by Ralph C. Nash, Jr., and Steven L. Schooner, with permission from the Government Contracts Program of George Washington University.

A

Accountable Personal Property

Non-expendable property costing $1,000 or more.

Account Control Number

Identifies source of funds by appropriation, program element, and allowance holder.

Administrative Change

A unilateral written contract change that does not affect the substantive rights of the parties (e.g., a change in the paying office or the appropriation data). *FAR* 43.101. (*The Government Contracts Reference Book*)

Advisory and Assistance Services

Services acquired from non-governmental sources by contract or by personnel appointment to support or improve policy development, decision making, management, and administration, or to support or improve the operation of management systems. *FAR* 37.201. Advisory and assistance services can be used for all organizational levels to help managers achieve maximum effectiveness or economy in their operations. *FAR* 37.202. Advisory and assistance services may include information, advice, opinions, alternatives, conclusions, recommendations, training, or direct assistance. *FAR* 37.203. (*The Government Contracts Reference Book* and EPA Contracts Management Manual)

Allocable Cost

Costs assignable or chargeable to one or more cost objectives on the basis of relative benefits received. *FAR* 31.201-4 provides that a cost is allocable to a government contract if it (1) is incurred specifically for the contract, (2) benefits both the contract and other work, and can be distributed in reasonable proportion to the benefits received, or (3) is necessary to the overall operation of the business, although a direct relationship to any particular cost objective cannot be shown. (*The Government Contracts Reference Book*)

Allowable Cost

Costs reimbursed by the government for the performance of a contract. *FAR* 31.201-2 mandates that factors that should be included to determine allowable costs include (1) reasonableness, (2) allocability, (3) standards set by the Cost Accounting Standards Board, (4) generally accepted accounting principles and practices appropriate to the particular circumstances, (5) the terms of the contract, and (6) any limitations set forth in *FAR* Subpart 31.2. *FAR* 31.205 contains guidance on the allowability of 51 types of "selected costs." Costs, including directly associated costs,

that are expressly unallowable must be identified and excluded from any billing, claim or proposal applicable to a government contract. *FAR* 31.201-6. (*The Government Contracts Reference Book*)

Alternative Remedial Contracting Strategy

EPA's approach to obtaining project management and technical services to support remedial response activities at National Priorities List (NPL) sites, intended to optimize quality, timeliness, and cost efficiency by: (1) promoting continuity in site project management and execution, from remedial planning through construction; (2) decentralizing contract management responsibilities, thereby placing authority and responsibility for management decisions within Regional offices; (3) implementing performance incentives to the maximum extent possible by awarding multiple contracts in each Region or Zone and using triannual ratings of contractor performance to determine the amount of work assigned to a given contractor.

Analytical Services

Includes sample analysis, analytical support, data validation, data evaluation, and oversight of quality assurance activities.

Annual Closeout

RAC section I, "Allowable Cost and Payment," requires an annual closeout of the total costs and fees claimed for the fiscal year (FY), a process which, according to clause G, "Indirect Costs," requires resolution of the final indirect costs. The RAC statement of work also states, under Program Support, Ongoing Administrative Support, Task 2 - Contract Integrity, that the contractor may be required to provide an annual closeout report. The annual closeout of RACs occurs on a FY basis and requires the contractor to submit cost claims to EPA. The cost claims include information on direct and indirect costs incurred at the contract level and at the work assignment level. The contractor also is required to provide a list of invoice and voucher amounts submitted over the course of the FY.

Annual Allocation

Process by which non-site-specific costs are distributed to specific sites for accounting and cost recovery purposes. Non-site-specific costs are accounted for in a general account and are allocated to specific sites and categorized into program support, site support, nonsite activities, program-wide nonsite activities, capital equipment, and startup costs/mobilization categories. The costs and fees are allocated by the contractor on a pro rata basis, based on the benefits received or support provided by the activities.

Award Fee Plan

See performance fee plan.

B

Base Fee

FAR 16.305 defines base fee as a base amount (which may be zero) fixed at the inception of a cost-plus-award-fee contract. In RACs, the base fee is paid provisionally each month as costs are incurred. The base fee does not vary with performance and is fully retained by the contractor as long as the contractor's final performance rating for a completed work assignment (WA) is "satisfactory" or above. If the contractor's final performance rating on a completed WA is "unsatisfactory," then the contractor is contractually obligated to return all base fee received for that WA to the government.

Base Fee Pool

Minimum amount of level-of-effort (LOE) hours in the contract that the government is obligated to purchase. LOE hours beyond the base quantity can be made available by the exercise of options as specified in the contract.

Bilateral Contract Modification

A written change in the specifications signed by the contractor and the Contracting Officer used to (1) make negotiated equitable adjustments resulting from issuing a change order, (2) definitize letter contracts, and (3) reflect other agreements of the parties modifying the terms of the contract. (*The Government Contracts Reference Book*)

Bulk Funding

A system for Contracting Officers to receive clearance from a fiscal and accounting officer to obligate funds on purchase documents against a specified lump sum of funds reserved for the purpose for a specific period of time. *FAR* 13.101. (*The Government Contracts Reference Book*)

Bulk-Funding Categories

Four bulk-funding categories are used in RACs: (1) program support (other response); (2) site characterization; (3) removal; and (4) enforcement. Money is obligated separately to these bulk-funding categories.

C

Cardinal Change

A change that is beyond the scope of the contract and thus cannot be ordered by the Contracting Officer under the contract's CHANGES clause. Cardinal changes are breaches of contract. In determining whether a change is beyond the scope of the contract and therefore a cardinal change, courts and boards compare the total work performed by the contractor with the work called for by the original contract. Work lies within the scope of contract if it can fairly and reasonably be regarded as within the contemplation of the parties when the contract was entered into or if it is essentially the same work that the parties bargained for when the contract was awarded. (*The Government Contracts Reference Book*)

Change

Any alteration to a contract permitted by a contract clause issued under the CHANGES clause of a contract. Changes may be bilateral or unilateral. (*The Government Contracts Reference Book*)

Change Order

A written order from the Contracting Officer (CO) directing the contractor to make a change without the contractor's consent, as authorized under the contract's CHANGES clause. *FAR* 43.101. Change orders must be issued by the CO, except when the CO delegates authority to an administrative CO. *FAR* 43.202. Contractors must continue performance of the contract as changed, except that in cost-reimbursement or incremental funded contracts, the contractor is not obligated to continue performance or incur costs beyond the established funding limits. *FAR* 43.201 and 52.243-1 through -6. (*The Government Contracts Reference Book*)

Community Relations

Efforts to establish two-way communication between the public and EPA to create a better understanding of EPA programs and related actions. These efforts, made early and throughout Agency actions, ensure public input from affected communities about issues concerning them. These efforts are designed to increase Agency response to public concerns. Specific community relations activities are required in relation to Superfund remedial actions.

Completion-Form Work Assignment

Type of work assignment that describes the scope of work by stating a definite goal or target and specifying an end product.

Conflict of Interest

Refers to the relationship between public officials and matters of private interest or private gain, persons who have left government employment, or situations in which contractors or prospective contractors have some bias relating to a procurement or would gain a competitive advantage from a procurement. With regard to government procurement, *FAR* 3.601 prohibits Contracting Officers from knowingly awarding contracts to government employees or to business concerns owned or controlled by government employees. This policy seeks to avoid any conflict of interest (COI) that might arise between the employees' interests and their government duties, and any appearance of favoritism or preferential treatment. (*The Government Contracts Reference Book*)

There are two types of COI: organizational and personal. An organizational COI occurs when, because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. *FAR* 9.5. Personal COI is defined in Environmental Protection Agency Acquisition Regulation, Clause 1552.209-73, "Notification of Conflicts of Interest Regarding Personnel," as a relationship of an employee, subcontractor employee, or consultant with an entity that may impair the objectivity of the employee, subcontractor employee, or consultant in performing the contract work.

Consent

Consent to subcontract is the Contracting Officer's written consent for the prime contractor to enter into a particular subcontract. (*FAR* 44.101)

Consent Agreement

Any written document, signed by the parties, containing stipulations or conclusions of fact or laws and a proposed penalty or proposed revocation or suspension acceptable to both complaintant and respondent. (*Environmental Regulatory Glossary*)

Consent Decree

A legal document, approved by a judge, that formalizes an agreement reached between litigants. In Superfund cases it sets the terms by which potentially responsible parties (PRPs) will conduct all or part of a cleanup action of a Superfund site; cease or correct actions or processes that are polluting the environment; or otherwise comply with regulations where the PRPs' failure to comply caused EPA to initiate regulatory enforcement actions. The consent decree describes the actions PRPs will take and may be subject to a public comment period. (*Environmental Regulatory Glossary*)

Constructive Change

An oral or written act or omission by the Contracting Officer or other authorized government official that is construed as having the same effect as a written change order. A constructive change consists of two elements: a change element, which calls for examination of the actual performance to see whether it went beyond the minimum standards demanded by the contract; and an order element, in which the government's representative, by work or deed, requires the contractor to perform work that is not a necessary part of its contract. Claims for constructive changes are the primary means used by contractors to obtain additional compensation for performing fixed-price contracts. Included are claims concerning contract interpretation, defective specifications, nondisclosure of information, impracticability of performance, breach of the duty to cooperate, and acceleration. (*The Government Contracts Reference Book*)

Constructor

A subpool subcontractor to the RAC prime contractor who is performing the construction work.

Contract Bond

See performance bond or payment bond.

Contract Claim

A written demand by one of the contracting parties demanding money, a change in contract terms, or other relief under the contract. *FAR* 33.201. A claim arising under a contract is a claim that can be resolved under a contract clause providing for relief sought by the claimant; a claim relating to a contract is one for which no specific contract clause provides such relief. (*The Government Contracts Reference Book*)

Contract Closeout

Settling all contractual issues to ensure that each party has fully met all contractual obligations. Contract closeouts (1) identify and resolve uncompleted obligations or pending liabilities on the part of the government or the contractor and (2) ensure that contract-related decisions and actions have been properly documented. *FAR* 4.804. (*The Government Contracts Reference Book*)

Contract Dispute

A disagreement between the contractor and the Contracting Officer over the rights included in the contract. According to the Contract Disputes Act of 1978, 41 U.S.C. 601-613, contractors may submit claims against the government and the government against contractors. Disputes originate when one party denies a contract claim. Contract disputes differ from contract protests. Protests involves a complaint based upon the solicitation process itself. (*The Government Contracts Reference Book*)

Contract Modification

A written change in the terms of a contract. *FAR* 43.101. A unilateral or bilateral written change in the specifications, delivery point, rate of delivery, contract period, price, quantity, or other provision of an existing contract, in accordance with the contract clause. Examples include change orders, notices of termination, supplemental agreements, and exercises of contract options. (*The Government Contracts Reference Book*)

Contracting Officer Technical Representative

The Project Officer (PO) is the Contracting Officer's (CO's) technical representative according to RAC clause, TECHNICAL DIRECTION, in contract section H. The PO is responsible for advising the CO of all technical issues related to contractor performance.

Contractor-Acquired Property

Property acquired or otherwise provided by a contractor for performing a contract and to which the government has title. (*FAR* 45.101)

Cooperative Agreement

A legal instrument used to transfer money, property, or services to a State or local government or to another recipient in order to accomplish a public purpose where substantial involvement is expected between the government and the recipient. 31 U.S. C. 6305. A cooperative agreement is not subject to *FAR*. (*The Government Contracts Reference Book*)

Core Elements

Significant elements of the contract that are generally supported by Agency implementation guidance. Core elements include practices that the RAC Users' Guide Work Group agrees all Regions should abide by for programmatic consistency. Core elements are subject to change by a Region as long as the change is fully documented. Regions must notify the Headquarters RAC Long-Term Contracting Strategy program lead of the change promptly. Region-specific procedures for core elements must be included in the Guide in the designated section at the end of the appropriate chapter. (Also see noncore elements and required elements.)

Cost Management

An oversight process designed to ensure that the government receives goods and services commensurate with the price billed for the goods and services. The cost management oversight process proceeds throughout the life of the contract or work assignment.

Cost-Plus-Award-Fee Contracts

A cost reimbursement contract that provides for a fee consisting of (1) a base fee fixed at the inception of the contract and (2) performance (award) fee based upon a periodic judgement of the contractor's performance and not subject to the DISPUTES clause. *FAR* 16.305. The contractor may earn the performance (award) amount in whole or in part. (*The Government Contracts Reference Book*)

Cost Recovery

A process by which the U.S. Government seeks to recover money previously expended in performing any response action from parties liable under CERCLA 107(a). Recoverable response costs include both direct and indirect costs. (*Enforcement Project Management Handbook*, Directive 9837.2B, May 1993)

Cost Reimbursement Contracts

Contracts that include provisions allowing the contractor to receive reimbursements for allowable incurred costs to the extent provided in the contract. *FAR* 16.301-1. Cost reimbursement contracts differ from fixed-price contracts under which the government pays the contractor on the basis of pre-established prices. Cost-reimbursement contracts are suitable for use only when the uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use a fixed-price contract. (*The Government Contracts Reference Book*)

Cumulative Claim

A cumulative claim is submitted as part of the contract closeout process. The cumulative claim details all contractor incurred contract expenses including any outstanding contractor claims against the government.

D

Data Inspection

Data inspection ensures that the analytical data provided to EPA meet the required specifications detailed in the work assignment statement of work.

Data Quality Objective

Details the level of analysis, degree of precision, and quality of the analytical procedures required by EPA.

Data Validation

Data validation attempts to give the data user a summary of the strengths and weaknesses of a particular data set and provide information necessary to determine if the data is appropriate to use for the intended purpose.

Davis-Bacon Act

The Davis-Bacon Act, 40 U.S.C. 276a, requires payment of not less than prevailing wage rates to workers on Federal or Federally-funded construction projects of over $2,000. *FAR* 22.403-1. The prevailing wages set by the Department of Labor are based upon the wages paid to the majority of the laborers or mechanics falling within the same specific classifications on similar projects in the area during the period in question. (*The Government Contracts Reference Book*)

Deliverable

A product or service that is prepared for and delivered to the government under the terms of a contract, delivery order, or work assignment.

Demobilization

Period of time at the end of a contract or remedial action when most closeout actions are completed, final invoices are submitted, and government property is returned.

Direct Cost

Any cost specifically identified with a particular final cost objective. *FAR* 31.202. The term is not necessarily limited to items incorporated in the end product as material or labor. Costs identified specifically with the contract are direct costs of the contract and are to be charged directly to the contract. (*The Government Contracts Reference Book*)

Document Control Number

Unique number for each funding action under an account control number.

Dollar Ceiling

Maximum amount of money available for expenditure under a specific cost category. For example, a RAC has dollar ceilings for equipment, subpool, and completion-form. Dollar ceilings may be raised by the exercise of options as specified in the contract.

E

Environmental Justice

The fair treatment of people of all races, cultures, incomes, and educational levels with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. Fair treatment implies that no population of people should be forced to shoulder a disproportionate share of the negative environmental impacts of pollution or environmental hazards due to a lack of political or economic strength. (*Environmental Justice Manual*, Office of Enforcement)

Equitable Adjustment

A price adjustment under a contract clause for changed work, including an adjustment in profit, a change in the delivery schedule, if appropriate, and a change in other affected terms of the contract. Equitable adjustments may result in price increases for the contractor for increased work, or price reductions of the government for reduced work. Equitable adjustments differ from damages which are given in the absence of a contract clause calling for an equitable adjustment. (*The Government Contracts Reference Book*)

Expendable Property

Personal property that is consumed by use (e.g., paper and pencils).

Expenditure Limit

The amount of dollars and hours available to the contractor to expend in performance of a particular work assignment (WA). The contract prohibits the contractor from exceeding the expenditure limit (EL) without Contracting Officer approval. The government sets the EL when a WA is issued and adjusts it as needed during the course of the WA to manage the phasing and execution of the work. For individually funded WAs, such as remedial actions, the EL can never exceed the total funding available on the WA. For WAs utilizing the contract's bulk funding, the EL serves as the WA funding ceiling. In bulk-funded WAs, the combined ELs of WAs associated with a specific funding category cannot exceed the funding available in that category (see Bulk-Funding Categories). Combined ELs for all bulk-funded and individually funded WAs cannot exceed the total obligated dollars within the contract.

F

File

Consists of selected, related records. The term "record" refers to any unit of documentation that records a decision, documents an activity, or has administrative, fiscal, legal, historical, evidential, or programmatic value to the Federal Government. Examples of records include memos, documents, video tapes, etc.

Freedom of Information Act

The Freedom of Information Act (FOIA), part of the Administrative Procedure Act passed in 1966, provides a mechanism for members of the public (including contractors) to gain access to Agency records maintained by the government. (5 U.S.C. 552) The FOIA requires public disclosure unless records fall within one of nine exemptions listed in the act. The "trade secrets and commercial or financial information obtained from a person and privileged or confidential" clause affects contractors the most. Government agencies can, however, release information if it falls within this exemption unless such a release would constitute an abuse of discretion. (*The Government Contracts Reference Book*)

G

Government-Furnished Property

Property in the possession of or directly acquired by the government and subsequently made available to the contractor. (*FAR* 45.101)

Government Property

All property owned by or leased to the government or acquired by the government under the terms of the contract. It includes both government-furnished property and contractor-acquired property. (*FAR* 45.101)

H

Health and Safety Plan

Plan outlining the implementation of all Federal, State, and local requirements regarding health and safety. Each RAC contractor must submit a corporate health and safety plan and any site-specific health and safety plan required by an individual work assignment issued under the contract. (RAC section H)

I

Indemnification

An agreement in anticipation of a potential loss, to hold another party harmless, to secure another party against loss or damage, or to give security for the reimbursement of another party. (*The Government Contracts Reference Book*)

Independent Government Cost Estimate

A detailed estimate of the cost to the government for services and/or supplies to be acquired from a contractor. (*EPA Independent Government Cost Estimating Guide*)

Indirect Cost

Costs not identified with single final cost objectives but instead with two or more final cost objectives, or with at least one intermediate cost objective. *FAR* 31.203. Indirect costs are also called "overhead" or "burden." Indirect costs are allocated to cost objectives after direct costs have been determined and charged directly to the contract or other work. An indirect cost cannot be allocated to a final cost objective if other costs incurred for the same purpose in like circumstances have been included as a direct cost of that or any other final cost objective. (*The Government Contracts Reference Book*)

Inherently Governmental Function

Function so intimately related to the public interest that it mandates performance by government employees. (OMB Circular A-76)

Innovative Technologies

Alternative treatment technologies for which applications at Superfund and similar sites are inhibited by lack of data on performance and cost. In general, a treatment technology is considered innovative if it has had limited full-scale application. Often, it is the application of a technology or process to soils, sediments, sludge, and solid-matrix waste (such as mining slag) that is innovative. (*Innovative Treatment Technologies: Annual Status Report Sixth Edition,* EPA 542-R-94-005)

J K

"Kickoff" Meeting

A meeting between the contractor and EPA officials, including the Contracting Officer and Project Officer, that usually is held within seven days of contract award. The meeting is used to clarify Regional and contractor expectations regarding RAC performance and to establish a solid working relationship between EPA and contractor management.

L

Labor Surplus Area

A geographical area identified by the Department of Labor in accordance with 20 CFR 654, subpart A, as an area of concentrated unemployment or underemployment. *FAR* 20.101. EPA encourages concerns located in labor surplus areas (LSAs) to participate in EPA contracting activities; uses its best efforts to award contracts in LSAs; encourages prime contractors to award subcontracts to concerns performing work in LSAs; and establishes annual LSA goals.

Level of Effort

A statement of work in terms of an amount of effort usually measured in labor-hours or labor-years. Level-of-effort (LOE) contracts are to be performed by specified classes of employees over a given period of time. LOE contracts include fixed-price LOE contracts, time-and-materials contracts, labor-hour contracts, and term contracts. (*The Government Contracts Reference Book*)

Limitation of Future Contracting

Contract clause with conditions restricting contractor ability to compete for contracts subsequent to the performance period of the contract containing the clause. (RAC section H)

Liquidated Damages

A contract provision stating a sum for which one of the parties will pay upon breach of contract or failure to perform contract provisions *FAR* Subpart 12.2. Liquidated damages clauses should be used only when (1) the time of delivery or performance is such an important factor that the government can reasonably expect to suffer damage if delivery or performance is delinquent and (2) the extent or amount of damage would be difficult or impossible to ascertain or prove. Liquidated damages rates must be reasonable because liquidated damages fixed without any reference to probable actual damages may be held to be a penalty and, therefore, unenforceable. (*The Government Contracts Reference Book*)

Long Term Contracting Strategy (LTCS)

A strategic Agency planning effort to analyze the long-term contracting needs of the Superfund program and to design a portfolio of Superfund contracts to meet those needs over the next 10 years. The issues, analysis, and decisions contained in the strategy are the products of an Agency-wide task force. Response Action Contracts are the remedial component of the LTCS.

M

Management Information System (MIS)

Used to monitor contractor performance and facilitate the exchange of information between the Contracting Officer (CO), Project Officer (PO), and Work Assignment Manger (WAM). Each Region maintains contractor performance information, which may include contract budget ceilings, work assignment budget ceilings, cumulative and monthly contractor costs, and additional information obtained from monthly progress reports, in a computerized database or other MIS.

Mentor-Protege Program

A test program to encourage contractors to act as mentors to small disadvantaged business concerns. The program seeks to increase the participation of small disadvantaged businesses as subcontractors and suppliers available for government and commercial contracting. (*The Government Contracts Reference Book*) EPA promotes involvement in the Mentor-Protege Program by crediting a mentor's participation against subcontracting plan goals and evaluating program participation favorably in the performance (award) fee review process.

Miller Act

The Miller Act requires the execution of separate performance bonds and payment bonds as a prerequisite to award of construction contracts exceeding $25,000. *FAR* 28.102. (*The Government Contracts Reference Book*)

Mobilization

Start-up period of a contract when staff are assigned to projects, required plans are developed, and necessary non-site-specific equipment is acquired.

Monthly Invoice Review

A cost management oversight activity that includes (1) contractor submission of copies of invoices and invoice site attachments (2) a Work Assignment Manager and Project Officer review of invoices against monthly progress reports and (3) a resolution of payment issues and invoice approval.

N

Noncore Elements

Minor elements of contract administration that allow for variances in Regional procedures. Regions must document changes to noncore elements and are encouraged to provide this information to the Headquarters program lead. Region-specific procedures for all noncore elements should be included in the Guide in the designated section at the end of the appropriate chapter. (Also see core elements and required elements.)

Non-site-specific

Refers to an activity or cost that is not directly associated with a single site (e.g., program support costs). (See site-specific.)

Non-Team subcontractors

Subcontractors providing specialized services for the prime contractor that ordinarily cannot be provided by the prime or its Team subcontractors. Subcontracting efforts pertaining to specific activities issued under completion-form work assignments (WAs) will be charged against the overall completion ceiling. All subcontracting pertaining to specific activities required under term-form WAs is financed through the subcontracting pool, which is a sub-element of the term-form segment of the contract.

O

Obligee

One to whom another is bound by contract or legal agreement. (*Webster's Dictionary*)

Option Period

A unilateral right in a contract by which, within a certain time period, the government may elect to purchase additional supplies or services called for by the contract, or may elect to extend the contract. *FAR* 17.201. Contracting Officers (COs) must notify the contractor in writing within a time period specified in the contract. COs must ensure that (1) sufficient funds exist (2) the requirement covered by the option fulfills an existing government need, and (3) exercise of the option is the most advantageous method of fulfilling the government's need. (*The Government Contracts Reference Book*)

Option to Extend Period of Performance

RACs have a five-year base period with a single option to extend the term of the contract for an additional five-year period, making a total of ten years available.

Option to Increase Quantities

Within the base and option periods of the contract, EPA has the option to increase the hours in the level of effort, and the dollar ceilings of the subcontracting pool and the equipment pool in the term-form portion of the contract, and to increase the dollar ceiling in the completion-form portion of the contract. These options may be exercised periodically as needed in the specified increments of hours or dollars.

Other Direct Costs

Non-labor expenses approved for contractor use, such as copying, travel, or computer time.

P

Payment Bond

Covers payment of labor and materials when a contractor is unable or refuses to perform its construction contract. A payment bond assures payments as required by law to all persons supplying labor or materials in the prosecution of work provided for in the contract. (*FAR* 28.001) The Miller Act requires such bonds for construction contracts exceeding $25,000 and they may be required for additional contract types. (*Black's Law Dictionary* and *The Government Contracts Reference Book*)

Performance Bond Type of contract bond which protects against loss due to the inability or refusal of a contractor to perform its construction contract. A performance bond secures performance and fulfillment of the contractor's obligation under the contract. (*FAR* 28.001) The Miller Act generally requires performance bonds for construction contracts and they may occasionally be required for other contracts. (*Black's Law Dictionary* and *The Government Contracts Reference Book*)

Performance Evaluation The periodic evaluation of contractor performance in carrying out its obligations on government contracts. (*The Government Contracts Reference Book*)

Performance Evaluation Board Group of government officials that evaluates contractor performance under a cost-plus-award fee contract and recommends a performance (award) fee amount to the Fee Determination Official.

Performance Fee Fee awarded to the contractor under a cost-plus-award fee contract based upon a subjective evaluation by the government of contractor performance. Established rating criteria are used to determine the amount of the performance (award) fee.

Performance Fee Plan A written plan in the contract that specifies how the base and performance (award) fee provisions of the contract are administered. Synonymous with award fee plan. (RAC statement of work, Attachment D)

Period of Performance Timeframe in which work takes place under a contract, delivery order, or work assignment, usually beginning with the date of Contracting Officer approval and ending when the last deliverable is due. The period of performance for the RAC is effective from the start date through 60 months, exclusive of all required reports. The period may be extended by exercising the option to extend the period of performance. (RAC sections F and H)

Personal Property Property of any kind, or interest in it, with the exception of real property, records of the Federal Government, or naval ships. *FAR* 45.601. All property other than real property; everything that is the subject of ownership, not coming under the denomination of real estate. (*The Government Contracts Reference Book*)

Personal Services Contract A contract that, by its express terms or as administered, makes the contractor personnel appear to be, in effect, government employees. *FAR* 37.101. Government agencies may not award personal services contracts unless specifically authorized by statute to do so, since such contracts tend to circumvent the civil service laws requiring the government to obtain its employees by direct hire using established competitive procedures. *FAR* 37.104(b). *FAR* 37.104(c) provides that the key indicator of a personal services contract is "relatively continuous supervision and control" of contractor employees by government officials. *FAR* 37.104(d) provides a list of other elements that may indicate that a personal services contract exists. (*The Government Contracts Reference Book*)

Pollution Liability Insurance

Contractual coverage binding an insurer to indemnify a contractor for claims with respect to any release or threatened release of a hazardous substance or pollutant or contaminant occurring during the performance of the response action contract. (CERCLA Section 119)

Potentially Responsible Party (PRP)

Entity as defined in CERCLA that may be liable for the release or threatened release of hazardous substances at a site. The government conducts a PRP search as an early step in its enforcement process, seeking to identify the generators, transporters, owners, and/or operators of a site.

Prime Contractor

A person or organization entering into a contract directly with the government. The term "Prime" is used to distinguish that contract from any subcontract entered into between the prime contractor and a supplemental vendor called a subcontractor. There is privity of contract between the government and the prime contractor but not between the government and the subcontractor. (*The Government Contracts Reference Book*)

Privity of Contract

The legal relationship and responsibilities between parties to the same contract. The government has privity of contract with the prime contractor; the prime contractor has privity of contract with the first-tier subcontractor. (*The Government Contracts Reference Book*)

Procurement Request

Form used to begin process of committing and obligating funds. (*RAC Acquisition Model*)

Program Support

Contract administration and management activities to plan, monitor, and control all work assignments issued under the contract. (RAC statement of work, III, A)

Progress Report

RAC contractors are required to submit a comprehensive set of monthly progress reports to EPA. These progress reports include contract- and work-assignment-level technical and financial information which enables EPA to track progress, resolve problems, monitor expenditures, and review and approve contractor invoices. The reports contain technical information, presented in narrative form, and cost information, presented as financial reports in both hard-copy and electronic form.

Property Justification

The government's written justification that provides rationale for providing government property to the contractor either by transfer or contractor acquisition of property. The Justification of Need for Government Property/Equipment form is commonly referred to as the "seven-point" justification. (*RAC Acquisition Model*)

Q

Quality Assurance

Tasks performed by individuals outside an organization to monitor or improve the organization's output. Refers to inspection in terms of quality and quantity. Quality assurance may include a planned, systematic pattern of actions taken to provide adequate confidence that sufficient technical requirements are established, that products and services conforms to those requirements, and that satisfactory performance is achieved. D*FAR*S 246.101. (*The Government Contracts Reference Book*)

Quality Control

Tasks performed by individuals inside an organization to improve the quality of the organizations' output. Government contracts may call for the contractor to provide a quality control (QC) system that ensures that the work meets contract requirements. QC generally includes (1) setting cost, performance, safety, and reliability standards; (2) comparing the offered product or service with house standards; (3) taking corrective action when necessary; and (4) planning for improvements. (*The Government Contracts Reference Book*)

R

Real Property

Includes land and rights in land, ground improvements, utility distribution systems, buildings, and other structures. *FAR* 45.101. Real property excludes foundations and other work necessary for installing special tooling, special test equipment, or plane equipment. Real property purchases are not covered by the Contract Disputes Act of 1978. (*The Government Contracts Reference Book*)

Reasonable Cost

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person in the conduct of competitive business. The government attaches no presumption of reasonableness to the incurrence of costs by a contractor; if an initial review of the facts results in the challenge of a specific cost by the Contracting Officer (CO) or the CO's representative, the burden of proof is on the contractor. What is reasonable depends on (1) the type of cost generally recognized as ordinary and necessary for the conduct of the contractor's business or the performance of the contract; (2) generally accepted sound business practices; (3) the contractor's responsibilities to the government, other customers, the owners of the business, employees, and the public at large; and (4) any significant deviations from the contractor's established practices. *FAR* 31.201-3. (*The Government Contracts Reference Book*)

Record

Refers to all books, papers, maps, photographs, machine-readable materials, or other materials made or received by an agency of the U.S. Government under Federal law or in connection with the transaction of public business, and preserved or appropriate for preservation by that agency or its legitimate successor either as evidence of the organization,

functions, policies, decisions, procedures, operations, or other activities of the government or because of the informational value of the data in them. Library and museum material made or acquired and preserved solely for reference or exhibition purposes, extra copies of documents preserved only for convenience of reference, and stocks of publications and of processed documents are not included. (*The Government Contracts Reference Book*)

Regional Crossovers

The process of using contractor capacity from another Region due to conflict of interest issues or Regional capacity shortage.

Release Statement

A contract agreement exonerating another party if claims are asserted in the future. An unconditional general release by a contractor operates to bar all existing contractor claims, including pending claims as well as known and unknown claims. The contractor may preserve its rights to specific claims by expressly exempting those claims when the release is executed. The contract may require the contractor to give a release of claims and liabilities before the government makes final payment. *FAR* 43.204(c)(2) states that Contracting Officers should insert releases in supplemental agreements settling claims. (*The Government Contracts Reference Book*)

Required Elements

Elements that are part of the contract or are required by directive or law (i.e., *FAR*, EPAAR). Required elements are not subject to revision. The management of these elements must be consistent throughout the Regions. (Also see core elements and noncore elements.)

Response Action Contracting Strategy

EPA's strategy designed to balanced program needs and strategy objectives. The strategy includes: (1) an integrated "one program" approach to enforcement and site cleanup; and (2) greater flexibility, improved oversight, and cost management through decentralization of contract management responsibilities to the Regions.

RP2M

National automated system used to plan funding and track progress on sites.

S

Scoping Meeting

A meeting with the contractor called by the Work Assignment Manager (WAM) after the work assignment (WA) has been issued and prior to contractor completion of the work plan, to review and clarify WA requirements. The purpose of the scoping meeting is for the WAM and other essential EPA personnel to meet the contractor personnel that will be involved in the WA, discuss the requirements of the WA outlined in the statement of work, and clarify any questions or issues that the contractor may have regarding the implementation of the WA.

Sensitive Contracting Areas

Activities which, when performed by EPA contractors, place EPA in a vulnerable or sensitive position if adequate management controls are not implemented. These sensitive contracting areas require justification and approval. (OMB OFPP Policy Letter 92-1 and EPA Order 1900.2, *Contracting at EPA*)

Service Contract Act

Law requiring contractors to pay not less than prevailing wages and fringe benefits and provide safe conditions of work under contracts for the performance of services in the United States through the use of service employees. (41 U.S.C. 351-357) The Department of Labor establishes prevailing wage rates upon receipt of a Standard Form 98 from a Contracting Officer. *FAR* 22.1007, 22.1008. (*The Government Contracts Reference Book*)

Site

The land or water area where any "facility or activity" is physically located or conducted, including adjacent land used in connection with the facility or activity. (*Environmental Regulatory Glossary*)

Site File

Contain site-specific documents on remedial or removal activities and decisions. The site files comprise the administrative record for the site and contain work assignment deliverables (e.g., project reports such as the remedial design).

Site-specific

An activity, report, or cost that is only valid for, or confined to, a certain given piece of land and/or water. The term may apply to data, studies to obtain information, environmental impacts, use restrictions, remedial actions, etc. (*Environmental Regulatory Glossary*)

Small and Disadvantaged Business Utilization

EPA's plan to utilize: (1) socially and economically disadvantaged businesses; (2) small business set-asides; (3) minority businesses; (4) labor surplus area set-asides; (5) subcontracting; (6) women-owned business concerns; (7) rural area small businesses; and (8) historically black colleges and universities.

Statement of Work

Describes the actual work to be done by the contractor by means of (1) specifications or other minimum requirements, (2) quantities, (3) performance dates, (4) time and place of performance of services, and (5) quality requirements. Plays a key role in a solicitation as the bases for the contractor's response, and provides a baseline against which progress and subsequent contractual changes are measured during contract performance. (*The Government Contracts Reference Book*)

Subcontracting Pool (Subpool)

The RAC specifies a subcontracting pool (commonly referred to as the "subpool") in the term-form segment of the contract. All subcontracting for site-specific activities required under term-form work assignments is done under the subpool, including subcontracting for: initial response actions, well-drilling, analytical services, special consultants to support

technical projects or serve as expert witnesses, aerial mapping, surveying, fencing, and construction activities associated with a remedial action. (Note: This same type of subcontracting occurs under the completion-form segment of the contract within the overall completion-form ceiling. There is no separate subpool in the completion-form segment of the contract.)

Subpool Subcontractors — Firms or individuals under subcontract to perform site-specific work under the RAC subcontracting pool. Subpool subcontractors include specialty subcontractors (i.e., used for well-drilling, initial response actions, analytical services, aerial mapping, surveying, etc.) and remedial action subcontractors (construction firms) but do not include Team subcontractors.

Substantive Change — Affects the price, quantity, quality, or other terms and conditions of the contract. A substantive change to a contract usually necessitates an equitable adjustment, implemented through a bilateral modification.

Subtask — A division of a work task. The RAC statement of work identifies typical subtasks within work area tasks.

Surety Bond — Obligation of a guarantor to pay a second party upon default by a third party in the performance the third party owes to the second party. (*Black's Law Dictionary*)

T

Task — A portion of the work to be performed as set forth in the work assignment statement of work. Work areas in the RAC work breakdown structure are broken down into tasks.

Team Subcontractors — Subcontractors included in the RAC prime contractor's proposal and part of the prime contractor's team. Team subcontractors may be used by the prime contractor to work on any assignment that the prime deems appropriate. Team subcontractors are authorized in the contract during contract negotiations with the prime contractor and further EPA consent to performance by the Team subcontractors during contract performance is not required.

Technical Direction — Government guidance of a contractor's effort toward certain areas of endeavor or lines of inquiry that fall within the contract statement of work. Technical direction is provided in writing by the Project Officer, with a copy to the Contracting Officer. The PO coordinates such direction with the contractor to ensure that it does not impose work over and above what the contract requires. (*The Government Contracts Reference Book*)

Technical Direction Memorandum

Verbal technical direction must be confirmed in writing within five calendar days after verbal issuance. The written documentation requirements may vary between Regions, but all written documentation is considered "technical direction memoranda" (TDM) for the purposes of complying with the RAC TECHNICAL DIRECTION clause.

Term-Form Contract

A type of cost-plus fixed fee contract in which the scope of work is described in general terms and the contractor's obligation is stated in terms of a specified level of effort for a stated period of time. *FAR* 16.306(d)(2). (*The Government Contracts Reference Book*)

Total Quality Management

A management and operations technique intended to provide the foundation for a continuously improving organization by encouraging employees to focus their attention on means of improving efficiency and effectiveness. It is the application of human resources and quantitative methods to improve (1) the materials and services supplied to an organization, (2) all the processes within an organization, and (3) the degree to which the needs of the customer are met. The technique uses fundamental management techniques, existing improvement efforts, and technical tools within a disciplined approach focused on continuous process improvement. (*The Government Contracts Reference Book*)

U

Unilateral Contract Modification

A contract modification signed only by the Contracting Officer (CO). COs issue such modifications to make administrative changes, issue change orders, make changes authorized by clauses other than the CHANGES clause, or issue termination notices. *FAR* 43.103. (*The Government Contracts Reference Book*)

V

Value Engineering

A formal technique by which contractors may (1) voluntarily suggest methods for performing more economically and may share in any resulting savings or (2) be required to establish a program or identify and submit to the government methods for performing more economically. *FAR* 48.101(a). The object of value engineering (VE) is to cut costs in the design or construction of a project without compromising quality or function. The method eliminates anything that increases acquisition, operation, or support costs. (*The Government Contracts Reference Book*)

Value Engineering Change Proposal

A change proposal that recommends a method to reduce the overall projected cost to the Agency without impairing essential functions or characteristics. *FAR* 48.001. (*The Government Contracts Reference Book*)

Voucher/Invoice Validation — The Contracting Officer (CO) or CO's representative performs periodic voucher/invoice validation reviews, yearly and as needed, to ensure that contractor billings are made in accordance with contractual terms and that they are adequately documented. It is recommended that these reviews be performed on site at the contractor's office in order to verify costs against primary source documents and accounting records.

Vulnerable Contracting Area — Certain activities, when performed by contractors under RACs, that may place the Agency in a vulnerable position if adequate controls are not implemented. Vulnerable areas fall under four general categories: (1) advisory and assistance services; (2) activities involving sensitive contracting areas; (3) general contracting areas requiring special contract controls; and (4) specific contract work areas requiring controls.

W X Y Z

Wage Rate — General term describing rate of payment to laborers. Wage rates for some types of government contracting work are mandated by Federal law such as the Davis-Bacon Act for construction contracts and the McNamara-O'Hara Service Contract Act for service contracts.

Work Area — Project-level work definition in the RAC work breakdown structure, e.g., remedial investigation/feasibility studies, remedial design, remedial action. Work assignments are issued at the work area level.

Work Assignment — A written order for work issued by the government to a contractor under a work assignment (WA) type contract. A WA designates the government Work Assignment Manager and generally contains: background for the requirement, scope of work, time schedule, deliverables, period of performance, reference to applicable section of the contract statement of work, level of effort, documentation requirements, and any restriction on travel, printing, or other activity.

Work Assignment Amendment — A formal work assignment (WA) amendment is required to authorize any changes to the statement of work or work plan (WP) when site conditions are different than originally projected or other unforeseen changes affect the approved scope, level of effort (LOE), or dollar values in the WP. Three major types of amendments are used to address unforeseen changes in RAC WAs: (1) amending the WA to change or revise its scope; (2) increasing/decreasing WA budgets/LOE with no change in WA scope; and (3) changes within remedial action WAs.

Work Assignment Closeout — Settling all work assignment (WA) issues to ensure that each party has fully met all WA obligations. WA closeouts (1) identify and resolve uncompleted obligations or pending liabilities on the part of the government or the contractor and (2) ensure that WA-related decisions and actions have been properly documented. (*The Government Contracts Reference Book*)

Work Assignment Closeout Report

There are two types of work assignment closeout reports (WACRs). One is an EPA-prepared WACR that serves as EPA's overall evaluation of the contractor's performance on the work assignment (WA). The other is the contractor-prepared WACR that serves as the contractor's self-evaluation for the overall WA performance and summarizes WA level of effort and cost. Both the contractor and EPA-prepared WACRs provide information on the contractor's WA performance, cost, and schedule. The reports include evaluations in the six performance fee evaluation categories: project planning, technical competence and innovation, schedule and cost control, resource utilization, reporting, and effort.

Work Assignment Package

To initiate a new work assignment (WA), the Work Assignment Manager (WAM) must prepare a WA package (WAP). The WAP includes the following items: (1) WA form; (2) statement of work; (3) independent government cost estimate; (4) WAM Designation Form 1900-65; (5) Procurement Request, EPA Form 1900-8; and (6) Contractor Selection Notice.

Work Breakdown Structure

A display of a contractual statement of work or an organizational chart depicting the necessary hardware, software, and services required in contract performance, and their relationship to each other. The structure divides the work to be performed under a contract into logical segments in order to help track progress and performance cost. The structure displays and defines the products to be developed or produced under the contract and relates the elements of work to be accomplished to each other and to the end product. Work breakdown structures are required as a part of a cost/schedule control system used to manage major contracts. (*The Government Contracts Reference Book*)

Work Plan

The work plan (WP) is the contractor's response to a government-issued work assignment (WA). The WP describes the project goals, the technical approach to be used by the contractor, the tasks and deliverables, the delivery schedule, and the proposed personnel (including résumés), equipment, subcontracting, and other special requirements of the WA. It also includes a detailed cost estimate outlining in detail what the contractor believes their costs will be to perform the WA.

Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Contract Clause Matrix

APPENDIX B

MAY 31, 1995

Chapter/Section		Associated Contract Clause(s)/Attachments
1	**Introduction**	
2	**Contract Structure, Sensitive Issues, Management Responsibilities, and Interactions**	
2.1	Introduction	
2.2	Structure of the Response Action Contract	
2.2.1	Contract Type	B.__ Level of Effort-Cost-Reimbursement (Term Form Segment) L.__ Type of Contract
2.2.2	Contract Period of Performance	F.__ Period of Performance (EP52.212-140)(Apr 1984) H.__ Option to Extend the Term of the Contract -- Cost-Plus-Award-Fee Contract (*EPAAR* 1552.217-72) (Apr 1984)
2.2.3	RAC Statement of Work	C.__ Statement of Work - Contract Where Work is Ordered by Work Assignment or Delivery Orders Attachment A - Statement of Work
2.2.4	Work Assignments	B.__ Work Assignments (Level of Effort)(Term Form Segment) B.__ Work Assignments (Completion Form Segment) C.__ Statement of Work--Contract Where Work is Ordered by Work Assignment or Delivery Orders G.__ Contract Administration Representatives (EP52.242-100)(Aug 1984)
2.2.5	Program Support	Attachment A - Statement of Work
2.2.6	Reports of Work	F.__ Reports of Work (EP52.210-70)(Apr 1984) Attachment B - Reports of Work
2.2.7	Performance Fee Plan	G.__ Award Fee Attachment G - Performance (Award) Fee Plan
2.3	Contract Sensitive Issues	

Chapter/Section		Associated Contract Clause(s)/Attachments
2.3.1	Conflict of Interest	B.__ Work Assignment Conflict of Interest Certification H.__ Organizational Conflicts of Interest H.__ Notification of Conflicts of Interest Regarding Personnel H.__ Update of Conflict of Interest Plan (*EPAAR* 1552.210-81) H.__ Limitation of Future Contracting H.__ Project Employee Confidentiality Agreement I.__ *Officials Not to Benefit (*FAR* 52.203-1)(Apr 1984) I.__ *Gratuities (*FAR* 52.203-3)(Apr 1984) I.__ *Anti-Kickback Procedures (*FAR* 52.203-7)(Oct 1988)
2.3.2	Indemnification	
2.3.3	Pollution Liability Insurance	
2.3.4	Inherently Governmental Functions	C.__ Notice Regarding Prohibited Contractor Activities on Environmental Protection Agency (EPA) Contracts
2.3.5	Sensitive Contracting Areas	
2.3.6	Personal Services	
2.3.7	Program Support	Attachment A - Statement of Work
2.3.8	Patents	I.__ *Authorization and Consent (*FAR* 52.227-1)(Apr 1984) I.__ *Notice and Assistance Regarding Patent and Copyright Infringement (*FAR* 52.227-2)(Apr 1984) I.__ *Rights in Data--Special Works (*FAR* 52.227-17)(Jun 1987)
2.3.9	Environmental Justice	

* Denotes clause is incorporated by reference.

Chapter/Section		Associated Contract Clause(s)/Attachments	
2.3.10	Small and Disadvantaged Business Utilization, Mentor-Protege Program, and Labor Surplus Areas	G.__	Subcontracting Reports - Small Business and Small Disadvantaged Business Concerns
		H.__	Utilization of Rural Area Small Business Concerns (EP52.219-110)(Apr 1990)
		H.__	Utilization of Historically Black Colleges and Universities
		I.__	*Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (*FAR* 52.219-8)(Feb 1990)
		I.__	*Small Business and Small Disadvantaged Business Subcontracting Plan (*FAR* 52.219-9)(Jan 1991)
		I.__	*Utilization of Women-Owned Small Businesses (*FAR* 52.219-13)(Aug 1986)
		I.__	*Liquidated Damages--Small Business Subcontracting Plan
		I.__	*Utilization of Labor Surplus Area Concerns (*FAR* 52.220-3)(Apr 1984)
		I.__	*Labor Surplus Area Subcontracting Program (*FAR* 52.220-4)(Apr 1984)
		K.__	Small Business Concern Representation
		K.__	Small Disadvantaged Business Concern Representation
		K.__	Women-Owned Small Business Representation
		K.__	Preference for Labor Surplus Area Concerns (*FAR* 52.220-1)(Apr 1984)
		L.__	Identification of Set-Aside/8A Program Applicability
2.3.11	Health and Safety	H.__	Health and Safety
2.4	Contract Management Responsibilities		
2.4.1	Headquarters Roles and Responsibilities		
2.4.2	Regional Roles and Responsibilities		
2.5	Contractor Interactions with Other EPA Contractors, Federal Agencies, and State and Local Agencies		
2.5.1	Contractor Interactions with Other Superfund Contractors		
2.5.2	Contractor Interactions with Other Federal Agencies		
2.5.3	Contractor Interactions with State and Local Agencies		

* *Denotes clause is incorporated by reference.*

Chapter/Section		Associated Contract Clause(s)/Attachments
3	**RAC Mobilization**	B.__ Mobilization G.__ Mandatory Meetings During Mobilization Period
4	**Contract Administration**	
4.1	Introduction	
4.2	Roles and Responsibilities for Contract Administration	
4.3	Contract Funding	B.__ Estimated Cost, Base Fee, and Award Fee (EP52.216-200)(Apr 1984) B.__ Completion Form Ceiling B.__ Equipment Pool (Term Form Segment) B.__ Other Direct Costs (Term Form Segment) B.__ Limitation of Funds--Cost-Plus-Award Fee Contract (EP52.232-110)(Apr 1984) B.__ Special Limitation of Cost Provision for Work Assignments
4.4	Exercising Contract Options	H.__ Option to Extend the Term of the Contract - Cost-Plus-Award-Fee Contract (*EPAAR* 1552.217-72 (Apr 1984) H.__ Option for Increased Quantity - Term Form Segment (Level of Effort) H.__ Option for Increased Quantity - Subcontracting Pool (Term Form Segment) H.__ Option for Increased Quantity - Equipment Pool (Term Form Segment) H.__ Option for Increased Quantity - Completion Form Segment
4.5	Contract Modifications	I.__ *Changes--Cost-Reimbursement Alternate II (*FAR* 52.243-2)(Aug 1987)
4.6	Contract Claims and Disputes	I.__ *Disputes Alternate I (*FAR* 52.233-1)(Dec 1991)
4.7	Subcontract Review and Consent	B.__ Subcontracting Pool for Site Specific Investigations and Construction Work (Term Form Segment) G.__ Subcontract Consent (EP52.244-100)(Apr 1984) H.__ Construction Contracts with Architect-Engineer Firms (EP52.236-110)(Oct 1990) H.__ Notice of Award H.__ Notification to Subcontractor and Employees I.__ Subcontracts (Cost-Reimbursement and Letter Contracts) (*FAR* 52.244-2)(Jul 1986) I.__ *Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (*FAR* 52.209-6)(Nov 1992) I.__ *Subcontracts (Labor Standards) (*FAR* 52.222-11)(Feb 1988)

* Denotes clause is incorporated by reference.

Chapter/Section		Associated Contract Clause(s)/Attachments	
4.8	Handling Conflict of Interest Issues	B.__	Work Assignment Conflict of Interest Certification
		H.__	Organizational Conflicts of Interest (*EPAAR* 1552.209-71) Alternate I
		H.__	Notification of Conflicts of Interest Regarding Personnel (*EPAAR* 1552.209-73)
		H.__	Limitation of Future Contracting
		H.__	Update of Conflict of Interest Plan (*EPAAR* 1552.210-81)
		H.__	Project Employee Confidentiality Agreement
		I.__	Officials Not to Benefit (*FAR* 52.203-1)
		I.__	Gratuities (*FAR* 52.203-3) (April 1984)
4.9	Managing Regional Crossovers	H.__	EPA Regional Crossovers
4.10	Implementing Control Measures for Vulnerable Contracting Areas	H.__	Public Communication
4.11	Small Disadvantaged Business Utilization, Contractor Participation in Mentor-Protege Program, and Use of Labor Surplus Areas	G.__	Subcontracting Reports - Small Business and Small Disadvantaged Business Concerns
		H.__	Utilization of Rural Area Small Business Concerns (EP52.219-110)(Apr 1990)
		H.__	Utilization of Historically Black Colleges and Universities
		I.__	*Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (*FAR* 52.219-8)(Feb 1990)
		I.__	*Small Business and Small Disadvantaged Business Subcontracting Plan (*FAR* 52.219-9)(Jan 1991)
		I.__	*Utilization of Women-Owned Small Businesses (*FAR* 52.219-13)(Aug 1986)
		I.__	*Liquidated Damages--Small Business Subcontracting Plan
		I.__	*Utilization of Labor Surplus Area Concerns (*FAR* 52.220-3)(Apr 1984)
		I.__	*Labor Surplus Area Subcontracting Program (*FAR* 52.220-4)(Apr 1984)
		K.__	Small Business Concern Representation
		K.__	Small Disadvantaged Business Concern Representation
		K.__	Women-Owned Small Business Representation
		K.__	Preference for Labor Surplus Area Concerns (*FAR* 52.220-1)(Apr 1984)
		L.__	Identification of Set-Aside/8A Program Applicability
4.12	Annual Allocation of Non-Specific Site Costs	G.__	Annual Allocation of Non-Site Costs (EP52.242-310)(Oct 1991)
4.13	Annual Closeout	G.__	OMB Circular A-133 Audits (EP52.242-110)(Dec 1990)
4.14	Region-Specific Guidance on Contract Administration		

* Denotes clause is incorporated by reference.

Chapter/Section		Associated Contract Clause(s)/Attachments
5	**Issuing and Managing Work Assignments**	
5.1	Introduction	
5.2	Roles and Responsibilities for Issuing and Managing Work Assignments	
5.3	Allocating Site-Specific Work Assignments to Contractors	
5.4	Developing the Work Assignment Statement of Work	B.__ Work Assignments (Level of Effort)(Term Form Segment) B.__ Work Assignments (Completion Form Segment) G.__ Government-Furnished Data (*EPAAR* 1552.245-71)(Apr 1984)
5.5	Preparing and Using the Independent Government Cost Estimate	
5.6	Preparing the Work Assignment Package and Issuing the Work Assignment	B.__ Work Assignments (Level of Effort)(Term Form Segment) B.__ Work Assignments (Completion Form Segment)
5.7	Work Plan Technical Review and Cost Evaluation	
5.8	Work Assignment Funding	
5.9	Establishing and Changing the Expenditure Limit	B.__ Work Assignments (Level of Effort)(Term Form Segment) B.__ Work Assignments (Completion Form Segment) B.__ Special Limitation of Cost Provision for Work Assignments
5.10	Issuing Technical Direction	H.__ Technical Direction (*EPAAR* 1552.237-71)(Apr 1984)
5.11	Amending the Work Assignment	

Chapter/Section		Associated Contract Clause(s)/Attachments
5.12	Wage Rates and Surety Bonds for Remedial and Non-Time-Critical Removal Action Subcontracts	H.__ Requirement to Submit Notice (SF98/98A) H.__ Notification to Subcontractor and Employees H.__ Davis-Bacon Act (DBA) Wage Determinations for RAC Subcontracts H.__ Performance and Payment Bonds H.__ Advance Agreement on Bonding I.__ Withholding of Funds (*FAR* 52.222-9) (February 1988) I.__ *Approval of Wage Rates (*FAR* 52.222-16)(Feb 1988) I.__ *Service Contract Act of 1965, as Amended (*FAR* 52.222-41)(May 1989) I.__ Statement of Equivalent Rates for Federal Hires (*FAR* 52.222-42)(May 1989)
5.13	Value Engineering	
5.14	Contractor Oversight	E.__ *Inspection of Services Cost-Reimbursement (*FAR* 52.246-5)(Apr 1984) F.__ *Stop-Work Alternate I (*FAR* 52.212-13)(Aug 1989) H.__ Retention and Availability of Contractor Files I.__ *Audit--Negotiation (*FAR* 52.215-1)(Feb 1993) I.__ *Work Oversight in Architect-Engineer Contracts (*FAR* 52.236-24)(Apr 1984)
5.15	Site Demobilization	
5.16	Work Assignment Closeout Procedures	Attachment A - Statement of Work
5.17	Region-Specific Guidance on Issuing and Managing Work Assignments	
6	**Administering the Performance (Award) Fee Plan**	B.__ Estimated Cost, Base Fee and Award Fee (EP52.216-200)(Apr 1984) G.__ Payment of Base Fee G.__ Award Fee (*EPAAR* 1552.216-70)(Apr 1984) Attachment G - Performance (Award) Fee Plan

* Denotes clause is incorporated by reference.

Chapter/Section	Associated Contract Clause(s)/Attachments
7 **Using RAC Reports**	D.__ Submission of Deliverables on Microcomputer Floppy Disks E.__ Notice Listing Contract Clauses Incorporated by Reference E.__ Inspection and Acceptance (EP52.246-100)(Apr 1984) F.__ Reports of Work (EP52.210-70(Apr 1984) F.__ Use of Recovered Materials in Paper and Paper Products (EP52.210-150)(Jun 1991) F.__ Use of Double-Sided Copying in the Submission of Reports (EP52.210-160)(Jul 1990) G.__ Annual Allocation of Non-Site Costs (EP52.242-310)(Oct 1991) G.__ Work Assignment Specific Invoicing Requirements H.__ Printing (*EPAAR* 1552.208-70)(Apr 1984) Attachment B - Reports of Work
8 **Equipment** *Last-minute changes in EPA policy may affect RAC equipment procedures.*	B.__ Equipment Pool (Term Form Segment) G.__ Decontamination of Government Property (*EPAAR* 1552.245-70)(Apr 1984) G.__ Designation of Property Administrator and Incorporation of the EPA Property Guide (EP52.245-140)(Jun 1989) H.__ Fabrication or Acquisition of Nonexpendable Property (*EPAAR* 1552.245-72)(Apr 1984) I.__ *Government Property (Cost-Reimbursement, Time-and-Material, or Labor-Hour Contracts) (*FAR* 52.245-5)(Jan 1986) I.__ *Government Supply Sources (*FAR* 52.251-1)(Apr 1984)
9 **Delivery of Analytical Services**	Attachment A - Statement of Work
10 **Cost Management**	B.__ Other Direct Costs (Term Form Segment) B.__ Limitation of Funds--Cost-Plus-Award-Fee G.__ Submission of Invoices (*EPAAR* 1552.232-70)(Sep 1990) G.__ Indirect Costs (*EPAAR* 1552.242-70)(Apr 1984)(Deviation) H.__ Certificate of Indirect Costs (*EPAAR* 1552.242-71)(Oct 1992) H.__ Other Direct Costs and Travel (Allowability and Allocability) I.__ Allowable Cost and Payment (Deviation) (*FAR* 52.216-7)(Jul 1991) I.__ Prompt Payment (*FAR* 52.232-25)(Sep 1992) I.__ *Interest (*FAR* 52.232-17)(Jan 1991) I.__ *Limitation of Cost (*FAR* 52.232-20)(Apr 1984) I.__ *Limitation of Funds (*FAR* 52.232-22)(Apr 1984) I.__ *Notice of Intent to Disallow Costs (*FAR* 52.242-1)(Apr 1984) K.__ Cost Accounting Standards Notices and Certification (*FAR* 52.230-1)(Aug 1992) 52.215-22, 52.215-24, 52.230-3, 52-230-4, 52.232-20

* Denotes clause is incorporated by reference.

Chapter/Section		Associated Contract Clause(s)/Attachments	
11	**Records Management**	C.__	Compliance with EPA Policies for Information Resources Management (*EPAAR* 1552.210-79) (Sep 1991)
		F.__	Working Files (*EPAAR* 1552.210-75) (Apr 1984)
		G.__	Submission of Invoices (*EPAAR* 1552.232-70) (Sep 1990)
		H.__	Data
		H.__	Retention and Availability of Contractor Files
		I.__	*Examination of Records by Comptroller General (*FAR* 52.215-1)(Feb 1993)
		I.__	*Audit--Negotiation (*FAR* 52.215-1)(Feb 1993)
		I.__	*Payrolls and Basic Records (*FAR* 52.222-8)(Feb 1988)
		I.__	*Additional Data Requirements (*FAR* 52.227-16)(Jun 1987)
		I.__	*Rights in Data--Special Works (*FAR* 52.227-17)(Jun 1987)
12	**Contract Closeout**	F.__	Period of Performance (EP52.212-140)(Apr 1984)
13	**Revisions to the *RAC Users' Guide***		

* Denotes clause is incorporated by reference.

Pre-Award Contract Clauses

I.__ *Covenant Against Contingent Fees (*FAR* 52.203-5)(Apr 1984)
I.__ *Equal Opportunity Preaward Clearance of Subcontracts (*FAR* 52.222-28)(Apr 1984)
I.__ *Protest After Award Alternate I (*FAR* 52.233-3)(Aug 1989)
I.__ *Restrictions on Contracting with Sanctioned Persons (*FAR* 52.225-11)(May 1989)
K.__ Authorized Negotiators (*FAR* 52.215-11)(Apr 1984)
K.__ Period for Acceptance of Offer (*FAR* 52.215-19)(Apr 1984)
K.__ Organizational Conflict of Interest Certification (*EPAAR* 1552.209-72)(Apr 1984)
L.__ SIC Code and Small Business Size Standard (*FAR* 52.219-22)(Jan 1991)
L.__ Solicitation Provisions Incorporated By Reference (*FAR* 52.252-1)(Jun 1988)
L.__ Use of Double-Sided Copying in Submission of Proposals (EP52.210-155)(Jul 1990)
L.__ Preproposal Conference (EP52.215-100)(Apr 1984)
L.__ Organizational Conflict of Interest Notification (*EPAAR* 1552.209-70)(Apr 1984)
L.__ Organizational Conflict of Interest Plan
L.__ Notification of Multiple Awards
L.__ Service of Protest
L.__ Technical Questions (EP52.215-110)(Apr 1984)
L.__ Release of Cost or Pricing Proposals Outside the Government for Audit (EP52.215-115)(Mar 1989)
L.__ Definition of Labor Classifications
L.__ Base Fee and Award Fee Proposal (EP52.215-140)(Dec 1990)
L.__ Identification of Set-Aside/8A Program Applicability (EP52.219-100)(Feb 1991)
L.__ Subcontracting Program Plan for Utilization of Small Business and Small Disadvantaged Business Concerns (EP52.219-125)(Aug 1984)
L.__ *Submission of Offers in the English Language (*FAR* 52.214-34)(Apr 1991)
L.__ *Submission of Offers in U.S. Currency (*FAR* 52.214-35)(Apr 1991)
L.__ *Preaward On-Site Equal Opportunity Compliance Review (*FAR* 52.222-24)(Apr 1984)
L.__ *Evaluation of Compensation for Professional Employees (*FAR* 52.222-46)(Feb 1993)
M.__ EPA Source Evaluation and Selection Procedures/Architect and Engineering Services
M.__ Evaluation of Conflict of Interest Plan

General Contract Clauses (not specifically addressed in RAC Users' Guide)

F.__ Notice Listing Contract Clauses Incorporated by Reference
G.__ Payment of Base Fee (EP52.232-22)
G.__ OMB Circular A-133 Audits (EP52.242-110)(Dec 1990)
H.__ Requirement for Certification of Recovered Materials Actually Utilized in the Performance of the Contract (EP52.210-195)(Jun 1991)
H.__ State and Local Taxes (*EPAAR* 1552.229-70)(Nov 1989)
H.__ Screening Business Information for Claim of Confidentiality (*EPAAR* 1552.235-70)(Apr 1984)
H.__ Treatment of Confidential Business Information (*EPAAR* 1552.235-71)(Apr 1984)

* Denotes clause is incorporated by reference.

H.__ Release of Contractor Confidential Business Information (EP52.235-110)(Feb 1993)
H.__ Key Personnel (*EPAAR* 1552.237-72)(April 1984)
H.__ Consultant Services and Consent (*EPAAR* 1552.237-73)(Apr 1984)
H.__ Publicity
H.__ Paperwork Reduction Act
H.__ Rights of Way Land Easement
H.__ Expert Testimony
H.__ Future Expert Consulting Services
H.__ Signing of Uniform Hazardous Waste Manifests and Land Ban Notifications
I.__ Notice Listing Contract Clauses Incorporated by Reference
I.__ *Definitions Alternate I (*FAR* 52.202-1)(Sep 1991)
I.__ *Restrictions on Subcontractor Sales to the Government (*FAR* 52.203-6)(Jul 1985)
I.__ Requirement for Certificate of Procurement Integrity--Modification (*FAR* 52.203-9)(Nov 1990)
I.__ Price or Fee Adjustment for Illegal or Improper Activity (*FAR* 52.203-10)(Sep 1990)
I.__ Limitation on Payments to Influence Certain Federal Transactions (*FAR* 52.203-12) (Jan 1990)(Deviation)
I.__ *Price Reduction for Defective Cost or Pricing Data (*FAR* 52.215-22)(Jan 1991)
I.__ *Subcontractor Cost or Pricing Data (*FAR* 52.215-24)(Dec 1991)
I.__ *Order of Precedence (*FAR* 52.215-33)(Jan 1986)
I.__ Payment for Overtime Premiums (*FAR* 52.222-2)(Jul 1990)
I.__ *Contract Termination - Debarment (*FAR* 52.222-12)(Feb 1988)
I.__ *Termination of Defined Benefit Pension Plan (*FAR* 52.215-27)(Sep 1989)
I.__ *Facilities Capital Cost of Money (*FAR* 52.215-30)(Sep 1987)
I.__ *Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB) (*FAR* 52.215-39)(Jul 1991)
I.__ *Notice to the Government of Labor Disputes (*FAR* 52.222-1)(Apr 1984)
I.__ *Convict Labor (*FAR* 52.222-3)(Apr 1984)
I.__ *Apprentices and Trainees (*FAR* 52.222-9)(Feb 1988)
I.__ *Compliance with Copeland Act Requirements (*FAR* 52.222-10)(Feb 1988)
I.__ *Disputes Concerning Labor Standards (*FAR* 52.222-14)(Feb 1988)
I.__ *Certification of Eligibility (*FAR* 52.222-15)(Feb 1988)
I.__ *Notification of Employee Rights Concerning Payment of Union Dues or Fees (*FAR* 52.222-18)(May 1992)
I.__ *Equal Opportunity (*FAR* 52.222-26)(Apr 1984)
I.__ *Affirmative Action Compliance Requirements for Construction (*FAR* 52.222-27)(Apr 1984)
I.__ *Affirmative Action for Special Disabled and Vietnam Era Veterans (*FAR* 52.222-35)(Apr 1984)
I.__ *Affirmative Action for Handicapped Workers (*FAR* 52.222-36)(Apr 1984)
I.__ *Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era (*FAR* 52.222-37)(Jan 1988)
I.__ *Service Contract Act of 1965, as Amended (*FAR* 52.222-41)(May 1989)
I.__ *Clean Air and Water (*FAR* 52.223-2)(Apr 1984)
I.__ *Drug-Free Workplace (*FAR* 52.223-6)(Jul 1990)
I.__ *Privacy Act Notification (*FAR* 52.224-1)(Apr 1984)
I.__ *Privacy Act (*FAR* 52.224-2)(Apr 1984)

* Denotes clause is incorporated by reference.

I.__ *Restrictions on Certain Foreign Purchases (*FAR* 52.225-11)(Apr 1991)
I.__ *Federal, State and Local Taxes (*FAR* 52.229-3)(Apr 1984)
I.__ *Taxes--Contracts Performed in U.S. Possessions or Puerto Rico (*FAR* 52.229-5)(Apr 1984)
I.__ *Cost Accounting Standards (*FAR* 52.230-3)(Sep 1987)
I.__ *Administration of Cost Accounting Standards (*FAR* 52.230-4)(Sep 1987)
I.__ *Assignment of Claims Alternate I (*FAR* 52.232-23)(Jan 1986)
I.__ *Electronic Funds Transfer Payment Methods (*FAR* 52.232-28)(Apr 1989)
I.__ *Requirements for Registration of Designers (*FAR* 52.236-25)(Apr 1984)
I.__ *Bankruptcy (*FAR* 52.242-13)(Apr 1991)
I.__ *Termination (Cost-Reimbursement) (*FAR* 52.249-6)(May 1986)
I.__ *Excusable Delays (*FAR* 52.249-14)(Apr 1984)
I.__ *Computer Generated Forms (*FAR* 52.253-1)(Jan 1991)
K.__ Contingent Fee Representation and Agreement (*FAR* 52.203-4)(Apr 1984)
K.__ Requirement for Certificate of Procurement Integrity (*FAR* 52.203-8)(Nov 1990) Alternate I (Sep 1990)
K.__ Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
K.__ Taxpayer Identification
K.__ Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters
K.__ Type of Business Organization
K.__ Certification of Nonsegregated Facilities (*FAR* 52.222-21)(Apr 1984)
K.__ Previous Contracts and Compliance Reports (*FAR* 52.222-22)(Apr 1084)
K.__ Affirmative Action Compliance (*FAR* 52.222-25)(Apr 1984)
K.__ Clean Air and Water Certification (*FAR* 52.223-1)(Apr 1984)
K.__ Certification Regarding a Drug-Free Workplace (*FAR* 52.223-5)(Jul 1990)
K.__ Requirement for Estimates of the Total Percentage of Recovered Materials to be Utilized in the Performance of the Contract (EP52.210-190(Jun 1991)
K.__ General Financial and Organizational Information (*EPAAR* 1552.215-76)(Apr 1984)
K.__ Social Security Numbers of Consultants and Certain Sole Proprietors and Privacy Act Statement (*EPAAR* 1552.224-70)(Apr 1984)

* Denotes clause is incorporated by reference.

Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Users' Guide Revisions

APPENDIX C

MAY 31, 1995

Regions should keep *RAC Users' Guide* supplemental guidance received throughout the year and annual update tracking sheets in this appendix for reference.

Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Directives

APPENDIX D

MAY 31, 1995

Regions should keep directives relating to *Users' Guide* topics in this appendix for reference.

United States
Environmental Protection
Agency

Office of
Solid Waste and
Emergency Response

Publication #9242.2-11FS
EPA #540-F-94-062
PB95963216
May 1995

EPA

Superfund Response Action Contracts

Office of Emergency and Remedial Response
Hazardous Site Control Division, 5203G

Quick Reference Fact Sheet

The Response Action Contracts (RACs) provide professional architect/engineer services to the U.S. Environmental Protection Agency (EPA) to support response planning and oversight of activities under the Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA) as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA). These contracts are being procured as the Regions deplete the capacity of their existing Alternative Remedial Contracting Strategy (ARCS) contracts. The purpose of this fact sheet is to provide general information about the RACs.

SERVICES PROVIDED

Services provided by RACs include:

- program support (management);
- remedial investigation and feasibility studies;
- engineering services to design remedial actions;
- engineering evaluations and cost analyses for non-time-critical removal actions;
- construction management for implementing remedial actions and non-time-critical removal actions, including issuing and managing subcontracts for construction of the selected remedy, and engineering services for construction oversight;
- enforcement support, including oversight of remedial investigations/feasibility studies, remedial designs, and remedial actions, and negotiation support; and
- other technical assistance, including community relations, sampling and analytical support, and pre-design investigations.

Services also may include technical and management services supporting EPA's coordination and/or oversight of remedial activities performed by a State, the U.S. Army Corps of Engineers, or responsible parties identified in enforcement actions. RAC services do not include Federal facilities oversight.

SUPERFUND'S LONG-TERM CONTRACTING STRATEGY

The procurement of RACs implements the long-term cleanup contracting component of the EPA's Long-Term Contracting Strategy (OSWER Directive 9242.6-07FS). This strategy prescribes an integrated "one-program" approach to enforcement and site cleanup and decentralizes contract management to the EPA Regions to enhance program flexibility and improve contract oversight and cost management. The RACs supplement and eventually will replace the ARCS contracts. The RACs also integrate enforcement oversight and non-time critical removal activities previously performed under the EPA's Technical Enforcement Support and Emergency Response Cleanup Services contracts, respectively. The Agency expects to reduce handoffs, promote program integration, and give the Regions flexibility to pursue various enforcement options through this one-program approach.

CONTRACT TYPE AND STRUCTURE

RACs are cost-plus-award-fee contracts. The base period of performance is five years, with one five-year option period that can be exercised at the discretion of the government, for a potential contract period of ten years. The RAC statement of work specifies work areas and tasks within two general categories of activities: Program Support and Site-Specific Activities. The Regions issue work assignments to order work under RACs.

STATEMENT OF WORK

The RAC statement of work is a nationally standardized statement of work developed by the Response Action Contracting Strategy Work Group for use in all Regions. The statement of work is presented in a work breakdown structure format. The work breakdown structure is comprised of work areas, tasks, and subtasks. Separate work assignments are issued for each work area. Tasks and potential subtask activities for each work area are identified and described in the statement of work. Subtasks are specified by the Region in individual work assignments as they are issued.

Work areas are organized into four categories:

- Program Support
- Site-Specific Fund-Lead
- Site-Specific Enforcement Support
- Other Site-Specific Technical Assistance

RAC contractors use the work breakdown structure in the statement of work for project scoping, scheduling, and technical and cost tracking and reporting. Contractors are required to track and report activities and costs to the task level and, if specified in individual work assignments, to the subtask level.

PROGRAM SUPPORT (MANAGEMENT)

The program support (management) component of RACs includes five work areas:

- Mobilization
- Equipment (Non-Site-Specific)
- Ongoing Administrative Support
- Ongoing Technical Support
- Contract Closeout

The Regions will issue and negotiate separate work assignments for these activities. Mobilization and contract closeout are one-time activities; other program support activities will be ongoing over the period of the contract. The work assignment for mobilization and initial work assignment for non-site-specific equipment are negotiated during contract negotiations before award.* Ongoing administrative and technical support work assignments are negotiated during mobilization. These work assignments may extend for the base period of the contract or may be issued for a shorter period. The contract closeout work assignment is issued six to eight months before the end of the contract period. This approach provides the Regions the flexibility to monitor and control the program support costs associated with RACs and complies with the Agency's goal to minimize and break out program support costs in RACs.

TERM-FORM AND COMPLETION-FORM WORK ASSIGNMENTS

The *Federal Acquisition Regulation* describes two forms of cost-reimbursement contracts—term-form and completion-form. RACs contain both term-form and completion-form segments, and term-form or completion-form work assignments may be issued at EPA's discretion.

A term-form work assignment obligates the contractor to devote a specified level of effort for a stated time period toward achieving a defined objective. The statement of work is described in general terms and the contractor provides the specified number of hours on a "best effort" basis during an agreed-upon time period. Under a term-form work assignment, the contractor is obligated to deliver quality labor hours toward a defined objective.

After the issuance of a term-form work assignment, EPA negotiates with the contractor an estimated work assignment cost and fee pool (calculated according to the number of direct labor hours to be expended). Performance (award) fee is paid based on a subjective government evaluation of contractor performance. If the contractor cannot perform the work within the estimated hours, the government may choose to add hours to the work assignment. Additional fee would be associated with those hours.

A completion-form work assignment obligates the contractor to complete and deliver a specified end product (such as a technical report) within the estimated cost of the work assignment as a condition for fee payment. If the contractor cannot complete the product within the estimated cost, the government may elect to provide the contractor with additional funds to complete the work while the fee remains as originally negotiated. The completion-form approach, therefore, gives the contractor an incentive to complete the work assignment within the estimated cost.

Completion-form work assignments are negotiated and established using the same process as term-form work assignments, except fee is negotiated based on estimated cost rather than labor hours. As with term-form work assignments, if the contractor cannot complete the work assignment within the estimated cost, the government may provide additional funds for completion; unlike term-form work assignments, additional fee usually is not provided. For both term- and completion-form work assisgnments, if the work assignment scope of work changes during the period of performance, the contractor can claim a "change," which the government may or may not negotiate to include a change in the fee.

* Last-minute changes in EPA policy may affect treatment of equipment in RACs.

RACs contain a base quantity for the term-form (level of effort) segment of the contract and dollar ceilings for the completion-form segment of the contract. The Regions determine the distribution of work between the two segments for their contracts. When the base quantity and/or dollar ceiling is exhausted, the Region can modify the contract to increase contract quantities or dollars through exercising contract options. Term-form contract increases raise the number of hours in the contract. Completion-form increases raise the completion-form dollar ceiling.

PERFORMANCE (AWARD) FEE PLAN

The Performance (Award) Fee Plan for RACs establishes the procedures and processes for administering the fee provisions of the contract. The RACs Performance (Award) Fee Plan includes base and performance (award) fee provisions. Base fee is paid provisionally during the life of a work assignment. If final work assignment performance is rated as "satisfactory" or better, the contractor retains all of the base fee associated with that work assignment. If final work assignment performance is rated as "unsatisfactory," the contractor must return to the government the entire base fee associated with the work assignment. Performance (award) fee is paid only for completed work assignments for which the government evaluates contractor performance as "exceeds expectations" or "outstanding." Government evaluations are unilateral and not subject to contractor dispute.

The RAC Performance (Award) Fee Plan motivates contractors to exceed Regional expectations by providing performance (award) fee for better-than-satisfactory performance and discourages less-than-satisfactory performance through a total loss of fee.

REPORTS

RACs contain nationally standardized reporting and invoicing requirements that allow data to be compared across contracts and enhance EPA's oversight capabilities. Both hard copy and electronic reports are required. The contractor is required to (1) report and invoice on the same calendar period, (2) calculate data elements used in reports and invoices by the same methods, and (3) submit progress reports concurrently with invoices. These requirements ensure that the government has adequate information for timely review and approval of invoices. Progress reports, which allow effective monitoring of work progress, and national reports, which update EPA Headquarters on contract status, facilitate contract management and cost control.

CONTRACT FUNDING

Most RAC funding is bulk funding, which means that the contract as a whole is funded periodically, according to the funding categories, as opposed to traditional, individual work assignment funding. The bulk-funding categories in RACs are defined as non-site-specific funding areas in OSWER Publication 9200.3-14.2, Program Management Manual. The four bulk-funding categories are:

- Program Support (Other Response)
- Site Characterization (non-site-specific "site" allowance)
- Removal
- Enforcement

In bulk funding, obligations are not site-specific but expenditures are. Bulk funds are committed and obligated to the contract using the funding category, a generic activity code, and a generic site code. The contractor invoices site-specifically, replacing the generic activity code and site code with the applicable activity code and site code specified in the work assignment.

To manage expenditures under individual work assignments, the government establishes an "expenditure limit" for each work assignment issued. The expenditure limit is expressed in hours and dollars for term-form work assignments and in dollars for completion-form work assignments. The contractor can expend work assignment hours and/or dollars up to the work assignment expenditure limit but cannot exceed the expenditure limit. Within the bulk-funding approach, the expenditure limit serves as the work assignment funding ceiling and ensures that the government controls individual work assignment expenditures.

Some types of work assignments will not be bulk funded. Remedial action work assignments and completion-form work assignments will be funded individually on a site-specific basis.

FOR FURTHER INFORMATION CALL:

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Washington, DC 20460

Official Business
Penalty for Private Use
$300

Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Fact Sheets

APPENDIX E

MAY 31, 1995

Regions should keep fact sheets relating to *Users' Guide* topics in this appendix for reference.

Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Forms on Diskette

APPENDIX F

MAY 31, 1995

Many Response Action Contract (RAC) forms are provided throughout *RAC Users' Guide, Volume 2: Process Guide.* Electronic versions of the most frequently used RAC forms are provided in this appendix on the attached disk. These electronic forms can be completed by RAC managers using word processing or form filler software. Forms that are designed specifically for the RAC program are formatted in WordPerfect 5.1. EPA Standard Forms are formatted for use with Delrina's PerForm or FormFlow programs.

Two indices of the RAC forms provided electronically are shown below. The first index lists forms by exhibit number; the second index lists forms alphabetically by title.

Hard copies of all electronic forms, arranged alphabetically, follow the indices.

Index to RAC Forms on Diskette by Exhibit Number

Exhibit Number	Form Title	File Name(s)
4-27	Summary of Costs Claimed for FYE XX	04-27
4-28	Summary of Costs Claimed for FYE XX by Work Assignment	04-28
4-29	Billing Summary for FYE XX	04-29
5-1	Work Assignment Allocation Matrix	05-1
5-9	EPA Form 1900-65A, Nomination and Appointment of Contracting Officer's Representative	05-9*
5-12	EPA Work Assignment Form (WAF) for RAC	05-12
5-13	EPA Form 1900-8, Procurement Request Form	
	Copies 1, 3, 5, and 6 through 10	05-13A*
	Copy 2	05-13B*
	Receiving Report (middle form)	05-13C*
	Copies 1, 2, and the Receiving Report	05-13D*
	Copy 1	05-13E*
5-21	Work Plan Evaluation Checklist	05-21
5-43	Work Assignment Completion Report (EPA Version)	05-43
5-44	Work Assignment Completion Report (Contractor Version)	05-44
6-4	Performance Evaluation Summary	06-4
6-5	Regional Evaluation Summary	06-5
6-6	Work Assignment Completion Report	
	EPA Version	05-43
	Contractor Version	05-44
10-4	Checklist for Voucher Validation Review	10-4
11-5	Standard Form 135 (SF 135)	11-5A*
	Continuation sheet	11-5B*
13-1	Annual Update Tracking Sheet	13-1

*In PerForm format

51-033-195

Index to RAC Forms on Diskette by Title

Form Title	File Name(s)
Annual Update Tracking Sheet	13-1
Billing Summary for FYE XX	04-29
Checklist for Voucher Validation Review	10-4
EPA Form 1900-8, Procurement Request Form	
Copies 1, 3, 5, and 6 through 10	05-13A*
Copy 2	05-13B*
Receiving Report (middle form)	05-13C*
Copies 1, 2, and the Receiving Report	05-13D*
Copy 1	05-13E*
EPA Form 1900-65A, Nomination and Appointment of Contracting Officer's Representative	05-9*
EPA Work Assignment Form (WAF) for RAC	05-12
Performance Evaluation Form	06-4
Regional Evaluation Summary	06-5
Standard Form 135 (SF 135)	11-5A*
Continuation sheet	11-5B*
Summary of Costs Claimed for FYE XX	04-27
Summary of Costs Claimed for FYE XX by Work Assignment	04-28
Work Assignment Allocation Matrix	05-1
Work Assignment Completion Report (EPA Version)	05-43
Work Assignment Completion Report (Contractor Version)	05-44
Work Plan Evaluation Checklist	05-21

*In PerForm format

51-033-196

Annual Update Tracking Sheet

Page Number(s) to be Replaced/Date	New Page Number(s)/Date	Basis for Change
pg. 5-25/ January 17, 1995	pgs. 5-25, 5-25a, and 5-25b/ December 31, 1996	OSWER Directive XXXXXXX

Billing Summary for FYE XX

	Invoice Date	Costs Billed for FYE XX	Fee Billed for FYE XX	Total Billed for FYE XX
Voucher #				
Voucher #				
Voucher #				
Voucher #				
Voucher #				
Voucher #				
Voucher #				
Voucher #				
Voucher #				
Voucher #				
Voucher #				
	_____	_____	_____	_____
Total	========	========	========	=======

Last Column on this Schedule must equal total Billed on Attachment 1C - Summary of Costs Claimed

Date Submitted to EPA
Contact Person Name
Number

Checklist for Voucher/Invoice Review

Contractor Name: _____ Contracting Program: _____
Contract No.: _____ Region: _____
Reviewer's Name: _____ Review Compl. Date: _____
Voucher Number(s) Reviewed: _____
Voucher Performance Period(s): _____

Step Performed (Y/N)	Reviewer's Initials	Date	Review Procedures
_____	_____	_____	1. Review the public voucher for completeness (i.e., company name, total costs, signatures, dates, contract number, period of performance, etc.) and determine if costs are presented in the format required by the contract and billed in accordance with government regulations. Also determine the following:
_____	_____	_____	a. Are individual costs elements adequately shown?
_____	_____	_____	b. Are cumulative costs adequately shown?
_____	_____	_____	c. How often are vouchers submitted for payment?
_____	_____	_____	d. Is there evidence in the contract file that the voucher was received and approved by the PO?
_____	_____	_____	2. Ascertain that claimed costs have been incurred, or actually paid, dependent upon the terms of the payment clause of the contract. Also determine if the contractor maintains adequate supporting records for all claimed costs.
_____	_____	_____	3. Make a quick check of the mathematical accuracy of the public voucher.
_____	_____	_____	4. Verify that billed costs were incurred within the period of performance authorized under the contract, delivery order, etc.
_____	_____	_____	5. Review cumulative costs claimed to assure that the amount claimed does not exceed the total estimated cost (excluding fee) authorized under the contract, WA, or delivery order if appropriate.
_____	_____	_____	6. Review and verify that indirect costs claimed are being billed at contractually established rates. Assure that you have the latest agreement issued by the Cost Policy and Rate Negotiation Section for the contractor.
_____	_____	_____	7. Verify that the fee billed is in accordance with contractual provisions and that fee withheld complies with requirements of the contract.
_____	_____	_____	8. Review any special contract provisions for payment restrictions such as ceilings, etc.
_____	_____	_____	9. Review and determine if site-specific costs are correctly accumulated and billed.
_____	_____	_____	10. Review and determine whether there is or has been a history of suspended or disallowed billings, and if so, what is the current status?

Checklist for Voucher/Invoice Validation Review

Contractor Name: _____ Contract Number: _____

Other Direct Costs

In the area of ODCs, the reviewer must thoroughly review supporting documentation to ensure that all ODCs sampled are adequately supported and do not exceed any contract dollar ceilings. Also review any subcontract ODCs for ceiling limitations. In addition, determine the following:

Step Performed (Y/N)	Reviewer's Initials	Date	
_____	_____	_____	1. Carefully sample any charges in the miscellaneous category and transactions in other categories.
_____	_____	_____	2. Ascertain whether the contractor charges similar costs direct to all other clients.
_____	_____	_____	3. Determine if any expenses that should have been charged to overhead were charged as ODC expenses.
_____	_____	_____	4. Validate direct purchases of supplies, materials, equipment, etc., and determine whether property has been purchased and properly approved under the contract.
_____	_____	_____	5. Review the purchase document (purchase order, etc.) to see who authorized the purchase.
_____	_____	_____	6. Compare the purchase document with the vendor's invoice. This should then be compared with the contractor's voucher to EPA. Determine the reason for any difference.

Subcontracts

Step Performed (Y/N)	Reviewer's Initials	Date	
_____	_____	_____	1. Verify a sample of subcontract costs claimed. Ascertain that items and services claimed were purchased directly for the contract. Verify that subcontractor's costs are properly shown on the prime contractor's vouchers. Assure that the contractor monitors subcontractor costs by cost element as well as by entity. Assure that indirect cost rates on subcontracts are periodically adjusted to reflect actual rates incurred. Validate support for subcontractor invoices.
_____	_____	_____	2. Assess the adequacy of the prime contractor's monitoring of the performance of subcontractors.
_____	_____	_____	3. Determine whether the subcontractors sampled have been properly approved by the Contracting Officer in accordance with the terms of the contract. Review the contract agreement between the prime and subcontractor. Be aware of any potential conflict of interest.

Checklist for Voucher/Invoice Validation Review

Contractor Name: _____ Contract Number: _____

Labor

Specific emphasis should be given to labor costs. The reviewer should assure answers to the following questions:

Step Performed (Y/N)	Reviewer's Initials	Date	
_____	_____	_____	1. Will the total LOE be exceeded before the contract performance period expires?
_____	_____	_____	2. Did the contractor charge premium for overtime worked? Was it authorized by the Contracting Officer in advance? Was it charged consistent with the contractor's established practice?
_____	_____	_____	3. Are the hours charged within the estimates specified in the work plan/delivery order?
_____	_____	_____	4. Do the employees billed meet the contract requirements for the category in which they are billed? (You can ask the contractor for specific employees' resumes and compare them to the labor category requirements.)
_____	_____	_____	5. Does the labor mix appear to be appropriate?
_____	_____	_____	6. Are the labor hours and rates supported by timesheets and the payroll register?
_____	_____	_____	7. Are there any dollars being charged to direct labor that are not being charged to LOE? (clerical and management)

Travel

Step Performed (Y/N)	Reviewer's Initials	Date	
_____	_____	_____	1. Determine that travel expenses are adequately justified by supporting documentation and were related specifically to a contract requirement
_____	_____	_____	2. Determine if the sample travel expenses reviewed comply with contractual limitations, the contractor's policies, and the Government Travel Regulations (GTR)

Checklist for Voucher/Invoice Validation Review

Contractor Name: _____ Contract Number: _____

Report Preparation

Step Performed (Y/N)	Reviewer's Initials	Date	
_____	_____	_____	1. Summarize the results of the review.
_____	_____	_____	2. Discuss results with the Contracting Officer, Chief of the Financial Analysis Section, and FACO (when applicable) for assurance of a thorough understanding of the issues.
_____	_____	_____	3. Disclose financial and contracting issues that need interpretation or clarifications.
_____	_____	_____	4. Prepare file notes for identification of problem areas to be included in future and follow-up reviews.
_____	_____	_____	5. Prepare draft report and obtain necessary approval for the draft.
_____	_____	_____	6. Prepare and issue the final report.

Documentation

Step Performed (Y/N)	Reviewer's Initials	Date	
_____	_____	_____	1. Complete the review checklist.
_____	_____	_____	2. Package the report, checklist, correspondence, and workpapers into a file to be maintained as part of the contract file.

United States
Environmental Protection Agency
Washington, DC 20460

PROCUREMENT REQUEST/ORDER

	1. Name of Originator		2. Date of Requisition
	3. Mail Code	4. Telephone Number	5. Date Item Required
6. Signature of Originator		7. Recommended Procurement Method ☐ Competitive ☐ Other than full and open competition ☐ Sole source small purchase	
8. Deliver To (Project Officer)	9. Address	10. Mail Code	11. Telephone Number
12. Suggested Source (Name, Address, ZIP Code, Phone/Contact)	13. Amount of money committed is: ☐ Increase ☐ Decrease ☐ Original ☐ Cancellation	14. For Small Purchases Only: Contracting Office is authorized to exceed the amount shown in Block 26 by 10% or $100, whichever is less. ☐ Yes ☐ No	

15. Approvals

a. Branch/Office	Date	a. Branch/Office	Date
b. Division/Office	Date	b. Division/Office	Date
c Funds listed in Block 26 and Block 14 (if any) are available and reserved. *(Signature and phone number of Certifying Official)*		Phone	Date

16. Date of Order	17. Order Number	18. Contract Number (if any)	19. Discount Terms
20. FOB Point	21. Delivery to FOB Point by ON or before (Date)	22. Person Taking Order/Quote and Phone Number	

23 Contractor *(Name, address, ZIP Code)*	24. Type of Order ☐ a. Purchase	Reference your quote *(See block 22)*
	Please furnish the above on the terms specified on both sides of this order and on the attached sheets, if any, including delivery as indicated.	
	☐ b. Delivery provisions on the reverse are deleted. The delivery order is subject to the terms and conditions of the contract. *(See Block 19)*	
	☐ Oral ☐ Written ☐ Confirming	

25. Schedule

Item Number (a)	Supplies or Services (b)	Quantity Ordered (c)	Unit (d)	Estimated Unit Price (e)	Unit Price (f)	Amount (g)	Quantity Accepted (h)
					Total $		

26. Financial and Accounting Data

SFO (Max 2) ☐

Line	DCN (Max 6)	Budget/ FYs	Appropriation Code (Max 6)	Budget Org/Code (Max 7)	Program Element (Max 9)	Object Class (Max 4)	Amount (Dollars)	(Cents)	Site/Project (Max 8)	Cost Org/Code (Max 7)
1										
2										
3										
4										
5										

27. United States of America By *(Signature)*	28. Typed Name and Phone of Contracting Officer	Phone

EPA Form 1900-8 (Rev. 5-95) Electronic and paper versions acceptable.
Previous editions are obsolete.

COPY 1 - PROCUREMENT FILE / CONTRACTING OFFICER

United States
Environmental Protection Agency
Washington, DC 20460

PURCHASE ORDER

Submit the Original of the Invoice to:	Ship To:

Mark All Packages and Papers with Contract and / or Order Numbers

16. Date of Order	17. Order Number	18. Contract Number (if any)	19. Discount Terms

20. FOB Point	21. Delivery to FOB Point by ON or before (Date)	22. Person Taking Order/Quote and Phone Number

23. Contractor *(Name, address, ZIP Code)*

24. Type of Order
☐ a. Purchase

Reference your quote *(See block 22)*

Please furnish the above on the terms specified on both sides of this order and on the attached sheets, if any, including delivery as indicated.

☐ b. Delivery provisions on the reverse are deleted. The delivery order is subject to the terms and conditions of the contract. *(See Block 19)*

☐ Oral ☐ Written ☐ Confirming

25. Schedule

Item Number (a)	Supplies or Services (b)	Quantity Ordered (c)	Unit (d)	Estimated Unit Price (e)	Unit Price (f)	Amount (g)	Quantity Accepted (h)
					Total $		

26. Financial and Accounting Data

SFO (Max 2) ☐

Line	DCN (Max 6)	Budget/ FYs	Appropriation Code (Max 6)	Budget Org/Code (Max 7)	Program Element (Max 9)	Object Class (Max 4)	Amount (Dollars)	(Cents)	Site/Project (Max 8)	Cost Org/Code (Max 7)
1										
2										
3										
4										
5										

27. United States of America By *(Signature)*	28. Typed Name and Phone of Contracting Officer	Phone

EPA Form 1900-8 (Rev. 5-95) Electronic and paper versions acceptable.
Previous editions are obsolete.

COPY 2 - CONTRACTOR

United States
Environmental Protection Agency
Washington, DC 20460

PROCUREMENT REQUEST/ORDER

1. Name of Originator		2. Date of Requisition
3. Mail Code	4. Telephone Number	5. Date Item Required

6. Signature of Originator

7. Recommended Procurement Method
☐ Competitive ☐ Other than full and open competition ☐ Sole source small purchase

8. Deliver To (Project Officer)	9 Address	10. Mail Code	11. Telephone Number

12. Suggested Source (Name, Address, ZIP Code, Phone/Contact)

13. Amount of money committed is:
☐ Increase ☐ Decrease
☐ Original ☐ Cancellation

14. For Small Purchases Only: Contracting Office is authorized to exceed the amount shown in Block 26 by 10% or $100, whichever is less.
☐ Yes ☐ No

15. Approvals

a. Branch/Office	Date	a. Branch/Office	Date
b. Division/Office	Date	b. Division/Office	Date

c. Funds listed in Block 26 and Block 14 (if any) are available and reserved. *(Signature and phone number of Certifying Official)* Phone Date

16. Date of Order	17. Order Number	18. Contract Number (if any)	19. Discount Terms

20. FOB Point	21. Delivery to FOB Point by ON or before (Date)	22. Person Taking Order/Quote and Phone Number

23. Contractor *(Name, address, ZIP Code)*

24. Type of Order
☐ a. Purchase

Reference your quote *(See block 22)*

Please furnish the above on the terms specified on both sides of this order and on the attached sheets, if any, including delivery as indicated.

☐ b. Delivery provisions on the reverse are deleted. The delivery order is subject to the terms and conditions of the contract. *(See Block 19)*

☐ Oral ☐ Written ☐ Confirming

25. Schedule

Item Number (a)	Supplies or Services (b)	Quantity Ordered (c)	Unit (d)	Estimated Unit Price (e)	Unit Price (f)	Amount (g)	Quantity Accepted (h)
					Total $		

26. Financial and Accounting Data

SFO (Max 2) ☐

Line	DCN (Max 6)	Budget/ FYs	Appropriation Code (Max 6)	Budget Org/Code (Max 7)	Program Element (Max 9)	Object Class (Max 4)	Amount (Dollars)	(Cents)	Site/Project (Max 8)	Cost Org/Code (Max 7)
1										
2										
3										
4										
5										

27. United States of America By *(Signature)*	28. Typed Name and Phone of Contracting Officer	Phone

EPA Form 1900-8 (Rev. 5-95) Electronic and paper versions acceptable.
Previous editions are obsolete.

COPY 3 - FINANCE (OBLIGATION COPY)

United States
Environmental Protection Agency
Washington, DC 20460

Note: If desired, this order (or a copy thereof) may be used by the Contractor as the Contractor's invoice, instead of a separate invoice, provided the following statement (signed and dated) is on (or attached to) the order: "Payment is requested in the amount of $. No further invoice will be submitted. "However, if the Contractor wishes to submit an invoice, the following information must be provided: contract number (if any), order number, item number(s), description of supplies or services, sizes, quantities, unit prices, and extended totals. Prepaid shipping costs will be indicated as a separate item on the invoice. Where shipping costs exceed $10 (except for parcel post), the billing must be supported by a bill of lading or receipt. When several orders are invoiced to an ordering activity during the same billing, consolidated periodic billings are encouraged.

RECEIVING REPORT

Quantity in the "Quantity Accepted" column on the face of this order has been: ☐ inspected, ☐ accepted, ☐ received by me and conforms to contract. Items listed below have been rejected for the reasons indicated.

SHIPMENT NUMBER	PARTIAL		DATE RECEIVED	SIGNATURE OF AUTHORIZED US GOVERNMENT REP.	DATE
	FINAL				
TOTAL CONTAINERS		GROSS WEIGHT	RECEIVED AT	TITLE	

REPORT OF REJECTIONS

ITEM NO.	SUPPLIES OR SERVICES	UNIT	QUANTITY REJECTED	REASON FOR REJECTION

EPA Form 1900-8 (Rev. 5-95) Electronic and paper versions acceptable.
Previous editions are obsolete.

United States
Environmental Protection Agency
Washington, DC 20460

PROCUREMENT REQUEST/ORDER

	1. Name of Originator	2. Date of Requisition
	3. Mail Code / 4. Telephone Number	5 Date Item Required
6. Signature of Originator	7. Recommended Procurement Method ☐ Competitive ☐ Other than full and open competition ☐ Sole source small purchase	
8. Deliver To (Project Officer)	9. Address	10. Mail Code / 11. Telephone Number
12. Suggested Source (Name, Address, ZIP Code, Phone/Contact)	13. Amount of money committed is: ☐ Increase ☐ Decrease ☐ Original ☐ Cancellation	14. For Small Purchases Only: Contracting Office is authorized to exceed the amount shown in Block 26 by 10% or $100, whichever is less. ☐ Yes ☐ No

15. Approvals

a. Branch/Office	Date	a. Branch/Office	Date
b. Division/Office	Date	b. Division/Office	Date
c. Funds listed in Block 26 and Block 14 (if any) are available and reserved. *(Signature and phone number of Certifying Official)*		Phone	Date

16. Date of Order	17. Order Number	18 Contract Number (if any)	19. Discount Terms
20. FOB Point	21. Delivery to FOB Point by ON or before (Date)	22. Person Taking Order/Quote and Phone Number	

23. Contractor *(Name, address, ZIP Code)*

24. Type of Order
☐ a. Purchase

Reference your quote *(See block 22)*

Please furnish the above on the terms specified on both sides of this order and on the attached sheets, if any, including delivery as indicated.

☐ b. Delivery provisions on the reverse are deleted. The delivery order is subject to the terms and conditions of the contract. *(See Block 19)*

☐ Oral ☐ Written ☐ Confirming

25. Schedule

Item Number (a)	Supplies or Services (b)	Quantity Ordered (c)	Unit (d)	Estimated Unit Price (e)	Unit Price (f)	Amount (g)	Quantity Accepted (h)
					Total $		

26. Financial and Accounting Data

SFO (Max 2) ☐

Line	DCN (Max 6)	Budget/ FYs	Appropriation Code (Max 6)	Budget Org/Code (Max 7)	Program Element (Max 9)	Object Class (Max 4)	Amount (Dollars)	(Cents)	Site/Project (Max 8)	Cost Org/Code (Max 7)
1										
2										
3										
4										
5										

27. United States of America By *(Signature)*	28. Typed Name and Phone of Contracting Officer	Phone

EPA Form 1900-8 (Rev. 5-95) Electronic and paper versions acceptable.
Previous editions are obsolete.

COPY 5 - RECEIVING

United States
Environmental Protection Agency
Washington, DC 20460

PROCUREMENT REQUEST/ORDER

	1. Name of Originator		2. Date of Requisition
	3. Mail Code	4. Telephone Number	5. Date Item Required
6 Signature of Originator		7. Recommended Procurement Method ☐ Competitive ☐ Other than full and open competition ☐ Sole source small purchase	
8 Deliver To (Project Officer)	9. Address	10. Mail Code	11 Telephone Number
12. Suggested Source (Name, Address, ZIP Code, Phone/Contact)	13. Amount of money committed is: ☐ Increase ☐ Decrease ☐ Original ☐ Cancellation	14. For Small Purchases Only: Contracting Office is authorized to exceed the amount shown in Block 26 by 10% or $100, whichever is less. ☐ Yes ☐ No	

15. Approvals

a. Branch/Office	Date	a. Branch/Office	Date
b. Division/Office	Date	b. Division/Office	Date
c. Funds listed in Block 26 and Block 14 (if any) are available and reserved *(Signature and phone number of Certifying Official)*		Phone	Date

16. Date of Order	17. Order Number	18. Contract Number (if any)	19. Discount Terms
20. FOB Point	21. Delivery to FOB Point by ON or before (Date)	22. Person Taking Order/Quote and Phone Number	

23 Contractor *(Name, address, ZIP Code)*

24 Type of Order
☐ a. Purchase

Reference your quote *(See block 22)*

Please furnish the above on the terms specified on both sides of this order and on the attached sheets, if any, including delivery as indicated.

☐ b. Delivery provisions on the reverse are deleted. The delivery order is subject to the terms and conditions of the contract. *(See Block 19)*

☐ Oral ☐ Written ☐ Confirming

25. Schedule

Item Number (a)	Supplies or Services (b)	Quantity Ordered (c)	Unit (d)	Estimated Unit Price (e)	Unit Price (f)	Amount (g)	Quantity Accepted (h)
					Total $		

26. Financial and Accounting Data

SFO (Max 2) ☐

Line	DCN (Max 6)	Budget/ FYs	Appropriation Code (Max 6)	Budget Org/Code (Max 7)	Program Element (Max 9)	Object Class (Max 4)	Amount (Dollars)	(Cents)	Site/Project (Max 8)	Cost Org/Code (Max 7)
1										
2										
3										
4										
5										

27. United States of America By *(Signature)*	28. Typed Name and Phone of Contracting Officer	Phone

EPA Form 1900-8 (Rev. 5-95) Electronic and paper versions acceptable.
Previous editions are obsolete.

COPY 6 - PROPERTY MANAGEMENT OFFICE

United States
Environmental Protection Agency
Washington, DC 20460

PROCUREMENT REQUEST/ORDER

	1 Name of Originator		2. Date of Requisition
	3. Mail Code	4. Telephone Number	5. Date Item Required
6. Signature of Originator		7. Recommended Procurement Method ☐ Competitive ☐ Other than full and open competition ☐ Sole source small purchase	
8. Deliver To (Project Officer)	9. Address	10. Mail Code	11. Telephone Number
12. Suggested Source (Name, Address, ZIP Code, Phone/Contact)	13. Amount of money committed is: ☐ Increase ☐ Decrease ☐ Original ☐ Cancellation	14. For Small Purchases Only: Contracting Office is authorized to exceed the amount shown in Block 26 by 10% or $100, whichever is less. ☐ Yes ☐ No	

15. Approvals

a. Branch/Office	Date	a. Branch/Office	Date
b. Division/Office	Date	b. Division/Office	Date
c. Funds listed in Block 26 and Block 14 (if any) are available and reserved *(Signature and phone number of Certifying Official)*		Phone	Date

16. Date of Order	17. Order Number	18. Contract Number (if any)	19. Discount Terms
20. FOB Point	21. Delivery to FOB Point by ON or before (Date)	22. Person Taking Order/Quote and Phone Number	

23. Contractor *(Name, address, ZIP Code)*

24 Type of Order ☐ a. Purchase — Reference your quote *(See block 22)*

Please furnish the above on the terms specified on both sides of this order and on the attached sheets, if any, including delivery as indicated.

☐ b. Delivery provisions on the reverse are deleted. The delivery order is subject to the terms and conditions of the contract. *(See Block 19)*

☐ Oral ☐ Written ☐ Confirming

25. Schedule

Item Number (a)	Supplies or Services (b)	Quantity Ordered (c)	Unit (d)	Estimated Unit Price (e)	Unit Price (f)	Amount (g)	Quantity Accepted (h)
					Total $		

26. Financial and Accounting Data

SFO (Max 2) ☐

Line	DCN (Max 6)	Budget/ FYs	Appropriation Code (Max 6)	Budget Org/Code (Max 7)	Program Element (Max 9)	Object Class (Max 4)	Amount (Dollars)	(Cents)	Site/Project (Max 8)	Cost Org/Code (Max 7)
1										
2										
3										
4										
5										

27. United States of America By *(Signature)*	28 Typed Name and Phone of Contracting Officer	Phone

EPA Form 1900-8 (Rev. 5-95) Electronic and paper versions acceptable.
Previous editions are obsolete.

COPY 7 - VENDOR FILE

United States
Environmental Protection Agency
Washington, DC 20460

PROCUREMENT REQUEST/ORDER

	1. Name of Originator		2. Date of Requisition
	3. Mail Code	4. Telephone Number	5. Date Item Required
6. Signature of Originator	7. Recommended Procurement Method ☐ Competitive ☐ Other than full and open competition ☐ Sole source small purchase		
8. Deliver To (Project Officer)	9. Address	10. Mail Code	11. Telephone Number
12. Suggested Source (Name, Address, ZIP Code, Phone/Contact)	13. Amount of money committed is: ☐ Increase ☐ Decrease ☐ Original ☐ Cancellation	14. For Small Purchases Only: Contracting Office is authorized to exceed the amount shown in Block 26 by 10% or $100, whichever is less. ☐ Yes ☐ No	

15. Approvals

a. Branch/Office	Date	a. Branch/Office	Date
b. Division/Office	Date	b. Division/Office	Date
c. Funds listed in Block 26 and Block 14 (if any) are available and reserved. *(Signature and phone number of Certifying Official)*		Phone	Date

16. Date of Order	17. Order Number	18. Contract Number (if any)	19. Discount Terms
20. FOB Point	21. Delivery to FOB Point by ON or before (Date)	22. Person Taking Order/Quote and Phone Number	

23. Contractor *(Name, address, ZIP Code)*

24. Type of Order
☐ a. Purchase

Reference your quote *(See block 22)*

Please furnish the above on the terms specified on both sides of this order and on the attached sheets, if any, including delivery as indicated.

☐ b. Delivery provisions on the reverse are deleted. The delivery order is subject to the terms and conditions of the contract. *(See Block 19)*

☐ Oral ☐ Written ☐ Confirming

25. Schedule

Item Number (a)	Supplies or Services (b)	Quantity Ordered (c)	Unit (d)	Estimated Unit Price (e)	Unit Price (f)	Amount (g)	Quantity Accepted (h)
					Total $		

26. Financial and Accounting Data

SFO (Max 2) ☐

Line	DCN (Max 6)	Budget/ FYs	Appropriation Code (Max 6)	Budget Org/Code (Max 7)	Program Element (Max 9)	Object Class (Max 4)	Amount (Dollars)	(Cents)	Site/Project (Max 8)	Cost Org/Code (Max 7)
1										
2										
3										
4										
5										

27. United States of America By *(Signature)*	28 Typed Name and Phone of Contracting Officer	Phone

EPA Form 1900-8 (Rev. 5-95) Electronic and paper versions acceptable.
Previous editions are obsolete.

COPY 8 - FINANCE (COMMITMENT COPY)

United States
Environmental Protection Agency
Washington, DC 20460

PROCUREMENT REQUEST/ORDER

	1. Name of Originator		2. Date of Requisition
	3. Mail Code	4. Telephone Number	5. Date Item Required

6. Signature of Originator

7. Recommended Procurement Method
☐ Competitive ☐ Other than full and open competition ☐ Sole source small purchase

8. Deliver To (Project Officer)	9. Address	10. Mail Code	11. Telephone Number

12. Suggested Source (Name, Address, ZIP Code, Phone/Contact)

13. Amount of money committed is:
☐ Increase ☐ Decrease
☐ Original ☐ Cancellation

14. For Small Purchases Only: Contracting Office is authorized to exceed the amount shown in Block 26 by 10% or $100, whichever is less.
☐ Yes ☐ No

15. Approvals

a. Branch/Office	Date	a. Branch/Office	Date
b. Division/Office	Date	b. Division/Office	Date

c. Funds listed in Block 26 and Block 14 (if any) are available and reserved. *(Signature and phone number of Certifying Official)* Phone Date

16. Date of Order	17. Order Number	18. Contract Number (if any)	19. Discount Terms

20. FOB Point	21. Delivery to FOB Point by ON or before (Date)	22. Person Taking Order/Quote and Phone Number

23. Contractor *(Name, address, ZIP Code)*

24. Type of Order
☐ a. Purchase

Reference your quote *(See block 22)*

Please furnish the above on the terms specified on both sides of this order and on the attached sheets, if any, including delivery as indicated.

☐ b. Delivery provisions on the reverse are deleted. The delivery order is subject to the terms and conditions of the contract. *(See Block 19)*

☐ Oral ☐ Written ☐ Confirming

25. Schedule

Item Number (a)	Supplies or Services (b)	Quantity Ordered (c)	Unit (d)	Estimated Unit Price (e)	Unit Price (f)	Amount (g)	Quantity Accepted (h)
					Total $		

26. Financial and Accounting Data

SFO (Max 2) ☐

Line	DCN (Max 6)	Budget/ FYs	Appropriation Code (Max 6)	Budget Org/Code (Max 7)	Program Element (Max 9)	Object Class (Max 4)	Amount (Dollars)	(Cents)	Site/Project (Max 9)	Cost Org/Code (Max 7)
1										
2										
3										
4										
5										

27. United States of America By *(Signature)*	28. Typed Name and Phone of Contracting Officer	Phone

EPA Form 1900-8 (Rev. 5-95) Electronic and paper versions acceptable.
Previous editions are obsolete.

COPY 9 - COMMITMENT CLERK (COMMITMENT COPY)

United States
Environmental Protection Agency
Washington, DC 20460

PROCUREMENT REQUEST/ORDER

	1. Name of Originator	2. Date of Requisition
	3. Mail Code / 4. Telephone Number	5. Date Item Required
6. Signature of Originator	7. Recommended Procurement Method ☐ Competitive ☐ Other than full and open competition ☐ Sole source small purchase	
8. Deliver To (Project Officer)	9. Address	10. Mail Code / 11. Telephone Number
12. Suggested Source (Name, Address, ZIP Code, Phone/Contact)	13. Amount of money committed is: ☐ Increase ☐ Decrease ☐ Original ☐ Cancellation	14. For Small Purchases Only: Contracting Office is authorized to exceed the amount shown in Block 26 by 10% or $100, whichever is less. ☐ Yes ☐ No

15. Approvals

a. Branch/Office	Date	a. Branch/Office	Date
b. Division/Office	Date	b. Division/Office	Date
c. Funds listed in Block 26 and Block 14 (if any) are available and reserved. *(Signature and phone number of Certifying Official)*		Phone	Date

16. Date of Order	17. Order Number	18. Contract Number (if any)	19. Discount Terms
20. FOB Point	21. Delivery to FOB Point by ON or before (Date)	22. Person Taking Order/Quote and Phone Number	

23. Contractor *(Name, address, ZIP Code)*

24. Type of Order
☐ a. Purchase

Reference your quote *(See block 22)*

Please furnish the above on the terms specified on both sides of this order and on the attached sheets, if any, including delivery as indicated.

☐ b. Delivery provisions on the reverse are deleted. The delivery order is subject to the terms and conditions of the contract. *(See Block 19)*

☐ Oral ☐ Written ☐ Confirming

25. Schedule

Item Number (a)	Supplies or Services (b)	Quantity Ordered (c)	Unit (d)	Estimated Unit Price (e)	Unit Price (f)	Amount (g)	Quantity Accepted (h)
					Total $		

26. Financial and Accounting Data

SFO (Max 2) ☐

Line	DCN (Max 6)	Budget/ FYs	Appropriation Code (Max 6)	Budget Org/Code (Max 7)	Program Element (Max 9)	Object Class (Max 4)	Amount (Dollars)	(Cents)	Site/Project (Max 8)	Cost Org/Code (Max 7)
1										
2										
3										
4										
5										

27. United States of America By *(Signature)*	28. Typed Name and Phone of Contracting Officer	Phone

EPA Form 1900-8 (Rev. 5-95) Electronic and paper versions acceptable.
Previous editions are obsolete.

COPY 10 - ORIGINATOR

United States
Environmental Protection Agency
Washington, DC 20460

NOMINATION AND APPOINTMENT OF THE CONTRACTING OFFICER'S REPRESENTATIVE (COR)

1a. Name of Nominee	b. Title, Series, and Grade
c. Mailing Address *(include mail code)*	d. Telephone

2. The nomination is for

- ☐ Project Officer
- ☐ Deputy Project Officer
- ☐ Regional Project Officer
- ☐ Zone Project Officer
- ☐ Delivery Order Project Officer
- ☐ Work Assignment Manager
- ☐ Alternate _____
- ☐ Other _____

3. Training completed

	Date Completed
a. Acquisition Training for Project Officers (Formerly The Basic Project Officers Course) (All Project Officers must complete.)	_____
b. Contract Administration course (All CORs must complete.)	_____
c. Recertification Course (All CORs must complete every three years.)	_____

4. Briefly describe the nominee's contract management experience and nominee's technical expertise in the subject matter of the contract.

5. The nomination is for contract number _____

6. I understand that COR duties are not redelgable. In the event that I am unable to continue performing my COR duties, I will contact the Contracting Officer immediately.

Signature of Nominee _____ Date _____

7. I certify that

a. The nominee's contract management duties will be incorporated in his/her position description and performance standards.
b. The nominee's Standard Form 450, Confidential Financial Disclosure Report, will be filed with the cognizant Deputy Ethics Official.
c. The nominee's contract management workload will stay within his/her ability to perform satisfactorily.
d. If the nominee performs his/her contract management functions unsatisfactorily, I will notify the Contracting Officer immediately.

Signature of Nominating Official _____ Date _____

Name/Title *(Print or type)* _____ Telephone _____

Signature of Nominating Official *(Contracting Officer)* _____ Date _____

EPA WORK ASSIGNMENT FORM (WAF) FOR RAC

1. WORK ASSIGNMENT (WA) INFORMATION

Project Name _____ Contractor _____ WA No _____

Activity _____ EPA Contract No _____ Revision No _____

Date _____ Contractor Control No _____ Modification No _____
(Contracting Officer Use Only)

2. DESCRIPTION OF ACTION

___ New WA (need WP for the WA) Attach SOW including schedule . Designate WAM	___ WA Amendment (need revised WP and/or cost estimate) Change in LOE or scope by task Add additional tasks or funds for increased activity	___ Partial WP Approval ___ WP Disapproval ___ Final WP Approval ___ Amendment to Final WP Approval Approve change in LOE, scope, or budget Approve additional tasks	___ Technical Direction Memorandum Details on scope, budget, or schedule Minor shift within SOW (no change in $/LOE) Change WAM ___ Set or revise expenditure limit (EL)	___ Incremental Funding Fund approved WP ___ WA Closeout Notification Notify contractor to initiate WA closeout task Revise EL after final invoice ___ Other _____

3. BUDGET INFORMATION

___ Completion WA ___ Term WA

Total Funding Received ($)

Previous Total _____
This Action _____
New Total _____

Funding Category: _____
Activity Code: _____ S/SID _____

Approved Work Plan Budget		Expenditure Limits Not to Be Exceeded	
LOE Term WAs Only	($)*	LOE Term WAs only	($)*
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
	* Includes fees		* Includes fees

4. WA COMPLETION DATE

Current _____ Revised _____

5. EPA COMMENTS:

6. APPROVALS

Contractor Signatures		EPA Signatures	
_____	_____	_____	_____
Site Manager/Firm	Date	Work Assignment Manager	Date
_____	_____	_____	_____
Program Manager/Firm	Date	Project Officer	Date

___ Approved As Submitted ___ Approved With Changes ___ Not Approved _____ Signature of Contracting Officer _____ Date

1. SITE NAME: 2. WA NO.: 3. STATE:

RAC Performance Evaluation Form

4. Check one: ___ SUMMARY EVALUATION REPORT (SER) ___ PERFORMANCE EVALUATION REPORT (PER)
5. CONTRACTOR: 5. CONTRACT NUMBER:
7. CONTRACTOR REGIONAL MANAGER: PHONE:
8. PROJECT OFFICER (PO): PHONE:
9. CONTRACTING OFFICER (CO): PHONE:
10. WORK ASSIGNMENT MANAGER (WAM): PHONE:
11. PERFORMANCE PERIOD FROM: TO:
12. WA FORM (Check one) __ TERM __ COMPLETION
13. WA TITLE:

PERFORMANCE EVALUATION CATEGORY

14. Check one: __ SITE-SPECIFIC WA EVALUATION __ PROGRAM SUPPORT (PS) WA EVALUATION

CONTRACTOR PERFORMANCE EVALUATION

15. Check one:
EVALUATION PREPARED BY: __ WAM __ CO __ PO

16. OVERALL PERFORMANCE RATING (Check one):

__ UNSATISFACTORY (1) __ SATISFACTORY (2) __ EXCEEDED EXPECTATIONS (3) __ OUTSTANDING (4)

17. DESCRIPTION OF ACTIVITIES:

18. OVERALL PERFORMANCE EVALUATION:

19. STRENGTHS/WEAKNESSES/NEEDED IMPROVEMENTS:

20. EVALUATOR SIGNATURE: _____ DATE: _____

EVALUATION CRITERIA SCORE SHEET

21. PROJECT PLANNING RATING: 1___ 2___ 3___ 4___
[organizing (e.g. work plan development, data review); scheduling; budgeting]

22. TECHNICAL COMPETENCE & INNOVATION RATING: 1___ 2___ 3___ 4___
[effectiveness of analysis; meet plan goals; expert testimony; support COE/State/enforcement; adhere to regs and procedures]

23. SCHEDULE & COST CONTROL RATING: 1___ 2___ 3___ 4___
[budget (hours & cost) maintenance; priority schedule adjustments; cost minimization]

24. REPORTING RATING: 1___ 2___ 3___ 4___
[timeliness of deliverables; clarity; thoroughness]

25. RESOURCE UTILIZATION RATING: 1___ 2___ 3___ 4___
[staffing; subcontracting; equipment; travel, etc.]

26. EFFORT RATING: 1___ 2___ 3___ 4___
[responsiveness; mobilization; day-to-day; special situations (e.g. adverse/dangerous conditions)]

27. SMALL AND SDB UTILIZATION RATING: 1___ 2___ 3___ 4___
[small and SDB participation, development, and subcontracting goals; Mentor-Protege program]

28. CONTRACTOR PERFORM. EVALUATION PREPARED BY PO RATING: 1___ 2___ 3___ 4___

29. PO ASSESSMENT AND CERTIFICATION:

30. PO SIGNATURE: _____ DATE: _____

REGIONAL EVALUATION SUMMARY (RES)

Contractor:	**Contract No.**	**Performance Evaluation Period**
EPA Project Officer:		**From:**
Contractor Program Manager:		**To:**

Performance Evaluation Key:

(0-25) Unsatisfactory (26-50) Satisfactory (51-75) Exceeds Expectations (76-100) Outstanding

Site Name	WA No.	Numeric Rating (0-100)	Comments

Project Officer Signature

Date

RECORDS TRANSMITTAL AND RECEIPT

Complete and send original and two copies of this form to the appropriate Federal Records Center for approval prior to shipment of records. See specific instructions on reverse.

PAGE 1 OF PAGES

1. TO *(Complete the address for the records center serving your area as shown in 36 CFR 1228.150.)*

Federal Records Center

5. FROM *(Enter the name and complete mailing address of the office retiring the records. The signed receipt of this form will be sent to this address.)*

2. AGENCY TRANSFER AUTHORIZATION	TRANSFERRING AGENCY OFFICIAL *(Signature and title)*	DATE
3. AGENCY CONTACT	TRANSFERRING AGENCY LIAISON OFFICIAL *(Name, office and telephone No.)*	
4. RECORDS CENTER RECEIPT	RECORDS RECEIVED BY *(Signature and title)*	DATE

Fold Line

6. **RECORDS DATA**

ACCESSION NUMBER			VOLUME *(cu. ft.)*	AGENCY BOX NUMBERS	SERIES DESCRIPTION *(With inclusive dates of records)*	RESTRICTION	DISPOSAL AUTHORITY *(Schedule and item number)*	DISPOSAL DATE	COMPLETED BY RECORDS CENTER			
RG	FY	NUMBER							LOCATION	SHELF	CONT. TYPE	AUTO. DIS
(a)	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(g)*	*(h)*	*(i)*	*(j)*	*(k)*	*(l)*	*(m)*

Standard Form 135 (Rev. 7-85) (EG)
Prescribed by NARA
36 CFR 1228.152

INSTRUCTIONS FOR COMPLETION OF STANDARD FORM 135

FOR COMPLETION BY THE TRANSFERRING AGENCY

Items 1, 2, 3 and 5 are self-explanatory. Specific instructions for item 6 are as follows:

Col.

Accession Number. A separate accession number is required for each series of records listed on the form. A series consists of records having the same disposal authority and disposal date that are transferred together to the records center. The accession number is entered in three parts, consisting of:

(a) The NARA record group number assigned to the records of the agency making the transfer;

(b) The last two digits of the current fiscal year; and

(c) A four digit number obtained in advance from the records center. (Arrangements may be made with the center to have these numbers assigned by the agency records officer or other official.)

(d) *Volume.* Enter the volume in cubic feet of each series of records being transferred.

(e) *Agency Box Numbers.* Show the inclusive box numbers for each series of records being transferred. The agency shall number each carton sequentially as follows: 1 of 25, 2 of 25, 3 of 25, etc. (Each new series of records should begin with carton number 1.) To facilitate control of the records and future reference service, the agency also shall mark each container with the assigned accession number prior to shipment.

(f) *Series Description.* Describe the records in sufficient detail to allow the records center to check for proper application of the disposal schedule. Inclusive dates of the records should be indicated. Show the organizational component that created the records when it is other than that shown in item 5.

(g) *Restriction.* Enter one of the following codes to show a restriction on use of the records. Restrictions other than (or in addition to) security classifications, such as limiting access to certain agency officials, are to be specified by a statement in the Series Description column (f).

Code	*Restrictions*
Q	Q security classification
T	Top Secret security classification
S	Secret security classification
C	Confidential security classification
R	Restricted use - witnessed disposal *not required* (specify in column (f))
W	Restricted use - witnessed disposal *required* (specify in column (f))
N	No restrictions

(h) *Disposal Authority.* For each series of records, cite the agency schedule and specific item number authorizing disposal. Cite the NARA disposal job and item number if it has not been incorporated into an updated agency schedule.

(i) *Disposal Date.* Applying the disposal authority previously cited in column (h), enter the month and year in which the records may be destroyed.

FOR COMPLETION BY THE RECORDS CENTER

Item 4 is self-explanatory. Specific instructions for item 6 are as follows:
Col.

(j) *Location.* The records center annotates the shelf location of the first carton for each series of records.

(k) *Shelving Plan.* The records center enters the appropriate code from Chap. 7-10e. HB, Records Center Operations (NAR P 1864.1A), to reflect the shelving system.

(l) *Container Type.* The records center enters the appropriate code from Chap. 7-10h, NAR P 1864.1A, to reflect the type of container in which the records are retired.

(m) *Automatic Disposal.* The records center enters either *Y* (yes) to indicate automatic disposal applies or *N* (no) indicating that the agency wishes to receive disposal concurrence notice prior to destruction of the records. Automatic disposal is applied only when previously agreed upon by the agency.

Use Standard Form 135-A, Records Transmittal and Receipt Continuation, when additional space is required for listing records data.

RECORDS TRANSMITTAL AND RECEIPT (Continuation)	This form is to continue listing of Records Data when space on SF 135 is not adequate. Instructions for completion of SF 135 apply.	TRANSFERRING AGENCY'S NAME	DATE	PAGE OF PAGES

ACCESSION NUMBER			VOLUME (cu. ft.)	AGENCY BOX NUMBERS	SERIES DESCRIPTION (With inclusive dates of records)	RESTRIC-TION	DISPOSAL AUTHORITY (Schedule and item number)	DISPOSAL DATE	COMPLETED BY RECORDS CENTER			
RG	FY	NUMBER							LOCATION	SHELF	CONT. TYPE	AUTO DIS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)

Previous edition usable

Standard Form 135-A (Rev. 7-85) (EG)
Prescribed by NARA
36 CFR 1228.152

Summary of Costs Claimed for FYE XX

Contractor Name
Contract Number
Fiscal Year Ending XX

Cost Elements	Total Costs Claimed for FYE XX	Program Mgt. Claimed for FYE XX	Remedial Claimed for FYE XX
Direct Labor			
Fringe			
Overhead			
ODCs			
Travel			
Materials			
Equipment	_____	_____	_____
Subtotal			
G&A	_____	_____	_____
Subcontract Pool Costs (Attachment)			
Subcontract Costs			
Team Sub A			
Team Sub B			
G&A on Subcontracts	_____	_____	_____
Total Costs			
Base Fee			
Award Fee	_____	_____	_____
Total Claimed			
Less Total Billed (See Attachment 1E)			
Variance	==========	==========	==========

Summary of Costs Claimed for FYE XX by Work Assignment

Contractor Name
Contract Number
Fiscal Year Ending XX

Cost Elements	Work Assignment #1	Work Assignment #2	Total All Work Assignments
Direct Labor			
Fringe			
Overhead			
ODCs			
Travel			
Materials			
Equipment	_____	_____	_____
Subtotal			
G&A	_____	_____	_____
Subcontract Pool Costs (Attachment)			
Subcontract Costs			
Team Sub A			
Team Sub B			
G&A on Subcontracts	_____	_____	_____
Total Costs			
Base Fee			
Award Fee	_____	_____	_____
Total Claimed			
Less Total Billed (See Attachment 1E)			
Variance	==========	==========	==========

1. SITE NAME: 2. WA NO.: 3. STATE:

WORK ASSIGNMENT COMPLETION REPORT (WACR)

4. CONTRACTOR: 5. CONTRACT NUMBER:
6. CONTRACTOR REGIONAL MANAGER: PHONE:
7. WORK ASSIGNMENT MANAGER (WAM): PHONE:
8. PROJECT OFFICER (PO): PHONE:
9. CONTRACTING OFFICER (CO): PHONE:
10. PERFORMANCE PERIOD FROM: TO:
11. WA FORM (Check one) __ TERM __ COMPLETION

PERFORMANCE EVALUATION CATEGORY

12. Check one: __ SITE-SPECIFIC (SS) WA EVALUATION __ PROGRAM SUPPORT (PS) WA EVALUATION

CONTRACTOR PERFORMANCE EVALUATION

13. Check one: EVALUATION PREPARED BY: __ WAM __ PO __ CO

---

14. OVERALL PERFORMANCE RATING (Check one):

__ UNSATISFACTORY (1) __ SATISFACTORY (2) __ EXCEEDS EXPECTATIONS (3) __ OUTSTANDING (4)

---

15. WA TITLE AND BRIEF DESCRIPTION OF SCOPE OF WORK:

---

16. OVERALL PERFORMANCE EVALUATION:

---

17. UNUSUAL PROBLEMS/OCCURRENCES AFFECTING CONTRACTOR PERFORMANCE:

---

18. BASE FEE AVAILABLE: BASE FEE PAID:

---

19. PERFORMANCE (AWARD) FEE AVAILABLE:

PERFORMANCE (AWARD) FEE RECOMMENDED? __ YES __ NO RECOMMENDED SIZE: ____% (60% to 100%)

---

20. SPECIFIC REASONS FOR RECOMMENDATION FOR PERFORMANCE (AWARD) FEE:
(Additional pages may be attached if necessary)

---

21. EVALUATOR SIGNATURE: _____ DATE: _____

EVALUATION CRITERIA SCORE SHEET

22. PROJECT PLANNING RATING: 1 2 3 4
- Ability to set schedules and priorities for the accomplishment of all work under the WA
- Regular and effective communication with Agency personnel
- Compliance with contract and WA requirements
- Development of work plan
- Adequacy of HASP and QAMP (PS only)

23. TECHNICAL COMPETENCE & INNOVATION RATING: 1 2 3 4
- Technical quality of deliverables
- Effectiveness and thoroughness of analyses
- Ability to met work plan goals and objectives
- Creativity and ingenuity in approach
- Ability to support other organizations involved at site
- Adherence to regulations, procedures, and guidelines

24. SCHEDULE & COST CONTROL RATING: 1 2 3 4
- Development and maintenance of planned schedules and budgets for deliverables
- Ability to minimize and control the cost
- Elimination of duplication of effort
- Quality and timeliness of deliverables
- Timeliness and reasonableness of monthly reports and invoices (PS only)

25. RESOURCE UTILIZATION RATING: 1 2 3 4
- Effective use of resources
- Suitability of staffing, recruiting, and training of personnel (PS only)
- Appropriateness of professional mix to ensure quality of work while minimizing cost and time expenditures (SS only)
- Ability to effectively manage subcontractors' costs and resources and eliminate cost duplication by subcontractors
- Ability to assure contract compliance by subcontractor
- Adherence to subcontracting plan
- Ability to effectively monitor subcontractor performance

26. REPORTING RATING: 1 2 3 4
- Timeliness of deliverables
- Clarity and thoroughness of reports and documents
- Accuracy and completeness of data

27. EFFORT RATING: 1 2 3 4
- Ability to identify and resolve problems
- Maintenance of regular communication link with Agency personnel and provision of information enabling Agency personnel to keep abreast of progress
- Thoroughness in dealing with all aspects of the project/program

28. SMALL AND SDB UTILIZATION RATING: 1 2 3 4
- Actions taken to increase participation of small businesses and SDBs
- Actions taken to promote mutual beneficial relationships with small businesses and SDBs
- Actions taken to develop technical and corporate administrative expertise of small businesses and SDBs
- Actions taken to aid in the achievement of socioeconomic goal(s) for small businesses and SDBs in the Superfund program
- Extent of firm's participation in the Mentor-Protege Program
- Extent protege(s) met development objectives in agreements
- Extent firm satisfied its small business and SDB subcontracting goals

EVALUATION CRITERIA SHEET

(TO BE FILLED OUT BY PROJECT OFFICER ONLY)

SITE NAME: WA NO.: CONTRACTOR:

WORK ASSIGNMENT COMPLETION REPORT (WACR)

29. PROJECT SCHEDULE AND COST INFORMATION APPROVED vs. EXPENDED

REVISED FINAL LOE: _____ _____

REVISED FINAL COST: _____ _____

COMMENT:

---

30. CONTRACTOR PERFORM. EVALUATION PREPARED BY PO RATING: 1 2 3 4

AWARD FEE RECOMMENDED? ___ YES ___ NO RECOMMENDED SIZE: _____% (60% TO 100%)

---

31. PO ASSESSMENT AND CERTIFICATION:

---

32. PO SIGNATURE: _____ DATE: _____

1. SITE NAME: 2. WA NO.: 3. STATE:

WORK ASSIGNMENT COMPLETION REPORT (WACR)

4. CONTRACTOR: 5. CONTRACT NUMBER:
6. CONTRACTOR REGIONAL MANAGER: PHONE:
7. WORK ASSIGNMENT MANAGER (WAM): PHONE:
8. PROJECT OFFICER (PO): PHONE:
9. CONTRACTING OFFICER (CO): PHONE:
10. PERFORMANCE PERIOD FROM: TO:
11. WA FORM (Check one) __ TERM __ COMPLETION

PERFORMANCE EVALUATION CATEGORY

12. Check one: __ SITE-SPECIFIC (SS) WA EVALUATION __ PROGRAM SUPPORT (PS) WA EVALUATION

CONTRACTOR PERFORMANCE EVALUATION

13. OVERALL PERFORMANCE RATING (Check one):

__ UNSATISFACTORY (1) __ SATISFACTORY (2) __ EXCEEDED EXPECTATIONS (3) __ OUTSTANDING (4)

14. WA TITLE AND BRIEF DESCRIPTION OF SCOPE OF WORK:

15. OVERALL PERFORMANCE EVALUATION:

16. UNUSUAL PROBLEMS/OCCURRENCES AFFECTING CONTRACTOR PERFORMANCE:

17. BASE FEE AVAILABLE: BASE FEE PAID:

18. PERFORMANCE (AWARD) FEE AVAILABLE:

PERFORMANCE (AWARD) FEE RECOMMENDED? __ YES __ NO RECOMMENDED SIZE: ____% (60% to 100%)

19. SPECIFIC REASONS FOR RECOMMENDATION FOR PERFORMANCE (AWARD) FEE:
(Additional pages may be attached if necessary)

EVALUATION CRITERIA SCORE SHEET

20. PROJECT PLANNING — RATING: 1 2 3 4
   . Ability to set schedules and priorities for the accomplishment of all work under the WA
   . Regular and effective communication with Agency personnel
   . Compliance with contract and WA requirements
   . Development of work plan
   . Adequacy of HASP and QAMP (PS only)

21. TECHNICAL COMPETENCE & INNOVATION — RATING: 1 2 3 4
   . Technical quality of deliverables
   . Effectiveness and thoroughness of analyses
   . Ability to met work plan goals and objectives
   . Creativity and ingenuity in approach
   . Ability to support other organizations involved at site
   . Adherence to regulations, procedures, and guidelines

22. SCHEDULE & COST CONTROL — RATING: 1 2 3 4
   . Development and maintenance of planned schedules and budgets for deliverables
   . Ability to minimize and control the cost
   . Elimination of duplication of effort
   . Quality and timeliness of deliverables
   . Timeliness and reasonableness of monthly reports and invoices (PS only)

23. RESOURCE UTILIZATION — RATING: 1 2 3 4
   . Effective use of resources
   . Suitability of staffing, recruiting, and training of personnel (PS only)
   . Appropriateness of professional mix to ensure quality of work while minimizing cost and time expenditures (SS only)
   . Ability to effectively manage subcontractors' costs and resources, eliminate cost duplication by subcontractors
   . Ability to assure contract compliance by subcontractor
   . Adherence to subcontracting plan
   . Ability to effectively monitor subcontractor performance

24. REPORTING — RATING: 1 2 3 4
   . Timeliness of deliverables
   . Clarity and thoroughness of reports and documents
   . Accuracy and completeness of data

25. EFFORT — RATING: 1 2 3 4
   . Ability to identify and resolve problems
   . Maintenance of regular communication link with Agency personnel and provision of information enabling Agency personnel to keep abreast of progress
   . Thoroughness in dealing with all aspects of the project/program

26. SMALL AND SDB UTILIZATION — RATING: 1 2 3 4
   . Actions taken to increase participation of small businesses and SDBs
   . Actions taken to promote mutual beneficial relationships with small businesses and SDBs
   . Actions taken to develop technical and corporate administrative expertise of small businesses and SDBs
   . Actions taken to aid in the achievement of socioeconomic goal(s) for small businesses and SDBs in the Superfund program
   . Extent of firm's participation in the Mentor-Protege Program
   . Extent protege(s) met development objectives in agreements
   . Extent firm satisfied its small business and SDB subcontracting goals

==

27. EVALUATOR SIGNATURE: ______________________________ DATE: ______________

Work Assignment Allocation Matrix

Site Name: _____

Site Number: _____

Operable Unit: _____

Activity: ☐ RI/FS ☐ RD ☐ Oversight ☐ NTCR ☐ Five-year review
☐ RA ☐ Site Assessment ☐ Community Relations ☐ Other _____

Est. Cost: $ _____ Est. LOE:_____ Hours

Contractors in PIRS Order → ↓ Evaluation Factors	(a)	(b)	(c)	(d)	(e)	(f)	Comments
1. Average Twelve-Month PIRS Rating							
2. COI Screen							
3. Capacity Availability							
4. Site-Specific Experience/Knowledge							
5. Related Experience/ Knowledge							
6. Disqualified							
7. For Consideration							
8. Recommended							
9. Rationale							

Prepared by: _____ Date: _____

Work Plan Evaluation Checklist

From: _____
Work Assignment Manager

To: _____
Project Officer

Contract Number: RAC _____
Site Name: _____
Work Assignment Number: _____
Work Plan Dated: _____

Please check each item if appropriate.

Addressing the Statement of Work (SOW)

___ Contractor Addresses all tasks outlined in the SOW.

___ Contractor does not include any extraneous work.

___ Schedule, including critical path and interim and final milestones and deliverables, is acceptable.

___ Management structure appears sound and includes appropriate QA procedures.

___ Technical approach and methodology for accomplishing each task appears effective.

___ Contractor demonstrates a thorough understanding of work assignment.

___ Proposed technical and technician p-levels for each task are reasonable to accomplish the tasks.

___ Reasonable clerical/home office support staff proposed.

___ Appropriate LOE proposed for each p-level.

___ Reasonable budget developed for each activity.

___ Enough detail in WP and cost budget for future cost recovery.

___ Proposed safety and contingency measures are adequate.

Other Direct Costs

___ Proposed material and equipment appear reasonable.

___ Proposed computer effort appears appropriate.

___ Miscellaneous expenses appear reasonable.

___ Government-furnished property is justified, where appropriate.

___ Reproduction and postage costs appear appropriate.

Travel and Communication

___ Number and length of trips, number of travelers, fares, and duration are recommended.

Consulting and Subcontracting

___ Reasonable consultant effort proposed.

___ Laboratory services, other than CLP, are appropriate.

___ Protocol for WAM-contractor communication identified.

___ Reasonable subcontracting effort and costs.

Comments: _____

Recommended for Approval by: _____
Work Assignment Manager — Date

Concur: _____
Project Officer — Date

Response Action Contract (RAC) Users' Guide

Volume 1: Reference Guide

Model Statements of Work

APPENDIX G

MAY 31, 1995

Appendix G, including the model statements of work diskette, is published separately as document number PB95-963414.