

**Part III**

**SECTION J – LIST OF DOCUMENTS, EXHIBITS  
AND OTHER ATTACHMENTS**

**ATTACHMENT 7**

**PERSONNEL (APPENDIX A)**

The provisions of this Appendix are applicable only to work under Contract DE-AC36-99GO10337 and costs incurred in accordance herewith shall be allowable costs.

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## **Section 1. Introduction**

This Appendix sets forth those Contractor human resource management policies and related expenses that have cost implications under the Contract. Only those items of personnel cost and related expenses as set forth in this Appendix and incorporated by reference are allowable costs under this Contract.

The Contractor shall select, employ, manage, and direct the work force, and apply the policies set forth in general conformance with the methods used in the Contractor's private operations, insofar as those methods are consistent with this Contract. The Contractor shall use effective management review procedures and internal controls to assure that allowable costs are not exceeded, and that areas requiring prior approval of the Department of Energy (DOE) Contracting Officer or designated representative are reviewed and approved prior to incurrence of costs.

Either party may request that this Appendix be revised, and the parties hereto agree to give consideration in good faith to any such request. Revisions to this Appendix shall be accomplished by executing a contract modification as approved by the DOE Contracting Officer. When revisions to this Appendix are agreed upon, revised pages will be issued reflecting such changes and the effective date of such changes.

The Appendix is adopted for the exclusive benefit and convenience of the parties hereto, and nothing contained herein shall be construed as conferring any right or benefit upon past, present, or future employees of the Contractor, or upon any other third party. Accordingly, neither this Appendix nor any part thereof, as amended or modified, will be deemed to constitute a Contract between a party hereto and any employee of the Contractor or Major Subcontractor or to be consideration for, or an inducement or condition of, the employment of any person or to afford the basis for any claim or right of action whatsoever against a party hereto by any employee of the Contractor or other third party.

The Contractor shall promptly furnish all reports and information required or otherwise indicated in this Appendix to the Contracting Officer or designated representative. The Contractor and the Department of Energy recognize that other data requests may be made from time to time, and the parties agree to cooperate in meeting such requests.

## Section 2. Definitions

For clarity and consistency of meaning and intent, the following terms are defined for use in this Appendix:

**Adjustment Increase.** Any change in the base rate of pay other than an increase for merit, reclassification, or promotion.

**Base Rate.** The hourly rate or salary paid for a job performed. Does not include shift differentials, benefits, overtime, incentive premiums, or any pay element other than the base rate.

**Battelle Seconded Employee.** An individual assigned by a member of the prime contract management team from Battelle to work at NREL while retaining their employment status at his or her home organization.

**Contractor.** Midwest Research Institute.

**Contracting Officer.** The designated DOE Official who is authorized to obligate the Government.

**Contracting Officer Approval.** Is defined as approval in writing.

**Exempt Employee.** An employee of the Contractor employed in a bona fide executive, administrative, or professional capacity who is determined to be exempt from the minimum wage and overtime provisions of the Fair Labor Standards Act of 1938, as amended.

**Extended Sick Leave (ESL).** Leave used for personal non-occupational illnesses and injuries requiring a physician certification (i.e., fourth consecutive workday missed, first day for chronic health condition, or surgery (outpatient or inpatient)).

**Key Personnel.** Laboratory Director and Associate Directors as defined in Attachment 1, Key Personnel.

**Laboratory.** The National Renewable Energy Laboratory.

**Month of Layoff.** The month in which an employee's last day of work occurs due to a reduction in force (RIF).

**Nonexempt Employee.** An employee of the Contractor who is determined to be covered by the minimum wage and overtime provisions of the Fair Labor Standards Act of 1938, as amended.

**Overtime Pay.** Payment, in addition to straight time, for any hour worked in excess of 40 hours within a payroll week for nonexempt employees, or where applicable, any hours in excess of 40 hours within a payroll week for eligible exempt salaried employees on an approved extended work week schedule.

**Personal Time Off (PTO).** Leave used for vacation, first three days of personal non-occupational illnesses, family illnesses, or other personal reasons.

**Regular Employee.** An employee hired by the Contractor to work either full- or part-time on an established work week or nonstandard work week.

**Service.** Employment duration for the Contractor from date of hire. Unpaid leaves of absence will not be credited if there has been a break in service of over 3 years.

**Straight Time Rate.** An individual's base rate plus any applicable shift differential.

**Temporary Employee.** An employee hired by the Contractor either full- or part-time on an established work week or nonstandard work week for a limited period of time.

**Termination.** Cessation of employment due to resignation, discharge, layoff, reduction in force, retirement, death or removal from payroll because of disability.

**Work Week.** The regular work week shall be 40 hours. Alternative work weeks may be established with approval of the Contracting Officer.

## **Section 3. Pay Policies**

### **1. General Provisions**

The Laboratory Compensation Program must be approved by the Contracting Officer. Proposed Compensation Program design changes that affect costs also will be submitted for review and approval by the Contracting Officer. This does not include Battelle seconded employees. MRI has the responsibility to monitor and approve salaries related to Battelle seconded employees.

### **2. Administration**

- a. The administration of wages and salaries of exempt and nonexempt employees shall be carried out in accordance with sound wage and salary administration principles and in a manner that provides for equitable treatment of personnel on a definitive, systematic basis consistent with economic business practices and judicious expenditure of public funds, and that results in payment of total compensation to individual employees conforming to the standards of reasonableness as contemplated by Federal Acquisition Regulations (FAR) Subpart 31.205-6.
- b. The objectives of the Laboratory Compensation Program are to provide compensation for each employee that will reflect the worth of the position to the Laboratory and to relate compensation increases to an individual's performance.
- c. Within the limits of fiscal resources available annually, every effort shall be made to maintain employee compensation at levels that will attract and retain a competent workforce and maintain a competitive posture in the marketplace. Compensation will be reviewed at least annually. Increases are based on proficient and effective performance and market position; however, increases are given at the discretion of management and are not assured.
- d. Salary bands with minimum and maximum salary amounts have been established for groups of jobs broadly defined as having competitive value in the labor market and comparable value in the Laboratory. Salary surveys are used to confirm the appropriate placement of jobs in the bands. A job evaluation system is used to place jobs in the appropriate bands. Changes in the salary structure require prior Contracting Officer approval.
- e. These salary bands, supported by salary survey information and administrative direction from the Human Resources Office are used to guide managers in making compensation recommendations. Although other factors may be considered, *performance* is the principal consideration for recommending an increase in

compensation for an employee. The Contractor shall maintain an appropriate employee performance appraisal system that is integrated with compensation administration policy.

### **3. Job Classifications, Salary Bands, and Salary Ranges**

- a. All Laboratory positions, with the exception of the Director and Associate Directors, shall be described and placed in generic job classifications using salary survey data or the job evaluation system.
- b. New, changed, or altered compensation bands or job classifications require prior Contracting Officer approval. Submission of such changes for approval shall contain the proposed effective date of new or deleted classifications and the reasons for these proposed changes. The Contracting Officer shall be provided with copies of all job classifications being used.
- c. The Contractor will review the salary structure annually for the proper placement of jobs in salary bands to ensure consistency in the application of salary survey data and the job evaluation system, and to propose appropriate modifications when needed.

### **4. Performance Evaluation System**

The Contractor will maintain a performance evaluation system to appraise each employee on an annual basis in writing.

### **5. Compensation Increase Plan**

- a. Prior to each salary program year, the Contractor will develop and justify, in a manner prescribed by the Contracting Officer, a Compensation Increase Plan (CIP) for exempt employees and nonexempt employees for review and approval. The funds are calculated as a percentage of exempt and nonexempt base payroll at the end of the prior salary year, expressed as an annualized amount, and shall be the maximum amount allowed for granting increases for employees based on merit, promotions, and adjustments. The CIP will be calculated using the base salaries of regular full-time and part-time employees on the date of the fund calculation. This fund will be based upon such factors as national and local surveys, area rates, and such other criteria as may be pertinent to the establishment of competitive salaries. All such increases will be charged to the fund on an annualized basis. Once an individual's compensation increase is charged to the fund, reuse of that amount (i.e., recovery) for any further personal compensation during the compensation year will be unallowable. If an individual terminates before receiving an increase, the amount of money allocated for that individual may remain in the fund. Each component of the fund (i.e., merit, promotion, and adjustments) shall be broken out as subtotals. Although the

Contractor must justify merit, promotion, and adjustment funds separately, once approved, the Contractor may expend the total fund approved for each employee group as needed to support direct pay needs of that group.

- b. The Contractor also shall provide, for Contracting Officer approval, a copy of the annually developed salary increase guidelines prepared for supervisory use, indicating the parameters for granting various increases based on employee performance and current salary.
- c. The dollar amount of the fund will be subject to review and adjustment by the Contracting Officer at any time during the contract year based on major changes that affect contract funding or Contractor payroll, such as a reduction in force.

## **6. Compensation Procedures and Guidelines**

- a. Prior to any official compensation offer, the proposed compensation should be reviewed to ensure that it meets the guidelines of this Appendix, is internally equitable, and competitive with the external market.

No employee shall be paid more than the band maximum for the position without approval of the Laboratory Director and the Contracting Officer.

- b. Compensation ranges will be established for all pay groups based upon external and internal considerations. These will be reviewed annually and adjusted as necessary (when approved by Contracting Officer) to reflect changed economic conditions in the appropriate labor markets. Survey data shall be obtained at least biannually and be sufficiently comprehensive to permit valid comparisons to compensation paid by organizations competing with the Laboratory for labor.
- c. To assure that individual increases are reasonable, compensation increase decisions shall give appropriate consideration to employee performance levels, internal equity, compensation range position, and labor market comparisons. The amount and timing of prior increases will also be considered, with prorating of increases when appropriate.
  - (1) A merit increase is an increase in compensation for performance in the position held at the end of the performance period for which such increase is awarded.

The salaries of new regular employees will be reviewed on the annual compensation increase effective date immediately following their hire date. An employee with less than one year of service may be eligible to receive a pro-rated increase on the annual compensation increase effective date.

The annual effective date of the merit increase shall be as specified below:

- (a) If April 1 is in the first week of the biweekly pay period, the effective date of the merit increase will be the first day of the pay period including April 1.
  - (b) If April 1 is in the second week of the pay period, the effective date of the merit increase will be the first day of the subsequent pay period.
- (2) A promotion increase will be granted upon assignment to a position with significantly increased duties and responsibilities and/or higher market rate. A promotion normally involves movement to a higher salary band; however, movement to a job in a different job family in the same band also may be considered a promotion.
- (3) An adjustment increase is defined as any change in the base rate, other than an increase for merit or promotion, to correct for compensation inequity or for career growth in a salary band.

## **7. Approval of Individual Compensation Actions**

- a. Individual compensation actions for the following positions or types of actions will require the prior written approval of the Contracting Officer:

- (1) Laboratory Director;
- (2) Associate Director(s); and
- (3) Office Directors, Center Directors and Senior Research Fellows.

For the purpose of this section, compensation is defined as base salary plus any DOE reimbursable deferred compensation or cash compensation not included in base pay, if applicable.

- b. The Contractor will review subcontractor compensation actions for Battelle seconded positions to ensure conformance with applicable laws, regulations, and policies.
- c. The Contracting Officer shall approve in advance individual salary actions involving: 1) any new hire or transfer to the Contract resulting in allowable annual compensation where the employee will occupy one of the positions described in 7.a. above; 2) any increase resulting in a base salary of 20 percent or more above the approved market reference value from the Compensation Increase Proposal for the year in which the salary action is effective; or 3) single increases of \$7,500 or more which exceed 15 percent of the employee's salary, or any

combination of increases of \$7,500 or more in a compensation plan year for any individual that together exceed 20 percent of the employee's salary, unless such increase in part of a separate, special adjustment package (involving a group of individuals) which was submitted and approved by DOE or is necessary to bring the salary of an employee to the minimum salary level for the band or to 80 percent of the market value of the position. Special adjustment packages will be discussed with DOE prior to implementation.

Justification documentation shall include information in support of mission goals, Departmental business lines, relative size of budget and number of employees supervised, educational/experience data supporting the proposed salary and selection, and both internal and external market comparative data.

No commitments shall be made to employees regarding compensation actions covered by this section 7, Approval of Individual Compensation Actions, until Contracting Officer approval has been obtained.

- d. All compensation increase memoranda requesting changes in salaries, job titles, or salary bands shall be approved by appropriate levels of management consistent with the Contractor's established procedures. Those actions requiring Contracting Officer approval shall have the prior approval of the Laboratory Director. The Director's compensation shall be approved by the President of Midwest Research Institute before submission for DOE approval.

Salaries requiring DOE Contracting Officer prior approval will be submitted to DOE in sufficient time to be implemented before the proposed effective date, except under extraordinary circumstances endorsed by the Director.

The Contractor will provide the Contracting Officer with wage and compensation reports, as requested.

## **8. Incentive Compensation**

Management and staff incentive compensation as well as performance awards that may be proposed by the Contractor and approved by the Contracting Officer during the period of this Contract or previously approved variable pay plans such as the NREL Signing Bonus Plan and the NREL Employee Retention Plan, will be allowable costs. Such bonuses will not exceed DOE approved levels as stated in the approved plan, without the approval of the Contracting Officer.

## **9. Premium Pay**

### **a. Overtime**

- (1) The use of overtime as a method of accomplishing regularly assigned duties is discouraged, and the Laboratory will preplan and notify employees of any

required overtime as far in advance as possible. No nonexempt employee may work more than 40 hours in any one week without the advance approval, either verbally or in writing, of the appropriate management level.

- (2) The Laboratory will maintain internal controls to assure that overtime hours (other than those resulting from regularly scheduled extended work weeks for around-the-clock operation) do not become excessive.
- (3) Payment of overtime premiums for work in the following categories will be an allowable cost to the extent that the amount is reasonable and properly allocable to work under the Contract. The work must be:
  - (a) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, or breakdowns of equipment; or
  - (b) By indirect labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby Laboratory protection, operation or utilities or accounting; or
  - (c) Associated with the performance of tests, industrial processes, laboratory procedures; loading or unloading of transportation media, operations that are continuous in nature and cannot reasonably be interrupted or otherwise completed; or
  - (d) Work that results in lower cost to the Government.

Overtime reports shall be submitted in accordance with the current applicable Contract requirements.

- (4) Any authorized absence that occurs within the basic work week and that is compensable under this Contract, such as Personal Time Off (PTO), Extended Sick Leave (ESL), or holiday leave, shall be considered as constituting part of the basic or extended work week for the purposes of determining the number of overtime hours.
  - (a) Exempt Employees

Employees who are exempt from the provisions of the Fair Labor Standards Act will be paid a basic compensation commensurate with their job duties and responsibilities. The individual's compensation shall not be related to the actual hours worked, but rather to the job requirements, which are expected to be fulfilled regardless of time requirements of the job. However, in the event that extended work situations may develop requiring the Laboratory to schedule overtime for exempt personnel, the Director or his/her designee may approve additional special compensation or time off work.

(b) Nonexempt Employees

Employees who are not exempt from the provisions of the Fair Labor Standards Act will be paid at the rate of one and one-half times their straight-time hourly equivalent rate for all hours worked in excess of 40 in any one work week. In addition to hours actually worked, the following hours shall be considered as hours worked for the purpose of calculating overtime pay:

Hours allowed for a holiday, which is observed during a scheduled work week:

PTO and such other absences as are specifically provided in this Appendix as being considered as hours of work for the purpose of calculating overtime pay;

Time spent traveling on official business, and as specified below;

Hours in which work is actually performed; or

Other hours for which the Contractor is required by law to pay compensation.

b. Shift Differentials

(1) Shifts and Hours of Work

The Laboratory workday will be separated into three eight-hour shifts, which are defined below. A shift includes all work performed by an employee, at least three-fourths of whose regularly scheduled working hours are as specified below:

- (a) First Shift = 8:00 a.m. to 5:00 p.m. with a minimum 30-minute meal break.
- (b) Second Shift = 4:00 p.m. to 12:30 a.m. with a minimum 30-minute meal break.
- (c) Third Shift = 12:00 a.m. to 8:30 a.m. with a minimum 30-minute meal break.

(2) Compensation

- (a) Shift differential pay shall be established for employees working second and third shifts at an hourly premium added to the employee's standard

hourly pay. Third shift pay is at a higher premium than second shift pay. The premium rates are to be evaluated and approved as part of the annual Compensation Increase Plan.

- (b) The shift premium will not be paid to a regular first-shift employee who starts work before the employee's normal starting time and works into the employee's regular quitting time.
- (c) All PTO, ESL, or other compensation will be paid exclusive of shift differential pay.
- (d) Shift differentials paid will be included for purposes of calculating overtime pay rates.
- (e) In the event that an exempt or nonexempt employee is required to work on a recognized holiday (or day observed as a holiday), the compensation will be in accordance with sections 1.c and 1.d, as described in Section 7. Paid Leave of this Appendix.

### (3) Eligibility and Approval

- (a) Only employees who regularly work those shifts that result in added pay via shift differential, as described above, should be given this compensation. However, it is recognized that there are situations, such as during illnesses or approved absences, that will require scheduling other employees to occasionally work those shifts. In these instances, those employees will be entitled to receive applicable shift differential pay.
- (b) Shift differential pay shall be approved via signature(s) of the appropriate management level.

### c. Call-In Pay

Under special circumstances for facilities and equipment malfunction, e.g., power outages, security and safety systems failure, the Laboratory may need to place certain qualified nonexempt employees on call after working hours, weekends, and holidays to be available to report to work.

#### (1) Compensation

- (a) Nonexempt employees who are designated for on-call/call-back status will be compensated under the overtime provisions described above in this section for all hours worked outside their regularly scheduled 8-hour shift.
- (b) Call-back time shall be compensable for hours actually worked and transportation time with a two-hour minimum payment.

- (c) Nonexempt employees who are regularly scheduled to provide on-call/call-back service for one full week (7 days) will receive premium pay of five hours straight time pay for each full week served on-call in addition to overtime provisions stated above. Unless justified, employees on-call who are not available when called will forfeit this premium pay.
- (d) Exempt employees who are placed on call-back status will not be eligible for the compensation provisions of this section.

(2) Approvals

On-call/call-back services and assignments of employees to on-call/call-back status shall be approved by appropriate levels of management.

d. Emergency Closures

During such time that NREL management and the DOE Golden Field Office manager determine that it is necessary to close the Laboratory due to an emergency situation, special pay provisions for nonexempt employees responsible for providing critical services may be negotiated with and approved by the Contracting Officer. NREL management recognizes that there are exceptional circumstances under which special pay provisions for nonexempt employees are appropriate given the nature of the emergency Laboratory closure and the specific challenges relating to the difficulty and importance of resuming normal Laboratory operations.

- (1) For the purpose of this policy, critical services are defined as those related to maintaining the safety and security of Laboratory personnel, facilities, or property and preparing the Laboratory for safe operations when it reopens for business. These functions will be identified by the Laboratory Director as appropriate based on the nature of the emergency.
- (2) Only personnel who have been contacted by management and instructed to remain on site during an emergency closure (or to report for duty if the Laboratory closed at the start of the work day) will be eligible for special pay.

**10. Separation Pay**

a. Voluntary Separation

Employees who voluntarily terminate their employment at the Laboratory will be expected to give advance notice. The Contractor may prefer in some cases to

have the employee cease active employment prior to his/her notice date. This decision may be accomplished either by:

- (1) Making a lump sum payment covering the notice period remaining at the time the employee leaves, not to exceed 10 working days for a nonexempt employee or 20 working days for an exempt employee; or
- (2) Placing the employee on leave of absence with pay through the remaining period.

In either event, the effective date of separation will be the date on which the notice period expires; and PTO and pension credits will accrue during the interim. Life insurance and medical benefits will also continue during this notice period, and any required contributions will be deducted from the employee's pay.

b. Involuntary Separation

Involuntary separations may occur in situations where acceptable performance is not achieved after adequate counseling has been provided and measurable results have not occurred. Other incidents of unacceptable behavior also may result in involuntary termination of employment.

In either case, any consideration of notice in lieu of immediate dismissal will be evaluated on a case-by-case basis. Severance pay will not be made when an employee is terminated for cause.

c. Reduction-in-Force (RIF)

- (1) An employee's services may be terminated as a result of changes in program, a decrease in work or related funding, reorganizations, and when Laboratory operations no longer require the skills or services that an employee can provide.

An employee being terminated through a RIF will be eligible for the following separation allowance:

Less than one year of service with Laboratory* *Laboratory employees with less than one year of service who were relocated are eligible for four week's pay.	REDACTED
One through four years of service with Laboratory	REDACTED
More than four years service with Laboratory	REDACTED

No employee who: 1) accepts transfer to another facility, subsidiary, or affiliate of the Contractor; 2) is offered employment at comparable pay and benefits by a successor contractor; 3) resigns; or 4) is discharged for cause, will be eligible for severance pay.

An employee who has been accepted for a voluntary RIF or who is impacted by a RIF and who is eligible for and elects retirement will not be denied severance pay. In the event DOE approves a special one-time incentive for early retirement in connection with a work force reduction, the eligibility window for the special incentive will be closed before any voluntary or involuntary RIF designations are made. Employees electing a retirement incentive are not eligible for severance pay.

- (2) Extended benefits coverage will be made available to affected employees. Employees currently enrolled in the insurance programs will be able to continue their coverage for specified periods at the existing premium rates. The employee's premium contribution will be deducted from the final paycheck. These benefits will be as follows:
  - (a) Medical/Dental Insurance will continue for REDACTED days following the end of the month of layoff or until eligible for group coverage with a new employer, whichever occurs first.
  - (b) Life and Accidental Death and Dismemberment Insurance will continue for REDACTED days following the end of the month of layoff or until eligible for group coverage with a new employer, whichever occurs first.
  - (c) Commitments on approved tuition reimbursement courses made to employees enrolled prior to a termination notification date will be fulfilled for that current quarter or semester.
  - (d) All other benefits cease on the date of layoff and statutory benefit coverage provisions are to be implemented as required by applicable laws.
- (3) Payments may be made only upon involuntary separation by RIF of an employee which results in a permanent separation from the employment at the Laboratory. However, payments may also be made upon voluntary separation of an employee within a RIF grouping which thereby eliminates the need for separating another employee involuntarily. Should an employee be rehired in the period covered by the separation pay, the employee will be responsible for refunding the remaining balance of severance pay.
- (4) A specific employee assistance plan will be developed and implemented by the Human Resources Office for each RIF involving more than 10 employees within a 30-day period. Each plan will take into account the scope, as well as other significant aspects of the reduction-in-force, and will be reviewed by the Director and subject to Contracting Officer approval.

- (5) Outplacement services may be offered on a case-by-case basis up to an amount not to exceed \$REDACTED per employee, and services beyond that amount will require Contracting Officer approval.

## **11. Research Participant Program Workers**

Personnel of research and educational institutions and other persons participating in programs described in Section 9. Training and Education, section 4. Research Participant Program may be accorded temporary status at the Laboratory. A temporary professional staff appointment is for those individuals with exceptional professional qualifications and will not normally extend beyond 36 months in duration without the approval of the appropriate Associate Director.

## **Section 4. Labor Relations**

The Contractor will respect the right of employees to organize, form, join, or assist labor organizations; to bargain collectively through representatives of the employee's own choosing; and to engage in other concerted activities for the purpose of collective bargaining, and also the right to refrain from such activities.

If any segment of the Contractor's workforce becomes certified for representation by a labor organization, the Contractor will meet with the Contracting Officer or designee(s) for the purpose of reviewing the Contractor's bargaining objectives prior to any negotiation concerning any collective bargaining agreement or revision.

Subsequent to negotiations of a collective bargaining agreement, the Contractor will promptly advise the Contracting Officer of labor relations developments involving the Contractor or any subcontractor on a government-owned or operated site that appears likely to lead to a work stoppage or appears to involve: the National Labor Relations Board at any level; recourse to procedures under the Labor Management Relations Act of 1947, as amended; the Higher Education Employee Relations Act; any Federal or State labor law; or any grievance that reasonably may be expected to be referred to arbitration under a collective bargaining agreement.

## **Section 5. Employee Welfare Benefit Programs**

### **1. General**

The Contractor will be reimbursed for all costs incurred in implementing, administering, and funding comprehensive Group Insurance Plans. The Contractor's programs shall meet the tests of allowability and reasonableness established by applicable FAR, DOE Acquisition Regulations, and requirements set forth in the prime contract. The features of these Group Insurance Plans are set forth in policies and insurance plan description booklets. Administrative costs associated with the effective administration of the Plans include such items as publicizing, enrolling, maintaining records, and providing employees with assistance in understanding and collecting their benefits. Dividends, return premiums, or other allowances and credits that accrue under each policy shall be credited to the Contract and applied to future insurance costs under each policy. The Contractor will obtain approval from the Contracting Officer prior to adding to or making a change in benefits under these Plans. Any changes in benefits and/or their associated costs require Contracting Officer approval.

Any significant revisions to employee benefit plans that affect cost, level of benefits, or are precedent-setting in nature, require the Contracting Officer's approval. The Laboratory will provide experience reports, and any other reports, as requested, by the Contracting Officer on a calendar year basis.

### **2. Group Insurance Plan**

- a. The Contractor will offer a cafeteria benefits program described in Section 125 of the Internal Revenue Code that allows for a variety of pre-tax benefits as well as choice of a variety of benefits to employees. The plan will be for all full-time and part-time (those working at least 20 hours per week on a regularly scheduled basis) employees and full-time and part-time employees with assignments for one year or more. The terms and conditions of Plans are controlled by the provisions of the group insurance policies issued to either the Laboratory or the Contractor by the Insurance Carrier, as are currently in effect and as may be amended from time to time by the Contractor, including amendments, if any, to change of method of funding. Funding method changes will be approved by the Contracting Officer for application to this Contract.
- b. The Contractor will require cost sharing by the employee for the employee premium of at least REDACTED percent and dependent premiums of at least REDACTED percent for Medical and Dental Insurance Plans. Part-time employees working 20 to 29 hours will receive REDACTED percent of the Contractor-provided premium share. Contracting Officer approval will be required only if the Laboratory premium share increases. Deductible, co-payment, and coinsurance amounts are described in Summary Plan Descriptions.

- c. The Contractor will pay for REDACTED percent of employee premiums for the Group Life Insurance Plan. Coverage is equal to REDACTED times the employee's annual compensation with a maximum coverage of \$REDACTED. Employees will have an equivalent amount of accidental death and dismemberment insurance with a maximum of \$REDACTED. The Contractor will pay the entire cost. Optional additional coverage and dependent coverage will also be made available to the employee, for which the entire premium will be paid by the employee.
- d. Under the cafeteria benefits program, the Contractor may offer a variety of alternative benefits, of which the entire premium will be paid by the employee. The Contractor will provide a summary on an annual basis of other benefit programs being offered.

### **3. Disability Leave and Return to Work**

- a. For periods of disability extending beyond 10 working days or 14 calendar days, the Laboratory reserves the right to require a physician's written statement confirming that an employee is unable to return to work for a specified period of time.
- b. When the disability period certified by the physician has expired and unless the employee has informed the Laboratory that he/she does not intend to return to work (thus resulting in termination of employment), the employee must return to work within 5 working days from the return date specified by the physician. If the employee fails to return to work within this period of time, he/she shall be deemed to have voluntarily resigned.
- c. The Laboratory will reserve the right to request and/or require another or second physician's written statement, at the Laboratory's expense, for those disabilities extending beyond 10 working days or 14 calendar days.

### **4. Long-Term Disability**

The Contractor will provide a Long-Term Disability Insurance Plan to all regular full-time and regular part-time (those working at least 20 hours per week on a regularly scheduled basis) employees. It covers a disability for an accident or illness incurred either on or off the job which lasts over 90 calendar days. The monthly benefit is equal to REDACTED percent of the employee's compensation. The maximum insured compensation is \$REDACTED per month with a maximum benefit of \$REDACTED per month. Payments will continue as long as the employee is disabled, and if permanently disabled, until age 65. The Contractor will pay for REDACTED percent of the employee's premium. Optional supplemental coverage will be made available to the employee, for which the entire premium will be paid by the employee.

Premium rates are subject to change based upon the Insurance Carrier's experience, and such changes will not be subject to Contracting Officer approval unless the portion paid by the Contractor is the result of increased insurance coverage or percentage of contribution.

## 5. Workers' Compensation

- a. The Contractor will carry Workers' Compensation Insurance, which covers expenses resulting from on-the-job injuries and occupational illnesses, as well as an allowance for lost time. Compensation or allowances for medical expenses, time lost, and/or disability will be made in accordance with the applicable State Compensation Law. The Contractor is required to report certain incidents to DOE via the Computerized Accident and Incident Reporting System (CAIRS) that are also reportable under Workers' Compensation requirements.
- b. Reimbursement for Time Lost. An employee who suffers a job-related accident or illness will receive full compensation reduced by Workers' Compensation pay from the Contractor for time lost up to and including 90 days. Any allowances or awards paid by Workers' Compensation Insurance for time lost and for which compensation is paid during all or any part of such 90-day period will be retained by the Contractor. Any Workers' Compensation Insurance allowance or award for disability *beyond* the 90-day period will be paid directly to the employee by the insurance carrier.
- c. Reimbursement for Medical Expenses. Medical expenses will be reimbursed in accordance with applicable State Compensation Law for reimbursement of medical expenses, including drugs, treatments, doctor visits, and hospital expenses incurred due to a job-related accident or illness.
- d. The Contractor will be required to:
  - (1) Submit an annual report to the Contracting Officer on all Workers' Compensation claims reserved at \$25,000 and above.
  - (2) Conduct a quarterly review of all new and open claims, including trend analysis. Participation in the quarterly review will be open to the Contracting Officer or designated DOE representative.
- e. All settlement claims of \$100,000 or more must receive Contracting Officer approval.

## 6. Premium Only Salary Reduction Plan

The Contractor will maintain a pre-tax premium only plan described in Section 106 and Section 125 of the Internal Revenue Code, whereby all eligible employees may

elect to have the Contractor pay for the employee's premium contribution made to the Medical and Dental Insurance Plans as required for the employee only or dependent coverage on a pre-tax basis. Under Section 125, the Contractor will not be required to make Social Security contributions on the compensation reduction amounts directed by the employee. The administration of premium only employee elections shall conform to Section 106 and Section 125 regulations.

## **7. Flexible Spending Account Plan**

Setup, administrative, and communication costs for this Plan will be reimbursable under the Contract.

### **a. Health Care Reimbursement Account**

The Contractor will maintain a pre-tax reimbursement account described in Section 125 of the Internal Revenue Code whereby all eligible employees will be permitted to make a designation of reduction in compensation for amounts not to exceed \$REDACTED per Plan year for reimbursement of the employees eligible health care expenses not covered by the Contractor's Group Medical Plan. Under Section 125, the Contractor shall not be required to make Social Security contributions on the compensation reduction amounts directed by the employee. The administration of health care employee elections shall conform to the Section 125 regulations.

### **b. Dependent Care Assistance Account**

The Contractor will maintain a pre-tax reimbursement account described in Section 125 and Section 129 of the Internal Revenue Code, whereby all eligible employees are permitted to make designations of reduction in compensation for amounts not to exceed \$REDACTED per Plan year for reimbursement from the Dependent Care Assistance Account for reimbursement of their covered dependent care expenses. Under Section 125, the Contractor shall not be required to make Social Security contributions on the compensation reduction amounts directed by the employees. The administration of dependent care employee elections shall conform to the Section 125 and Section 129 regulations.

## **8. Business Travel Accident Insurance**

The Contractor will provide business travel accident insurance for all employees required to travel outside their permanent place of employment. The Contractor will pay the entire carrier premium cost. The principal sum of travel accident insurance will be \$REDACTED. The maximum amount payable for losses arising from any one accident will be \$REDACTED.

## **9. Group Medical Program Performance Measure**

The Contractor will work diligently with its insurance carriers, medical benefit providers and employees to establish and maintain an aggressive cost containment program, with the objective of providing high quality, reasonably priced benefits. The Contractor agrees to seek innovations in its program design and implementation that will result in realizing the above objective throughout the life of this Contract, while also managing benefit costs so that the cost of each medical benefit program component to DOE is reasonable.

The Contractor will specifically identify program changes and cost initiatives on an ongoing basis and, from time to time, implement actions or, when necessary, propose actions to the Contracting Officer that will result in actual cost savings, or which will reduce the rate of cost increases in group medical benefit programs.

Annually, at the anniversary of its benefit program year, the Contractor will submit an analysis of the financial performance of its group medical benefit program(s). The analysis will describe initiatives taken to contain/manage costs; tell how the cost of the medical programs compared to the industry average cost during the previous year; tell how the percentage increase of its program costs compared to the U.S. industry average percentage increase for similar programs; and reports each cost as a percent of payroll. The Contractor and the Contracting Officer will discuss and reach agreement on the appropriate benchmarks each year as the basis for analyses and comparisons.

## **Section 6. Retirement Plans**

### **1. Defined Benefit Plan**

- a. The Contractor will maintain a separate pension plan for employees of the Laboratory which provides retirement, disability, and certain incidental death benefits substantially equal to those presently provided to eligible employees of the Contractor at its other operations. The separate pension plan for employees of the Laboratory is known as the Retirement Plan of the National Renewable Energy Laboratory (Retirement Plan). The Retirement Plan provides benefits to eligible employees for service rendered to the Laboratory on and after June 1, 1977.
- b. The Retirement Plan is funded by contributions to a separate trust. The Contractor, through the Laboratory, will make contributions (reimbursed by DOE as an allowable cost) to fund the retirement plan. Contributions shall not exceed the greater of:
  - (1) the minimum contribution required under ERISA; or
  - (2) the amount which is expected to fully fund the estimated current liability at the end of the plan year. The term “current liability” means such liability as defined in IRC Section 412.
- c. In the event of a contract termination, which involves a selection by DOE of a replacement Contractor, it is DOE’s intent that the replacement Contractor take over the Retirement Plan to afford continuity to Laboratory employees for both past and future service and benefits. The Contractor will cooperate with DOE and such replacement Contractor to assist in such take over by the replacement Contractor in accordance with DOE Order 350.1, “Contractor Human Resource Management Programs, Chapter 6.”
- d. If the Contractor retains, in its own service, employees who were participants in the Retirement Plan on the date of contract termination, an amount of assets attributed to Laboratory service shall be transferred from the Retirement Plan Trust to the Retirement and Pension Plan Trust of the Contractor. The amount to be transferred for each such participant shall be, subject to adjustments as described below, equal to the employee’s Projected Benefit Obligation (PBO) as of the date of contract termination, as defined in FASB 87. The PBO for each such employee shall be determined by an actuary using actuarial assumptions specified in the NREL Plan as of the date of contract termination. However, if the product of the total plan assets and a fraction equal to the employees PBO divided by the total plan PBO produces an amount lower than the employee’s PBO, then

- such product shall be the amount transferred; except that in no event will the amount transferred for each such employee be less than the present value of benefits due on a termination basis as such present value is defined in Regulation 1.414(1)-1(b)(5) of the Internal Revenue Service. The amount of the fund transfer shall be subject to review and approval by the Contracting Officer.
- e. In the event of a contract termination which does not involve the selection by DOE of a replacement Contractor, termination of the Retirement Plan shall occur and a reconciliation of funding obligations will be accomplished according to the administrative and actuarial procedures and the actuarial assumptions of DOE Order 350.1. Specifically, if the Retirement Plan Trust assets are less than the Plan liabilities, DOE shall pay such differences to the Contractor or, at the Contractor's option, directly into the NREL Retirement Plan Trust. If the Retirement Plan Trust assets are greater than Plan liabilities, all excess funds which revert to the Contractor in accordance with the NREL Retirement Plan shall be paid by the Contractor to DOE promptly upon receipt. The excess funds to be paid shall include any interest earned or accrued through the date of actual disbursement subsequent to plan termination.
  - f. The provisions of the preceding paragraph shall also apply if the Retirement Plan is terminated prior to the termination of this Contract.
  - g. The terms of the Retirement Plan are set forth in a written plan document adopted by the Contractor's Board of Directors on September 22, 1982 as revised from time to time by Board of Director's approval. A "Summary Plan Description," which is a brief statement of the more important aspects of the Plan, is distributed by the Laboratory to all eligible participants. The "Summary Plan Description" is not meant to extend, restrict, or change the literal provisions of the Plan in any way.
  - h. The Contractor shall submit, on an annual basis, an Actuarial Report containing a gain/loss analysis by source and Internal Revenue Forms 5500 and Schedules, as well as an Annual Accounting report of the type detailed in DOE Order 350.1 and/or any other information concerning the plan which may be required by the Contracting Officer.

## **2. Group Tax Deferred Annuity Plan**

The Contractor will provide a Group Tax Deferred Annuity Plan for all employees who meet the eligibility requirements of attaining age 21 and completing one year of employment with 1,000 hours of service. The Contractor will make monthly contributions under this Plan towards the purchase of an annuity contract for each eligible participant at the rate of REDACTED percent of each participant's biweekly compensation.

## Section 7. Paid Leave

### 1. Holiday Pay

#### a. General

Full-time employees will be granted eight (8) hours of time off with pay at the base rate for each of the following holidays:

##### (1) Fixed Holidays

New Year's Day	Labor Day
Presidents' Day	Thanksgiving Day
Memorial Day	Friday following Thanksgiving
Independence Day	Christmas Day

(2) Sixteen (16) hours (two 8-hour days) for "floating holidays" each year selected by the employee. If an important national or regional event occurs and is generally observed as a holiday by government and private industry, the Contactor may request the Contracting Officer's approval for observance of such holiday. Floating holiday hours are not carried over to the next calendar year.

If an employee is hired after July 1, the employee will be eligible for only eight (8) of the sixteen (16) floating holiday hours.

#### b. Holidays Falling on Saturday and Sunday

Holidays falling on Saturday will be observed on the Friday preceding the holiday. Holidays falling on Sunday will be observed on the following Monday.

#### c. Exempt Employees

(1) An exempt employee who is required to work on a recognized holiday or on a day observed as a holiday will be allowed to take the holiday on another day. Time off will be scheduled and approved in accordance with sections 9.a.(4)(a) of Section 3. Pay Policies of this Appendix.

#### d. Nonexempt Employees

A nonexempt employee who is required to work on a recognized holiday or on a day observed as a holiday shall receive the compensation to which they are regularly entitled. In addition, they will receive premium pay for all hours worked

on the holiday or the day observed as a holiday. Such premium pay shall be calculated by multiplying one and one-half times the employee's straight-time hourly equivalent by the number of hours worked.

e. Part-time Employees

Part-time employees will be eligible for holiday pay, at their regular base rate of pay, for the number of hours they are regularly scheduled to work, which is prorated on a 40-hour week.

**2. Personal Time Off Eligibility and Maximum Carryover**

- a. All employees, except interns and summer hires, accrue PTO, to be used for vacations, personal and family illness and injuries, to conduct personal business and handle personal and family obligations. Part-time employees who work regularly scheduled weeks of 30 hours or more will be eligible for prorated PTO with pay based on the scheduled work week.

Accrued PTO will be prorated based on bi-weekly pay periods at the following rates for full-time employees below the level of Band 2:

Accrual Rates

The bi-weekly accrual rates for full-time employees will be as follows:

REDACTED hours per pay period for less than 2 years of service = REDACTED hours/year

REDACTED hours per pay period after the completion of 2 years of service and until completion of 10 years of service = REDACTED hours/year

REDACTED hours per pay period after completion of 10 years of service and until completion of 15 years of service = REDACTED hours/year

REDACTED hours per pay period after the completion of 15 years and until completion of 20 years = REDACTED hours/year

REDACTED hours per pay period after completion of 20 years of service = REDACTED hours/year

PTO for all Contractor-designated senior level personnel, Band 2 and above, will accrue at REDACTED hours per pay period. Managers accruing vacation at the REDACTED hours per pay period, and whose job assignment was changed due to a reorganization, may have the accrual rate reduced two years after the reorganization.

- b. After the completion of the first six full months of employment, an employee may “borrow” up to 40 hours of PTO in anticipation of subsequent accrual; and if termination occurs, if such accrual does not equal PTO taken, final pay will be adjusted accordingly.
- c. The maximum accrued PTO balance that may normally be carried over into a calendar year is 200-hours for employees who are accruing PTO at a rate less than REDACTED hours per pay period and 240 hours for those who accrue at the rate of REDACTED hours or more per pay period.

An employee may carry over additional PTO into the next calendar year when justified by operational or work requirements with advance approval of appropriate levels of management and notification to the Human Resources Office. However, such additional time must be used by March 31 of the next year or be forfeited.

- d. Any employee terminating employment will receive full payment of all unused Personal Time Off.
- e. For the purpose of this section, and except as provided for below, service will include credited service at the Laboratory or the Contractor.

For employees hired after the effective date of this Contract, service for the purpose of this section is defined as DOE-credited service performed under a DOE contract.

### **3. Extended Sick Leave Eligibility and Maximum Accrual**

- a. All employees, except interns and summer hires, accrue ESL, to be used for their personal non-occupational illnesses and injuries when such illnesses or injuries exceed 3 consecutive work days. It also is used for absences due to continuing medical treatment of previous illnesses or injuries and for short absences for the treatment of chronic medical conditions as defined by health care providers. Part-time employees who work regularly scheduled weeks of 30 hours or more will be eligible for prorated accrued Extended Sick Leave.
- b. Accrual Rates

The bi-weekly accrual rates for full-time employees will be as follows:

REDACTED hours per pay period until the completion of 2 years of service =  
REDACTED hours/year

REDACTED hours per pay period after the completion of 2 years of service =  
REDACTED hours/year

c. Limitations

- (1) Maximum accrued ESL for any individual will be REDACTED hours.
- (2) Employees terminating service will not receive pay for unused ESL.
- (3) Eligible employees may receive Long-Term Disability Insurance benefits after the REDACTED consecutive working day or after the REDACTED calendar day of full disability.

**4. Short-Term Disability Leave**

The Contractor's self-funded salary compensation plan (a Short-Term Disability Leave program) will provide income protection in the amount of REDACTED percent of the employee's base compensation rate when an absence of longer than 14 consecutive calendar days is necessitated by non-occupational illness or injury. Coverage will begin on the REDACTED calendar day of disability or when all accrued ESL has been exhausted, whichever is later, and may continue through the REDACTED calendar day or REDACTED working day of disability, at which time Long-Term Disability (if eligible) begins paying benefits. Regular part-time employees who work regularly scheduled weeks of 20 hours or more and regular full-time employees will be eligible for prorated Short-Term Disability after the completion of six months of service. A physician's statement or certificate will be required in all instances for employees to receive payments under this program.

**5. Paid Funeral Leave**

Full-time employees are eligible for up to REDACTED hours for a death in the immediate family (spouse, parents, children, siblings, grandparents, grandchildren, parent-in-laws, or relatives living in the same household with the employee); for other relatives REDACTED hours of funeral leave will be granted. The number of hours for part-time employees depends on the employee's regularly scheduled work week and is pro-rated on a 40-hour work week.

**6. Paid Military Leave**

Employees on military leave shall be subject to certain rights, as detailed in the Uniformed Services Employment and Reemployment Rights Act (USERRA).

a. Training

Full-time employees who are reservists in the armed forces of the United States and who have a short-term military training obligation, such as summer training, to maintain reserve status, will be granted up to two weeks of military training

time (10 work days) per year. During this time, the Contractor will pay the difference, if any, between military pay and the employee's prorated compensation for the actual number of work days involved.

Military training in excess of two weeks during a calendar year will be granted as leave without pay or as PTO, at an employee's option.

b. Active Duty

Regular employees who are reservists and serve on active duty with the State or U.S. Armed Forces will receive compensation that is equivalent to their Laboratory pay. The Contractor will pay the difference, if any, between military pay and the employee's prorated compensation for the actual number of work days involved up to a maximum of 12 months. The compensation differential will take into account all military active duty pay, specialty pay, and allowances except subsistence, travel, uniform, and housing allowances. During this 12 month period, group insurance coverage will continue if the employee elects to continue to pay his/her share of the monthly premiums.

**7. Paid Jury/Witness Duty**

Employees who have been called to be selected or to serve on a jury impaneled by a civil authority will be authorized time off with pay. Payment will be the difference between the employee's base salary and any fees provided by the court, excluding travel allowance. An employee who has been subpoenaed to testify as a witness in legal proceedings, other than one in which the employee is a party to the suit, may be authorized time off with full pay. Compensation and any monies received, including associated travel expenses, from appearances, as a witness will be treated in the same manner as for jury duty.

**8. Paid Voting Time**

Employees who are registered voters and who are scheduled to work on a voting day will be allowed no more than two hours off with pay for the purpose of voting in national, state and local elections. If additional time is needed, it may be granted under the provisions of Personal Time Off policy.

**9. Paid Time Off Due to Public Emergencies**

Employees may be granted time off with pay during a public emergency that effectively prevents their attendance at work or the continuance of work in a normal and orderly manner. A public emergency includes either a national disaster (such as fire, flood, earthquake, inclement weather or act of God) or a man-made disaster (such as demonstration, riot, act of sabotage, or site closure). Authorization for time off with pay for such emergencies will be made by the Director of the Laboratory with approval of the Field Office Manager or his/her designee.

Salary and wage payments allowed under this section will include the assigned shift premium.

Employees may be granted administrative leave with pay for one day per year when extraordinary circumstances such as weather or a site-wide emergency beyond the control of the Contractor precludes normal operations. Leave in excess of one day per year will require Contracting Officer approval.

## **10. Paid Community Affairs Leave**

- a. If the Laboratory as an institution is requested to participate by a volunteer organization, the Laboratory may respond by appointing an individual employee to participate on behalf of the Laboratory using leave with pay. Up to REDACTED days or REDACTED hours duration per calendar year may be granted, provided:
  - (1) It can be demonstrated that benefit will accrue to the Laboratory and the community as a result of the service.
  - (2) The activity does not involve partisan politics.
  - (3) The leave is approved by the Director or his/her designee within the Laboratory.
  - (4) The approving Laboratory manager will ensure the proposed service does not create, or appear to create, a conflict of interest.
  - (5) Salaries, wages, and fringe benefits associated with the approved paid absence will be allowable costs under the Contract.
- b. Paid time off for "Community Affairs Leave" in excess of REDACTED days or REDACTED hours per calendar year will require prior approval of the Contracting Officer.
- c. If an employee is requested by an organization to participate in or initiates contact with a volunteer organization, any leave so granted will be without pay. The Laboratory may authorize the leave after giving due consideration to the impact of his/her absence.

## **11. Paid Sabbatical Leave**

The Laboratory has established a Sabbatical Leave Program that provides eligible employees an opportunity to apply for a limited number of assignments. The details of the Sabbatical Leave Program are provided in a Laboratory-level procedure which describes the procedures and the general responsibilities, including the approval

process. The assignment must relate to the Laboratory's mission and the employee's career development. Regular full-time and part-time (those working at least 30 hours per week on a regularly scheduled basis) employees with six years of continuous employment are eligible to apply for a sabbatical leave. The Laboratory may fund up to REDACTED% of the salary which is negotiated between the Center/Office Director and the Associate Director. Some of the benefits will continue, as outlined in the procedure. The employee must return to work for a period at least equal to the length of the sabbatical leave or reimburse the portion of the salary and benefits paid by the Laboratory during the sabbatical leave. The employee is responsible for travel and relocation arrangements and expenses. The length of the sabbatical leave cannot exceed one year.

## **Section 8. Unpaid Leaves of Absence**

### **1. General**

Periods of approved leave without pay shall not be counted as Contractor service except as required by law or government regulation. The effect of leave without pay on retirement and group insurance plans will be governed by the Group Insurance and Retirement Plan policies in effect at the time the leave begins and in accordance with policies described in this Appendix.

Leaves of absence without pay may be granted to regular employees for the reasons stated below to the extent they will not adversely affect Contract performance. Any leave over 6 months will require Contracting Officer approval. Employer payment of group insurance costs will continue in effect through the end of the month in which the unpaid leave of absence begins.

It is the policy of the Laboratory that employees who are granted an extended unpaid leave of absence for six months or less duration are eligible to return to the same position they held when the leave commenced. Employees who are granted an extended unpaid leave of absence exceeding six months in duration will receive preferential consideration for reemployment upon termination of their leave of absence.

### **2. Types of Leave**

- a. **Family Leave.** Employees can be granted family leave for a period up to 12 weeks during any 12-month period in accordance with the provisions of the Family and Medical Leave Act. Accrued PTO must be used at the beginning of the leave; however, this does not extend the leave of absence period.
- b. **Employee Leave.** Eligible employees can be granted an unpaid leave of absence for personal situations that require an employee's absence from scheduled work up to a maximum of 6 months. Accrued PTO must be used at the beginning of the leave; however, this does not extend the leave of absence period.
- c. **Educational Leave.** Eligible employees (full-time regular) may be granted educational leave for a period of one year for completion of Master's or Ph.D. degrees. A request for an extension of an educational leave must be made within 60 days before the end of each one-year leave. No more than two one-year extensions will be considered.
- d. **Military Leave.** Employees on military leave shall be subject to certain rights as detailed in the USERRA.

- (1) Training in excess of two weeks during a calendar year will be granted to full-time employees who are reservists in the armed forces of the United States, as leave without pay or as PTO, at the employee's option.
- (2) Active Duty in excess of 12 months will be granted to regular employees who are reservists and serve on active duty with the State or U.S. Armed Forces, as leave without pay.

## **Section 9. Training and Education**

### **1. General**

The Laboratory has established training programs that are consistent with DOE requirements and guidance and with other federal, state, and local regulations and compliance requirements. These programs are implemented in a systematic and orderly management process consistent with the above requirements and industry practices. Training programs are specifically designed to ensure that employees are well-qualified and competent to manage facilities and meet mission requirements. Appropriate employee training and development programs will be allowable costs under the Contract. The Contractor will submit within the first year of the Contract, the training programs and their associated costs for Contracting Officer approval. Annually thereafter, the Contractor will submit the projected costs of the programs and any proposed changes for Contracting Officer approval.

### **2. Training and Development**

Training programs will be conducted, as required, to increase employee skills and efficiency and to prepare participating employees for increased responsibility. Such programs may include, but are not limited to, employee orientation, technical training, job training, Environmental Safety & Health (ES&H) training supervisory training, and management development.

Appropriate employee training and development expenses will be reported annually to DOE. Contracting Officer approval shall be required for attendance at outside conferences and seminars that exceed seven consecutive calendar days.

### **3. Educational Assistance**

- a. The Contractor may reimburse tuition payment for approved education courses to regular employees who are regularly scheduled to work at least 30 hours per week, when the course is completed with a grade "C" (or equivalent) or better, subject to the following:
  - (1) To qualify for 100 percent reimbursement, course work or degree program must be related directly to knowledge and skills required or desirable to increase or maintain satisfactory performance in the employee's current position; lead to expanded responsibilities in the employee's current position; or lead to a prospective position in his/her field to which the employee may reasonably accede at the Laboratory.

- (2) To qualify for 50 percent reimbursement, the course work or degree program must increase the overall level of an employee's knowledge and skills that will enable the employee to meet the minimum education requirements of other Laboratory positions in a field other than his/her current position.
- b. The benefit of the education to the Laboratory must be clearly communicated and approved by the employee's manager in concurrence with the Human Resources Training Administrator. Reimbursement of tuition, laboratory, library, or other course-required fees, required tests and reading material will be made for individual courses, continuing education credits, Contractor-approved degree programs from accredited colleges and universities, and certificate programs at non-degree or degree granting institutions, subject to the following limitations:
- (1) Degree Programs: Degree programs will be approved only for junior and senior years of accredited four-year degree programs and for graduate degree programs, and include mandatory and elective courses prescribed for the necessary credits to meet the degree requirements. Other tuition reimbursements will be considered on a course-by-course basis.
  - (2) Individual Credit Courses: Will be reimbursed if they relate directly to the employee's current job/position or could lead to expended responsibilities.
  - (3) Continuing Education Credits: Will be reimbursed in order for employee to maintain a current certification.
  - (4) Certificate programs: Will be reimbursed if they are related directly to the employee's current job and/or are initiated by the employee's manager.
  - (5) If the employee is eligible for and receives scholarship assistance or other tuition assistance from any source (such as Veterans' benefits) the Laboratory's reimbursement shall be reduced by the assistance amounts received by the employee from other sources.
  - (6) The Laboratory will ascertain that proper scholastic standing is maintained before authorizing course work for the next term.
  - (7) Reimbursement will be allowed when an employee has to withdraw from a course because of conflicting Laboratory work requirements and when documented in writing by the employee's accountable director.
  - (8) Reimbursement will be conditioned upon the employment relationship continuing throughout the period of instruction and completion of the courses. If an employee voluntarily terminates employment within 6 months of a

reimbursement, the employee shall pay back 100 percent of reimbursement received during the 6 months prior to termination and 50 percent of those amounts reimbursed between 6 and 12 months prior to termination.

- c. When full-time attendance for two weeks or longer at educational institutions is proposed in connection with special education and training courses or research assignments, such attendance shall be subject to approval by the Contracting Officer on a case-by-case basis.

#### 4. Research Participant Program

The Laboratory may sponsor Research Participant Programs (RPPs) which are designed to encourage participation in Laboratory activities by students enrolled in accredited colleges and universities, post doctoral researchers, research associates, senior research associates, sabbaticals, and visiting professionals. This program enables participants to contribute to research and transfer of technology resulting from that research. The programs and their associated costs will be allowable under the Contract as approved by the Contracting Officer.

In some cases, a participant's home organization may pay part or all expenses; in other cases, the Laboratory may pay part or all compensation and provide benefits for eligible individuals. The compensation shall be at current competitive market rates.

- a. **U.S. Citizen or U.S. Permanent Resident Undergraduate Intern Training Programs.** The Laboratory may, from time to time, collaborate with universities and colleges by providing internships to selected students in areas of study mutually beneficial to a student's discipline and the Contract work. The purpose of this program is to offer a learning experience to students in the subject area of energy efficiency and renewable energy. The student shall be expected to work part-time under the Contract at the Laboratory during the period that they are attending school, and may work full-time during school breaks.
- b. **U.S. Citizen or U.S. Permanent Resident Graduate Intern Training Programs.** The Laboratory may select students for employment who participate in graduate collaborative programs in accredited universities and wish to study for an advanced degree in a field related to the Laboratory mission. Students shall be expected to work part-time under the Contract at the Laboratory during the period that they are attending school, and may work full-time during school breaks. Graduate Interns will be assigned to Contract work that will enable them to fulfill the research requirements for their master's thesis or doctoral dissertation.
- c. **Post Doctoral Researcher.** Qualified scientists or engineers who have recently (within three years or less) received a doctoral degree. Appointments provide graduates with practical training and should be offered to participants with demonstrated superior abilities and interest in research and development areas related to the Laboratory mission. Maximum assignment is three years.

- d. **Research Associate.** A senior scientist, engineer, or other professional with 4-12 years of experience. Participants are provided the opportunity to apply their training or specialized background to topics of research in the science and technology of renewable energy related to the Laboratory mission. Maximum assignment is three years.
  
- e. **Senior Research Associate.** Distinguished scientist, engineer, or other professional with more than 12 years of experience. Participants are provided the opportunity to apply their training or specialized background to topics of research in the science and technology of renewable energy related to the Laboratory mission. Maximum assignment is 1 year.
  
- f. **Sabbatical Assignments.** Qualified professionals from the academic, business and governmental fields who are scientists or engineers with established records of research productivity and who can meet the Contractor's requirements regarding conflict of interest will be invited to apply for sabbatical assignments, related to the Laboratory mission. Sabbatical assignments are either partially or wholly supported by another institution.

## **Section 10. Employee Programs**

### **1. Employee Communications**

The costs of standard in-house publications to inform employees or the employer about Contract-related topics will be allowable. The Contractor may publish a newspaper or other types of publications of reasonable size and cost for the purpose of promoting employee morale. The Contractor will submit an annual budget in support of the Laboratory program, as part of the Cost Proposal.

### **2. Employee Awards**

The Contracting Officer annually will approve as part of the Cost Proposal a total dollar amount for all awards and recognition ceremonies to be given during that fiscal year by the Contractor. The Contracting Officer will also annually approve the individual types or categories of awards to be given during that fiscal year by the Contractor. Such awards might include the following: Length of Service/Retirement Recognition; Safety Awards; Suggestion Program; and Patent Awards.

#### **a. Service Awards**

The Laboratory has an established Service Award Program for the purpose of recognition for employee's service at five-year intervals beginning with five years of service. The service awards presented for years of service shall not exceed a reasonable cost per individual award and shall be approved by the Director's Office. A yearly budget will be submitted as part of the Cost Proposal and approved by the Contracting Officer.

#### **b. Invention Incentive Awards**

The Laboratory will establish an Invention Incentive Awards Program for the purpose of rewarding Laboratory employees whose research results in the filing of a United States patent application and/or the issuance of a patent. Invention incentive awards may also be given to authors of copyrighted materials. The cost for the awards will be identified as a separate budget item annually and shall be approved by the Contracting Officer at the beginning of each fiscal year.

(1) The award amount granted for each patent application filed shall not exceed \$REDACTED per inventor up to a maximum of \$REDACTED per patent application filing.

(2) The award amount granted for each requested copyright obtained and patent issued by the United States Patent and Trademark Office shall be \$REDACTED per inventor up to a maximum of \$REDACTED per issued

patent. In addition, a commemorative plaque will be awarded to each inventor per issued patent.

c. **Technology Transfer Incentive Awards**

The Contractor will establish a Technology Transfer Incentive Awards Program for the purpose of rewarding Laboratory employees for exceptional personal initiative in promoting technology transfer of NREL developments to the private sector. The cost for the awards will be identified as a separate Laboratory budget item annually and approved by the Contracting Officer in the Cost Proposal approval process at the beginning of each fiscal year. Awards may be given to teams or individuals. No more than 12 technology transfer awards will be given each fiscal year. The maximum award to an individual in a fiscal year is \$REDACTED. The maximum amount awarded in the program is limited to the amount approved in the Cost Proposal for the fiscal year.

**3. Employee Assistance Programs (EAPs)/Substance Abuse Programs**

The Contracting Officer will approve an EAP and associated costs for services such as employee counseling, referral for treatment and rehabilitation, educational services concerning illegal drug use or other medical, emotional or personal problems of employees. These services should be offered primarily for those problems which adversely affect work site behavior and job performance. Services that go beyond those listed above should be coordinated with services available in benefit programs and through appropriate community resources. Employees using this service shall charge time away from the Laboratory to PTO or ESL.

The Contractor will provide a substance abuse program consistent with the minimum requirements of 10 CFR Part 707, Workplace Substance Abuse Programs at DOE Sites. The program will provide baseline services: education awareness programs on the hazards of using substances in the DOE workplace; supervisory training on their responsibilities with impaired employees; counseling services; a testing program to deter possible use of substances by employees; and the services of a Medical Review Officer. The program will provide for oversight of those subcontractors' programs that are covered by 10 CFR Part 707 and may include provisions for the Contractor to extend the coverage of its approved substance abuse program to subcontractors. Prior review and approval by the Contracting Officer will be required for this program.

An Evaluation shall be conducted annually to determine whether the program is being conducted in an effective manner. The results of the evaluation and the projected cost for the next year will be provided to the Contracting Officer for review.

**4. Wellness Program**

Reasonable costs of a Wellness Program to promote employee health and fitness will be allowable and may consist of activities such as stress management, smoking

cessation, exercise, nutrition, and weight loss. The Contractor shall submit an annual plan describing planned activities to the Contracting Officer for approval.

## **5. Professional Dues and Licenses**

The Contractor may approve the payment of an employee's trade, technical and professional activity costs such as dues and fees for membership in a professional organization or society, professional licenses, and subscriptions to trade, business, professional, or other technical periodicals. These should be job related and enhance the professional development of the employee, or is seen as a benefit to the Laboratory. More than one membership for an employee will require Office/Center Director review and approval.

## **6. Other Programs**

### **a. Medical Program**

A clinic will be provided for medical care of occupational injuries and to provide relief for minor physical complaints of employees while at the Laboratory. An occupational health nurse will be in attendance during day working hours.

### **b. Physical Fitness Program**

The Contractor may establish a program whereby NREL will cost share membership fees, for regular full-time and part-time MRI employees and Battelle seconded staff, in a commercial physical fitness facility determined to be cost effective and accessible to employees. The amount the Laboratory will pay for these services will not exceed REDACTED percent of the membership fee per individual to a maximum of \$REDACTED per year for all such membership fees. Information specifying the number of participant employees and the resulting costs will be provided to the Contracting Officer annually. This program will be authorized as a temporary, interim measure until such time as a wellness facility at the Laboratory permanent site is constructed and ready for occupancy. At that time, this program will be discontinued.

A yearly budget shall be submitted on a fiscal year basis as part of the Cost Proposal and approved by the Contracting Officer.

### **c. Recreation and Morale Program**

A recreation and morale program, including such activities as softball, bowling, basketball, and other recreational activities deemed worthwhile will be allowed not to exceed the amount negotiated in the annual Cost Proposal. The contribution will be adjusted annually at the beginning of each fiscal year. The adjustment will be based on the Consumer Price Index as of June 1 each year, and such adjustment shall be subject to approval of the Contracting Officer. The

Contractor shall submit, on a fiscal year basis, an annual report to the Contracting Officer detailing how the recreation funds were disbursed.

d. Clothing and Equipment

Special laboratory clothing, guard uniforms, safety shoes, and special and/or safety equipment may be purchased and maintained by the Laboratory for use by designated employees when necessary.

e. Blood Donations

Employees who volunteer as donors of blood, without compensation, to the Laboratory Blood Bank, may be excused from work for the period of time necessary to accomplish this purpose. Such time off will not be charged against PTO or ESL.

f. Medical Examinations

The Contractor reserves the right to request any employee or Battelle seconded staff at the Laboratory's cost, to submit to a medical examination to determine the employee's capability to perform his/her assigned task. Reasonable costs of external medical exams will be reimbursed.

g. Commuting Transportation Assistance

The Contractor may approve the payment of mass transportation assistance for employees. A cost evaluation will be conducted annually and reviewed by the Contractor to determine if the program is being conducted in a cost-effective manner. The results of the evaluation and the projected cost for the next year will be provided to the Contracting Officer, and submitted as part of the Cost Proposal to the Contracting Officer.

h. Telecommuting

Telecommuting is an arrangement that allows employees to work from home on a temporary basis to complete short-term assignments and/or projects, or in the case of a serious, documented medical condition or disability. Other arrangements may be evaluated on a case-by-case basis by the Associate and/or Laboratory Director.

## **Section 11. Travel and Relocation**

### **1. General Provisions**

Allowable costs for travel, subsistence, and relocation expenses of Laboratory business travelers will be in accordance with the Federal Travel Regulations (FTR), Title 41 CFR, Subtitle F, Chapters 300 – 304.

### **2. Official Travel**

Travel as outlined below, in connection with work performed under this Contract will be reimbursed in accordance with the provisions established by the FTR.

### **3. Interview Travel**

Pre-employment interview travel expenses will be reimbursed according to the provisions in the FTR.

### **4. Official Local Area Travel**

- a. Local area travel is defined as a directed or authorized trip on Laboratory business within 50 miles one way from the business traveler's assigned duty station, normally completed within one day or less, and includes consecutive day trips to attend conferences and meetings lasting more than one day.
- b. Business travelers will be reimbursed for actual costs of local travel by bus, train, taxi, or other public transportation. Based on the lesser of either the distance between their assigned Laboratory duty station and destination, or their home and destination.
- c. Travel by private automobile will be reimbursed at the Laboratory rate per mile actually traveled via the most direct route, plus the actual cost of parking and toll fees. Business travelers will be reimbursed a mileage allowance for the lesser of either the distance between their assigned duty station and destination, or their home and destination.
- d. Business travelers will not normally be reimbursed for meals on local travel. Business travelers may be reimbursed for the actual cost of meals only if a luncheon or dinner is arranged by the conference or seminar sponsor, and is an integral part of that function.

## **5. Official Domestic Business Travel**

- a. Domestic travel includes trips to destinations 50 miles or more from the business traveler's assigned duty station and of duration of 90 days or less.
- b. Employees performing authorized travel may be reimbursed for travel expenses in accordance with official domestic business travel rules in the FTR.

## **6. Temporary Change of Duty Stations**

- a. Temporary assignment at another Laboratory facility.
  - (1) These assignments are for periods in excess of 3 months, but not exceeding 12 months. Approval will be obtained.
- b. Off-Site assignments at non-Laboratory facilities
  - (1) Temporary domestic and international off-site assignments are normally to a work location in excess of 50 miles from the employee's assigned duty station.
  - (2) Temporary off-site assignments are for periods in excess of 3 months, but not exceeding 12 months. Contracting Officer approval will be obtained. Requests will be considered on a case-by-case basis.
- c. Employees who are transferred to another Laboratory facility or are on a temporary off-site assignment at a non-Laboratory location away from their assigned duty station will be eligible for reimbursement of travel and living allowances only, as outlined below:
  - (1) Allowable expenses for travel to and from temporary site and interim living as specified in sections d. and e. below.
  - (2) Allowances for a house hunting trip and the moving of personal effects to and from the temporary site as specified in the FTR.
- d. An employee on a temporary assignment and not accompanied by family may be allowed trips to original location to visit. Reimbursement for such trips will be limited to transportation expenses only. The allowable trips shall not exceed one each 4-week period provided the employee has not returned to the original location for business purposes during this time period.
- e. Temporary Living Quarters and Meals and Incidental Expenses (M&IE): Allowable expenses shall be the reasonable and actual costs of lodging for a particular area, for a furnished or unfurnished apartment, and an M&IE allowance

shall be paid. The M&IE allowance for each employee, spouse, and children is at the rate for the locality per day or 24-hour period for:

Per Diem	Employee	Spouse (unaccompanied)	Spouse (accompanied)	Children 12 & over	Children Under 12
1 <sup>st</sup> 30 days	100%	100%	75%	75%	50%
2 <sup>nd</sup> 30 days	75%	75%	50%	50%	40%

- (1) Rental costs shall include rent, utilities, and rental of furniture, if necessary.
- (2) Any rent received from residence at original location shall offset reimbursement allowable for rent at temporary site.
- (3) Following acquisition of a temporary residence, an employee will be reimbursed for expenses on assignment. This per diem allowance is provided for meals, initial hook-up of utilities, telephone, insurance, laundry and other miscellaneous expenses.

**7. Research Participant Program (RPP) Travel**

Travel expenses while on Laboratory business incurred by research participants will be paid in accordance with the FTR.

**8. Research Participant Program Relocation and Housing Allowance**

RPPs will be reimbursed for travel (transportation only) to their assigned duty station site as designated below:

- a. Travel Round-Trip transportation to the assigned duty station:
  - (1) Undergraduate and Graduate students may be reimbursed one time for reasonable round-trip transportation when they reside outside a 50-mile radius from the Laboratory. If a participant elects to travel by private automobile, an allowance at the Laboratory approved rate will be paid for actual mileage for the most direct route, but not to exceed the equivalent lowest available coach class airfare.
  - (2) Research Associate, Sr. Research Associate, and Sabbatical participants may be reimbursed 100 percent for domestic round-trip transportation to the assigned duty station for self, spouse, and dependent children when the permanent residence is more than 50 miles away from their assigned duty station, not to exceed lowest equivalent coach class airfare. If a participant elects to travel by alternative transportation, reimbursement will not exceed the equivalent lowest available coach class airfare. Transportation from international locations shall be reimbursed at 50 percent of the equivalent lowest available coach class airfare from the original location to the assigned duty station, up to the maximum amount of \$1,000 for each individual.

- b. Travel One-Way transportation to the assigned duty station:
- (1) Post Doctoral RPPs may be reimbursed 100 percent for one-way domestic transportation expenses to the assigned duty station for self, spouse, and dependent children when the permanent residence is more than 50 miles away from their assigned duty station, not to exceed the equivalent lowest available coach class airfare. If a participant elects to travel by alternative transportation, reimbursement will not exceed the equivalent lowest available coach class airfare. Transportation from international locations shall be reimbursed at 50 percent of the equivalent lowest available coach class airfare from the original location to the assigned duty station, up to the maximum amount of \$500 for each traveler.
- c. Housing Allowance: RPPs listed below may receive a monthly allowance if the following circumstances are met: (1) the individual's permanent residence is more than 50 miles away from the Laboratory, and (2) the individual is maintaining two residences during his/her temporary assignment at the Laboratory. Verification of dual residences will be required upon arrival at NREL and annually thereafter. Any rent received from residence at the original location shall offset housing allowances received for the temporary site.
- (1) Post Doctoral Research and Research Associate participants will receive up to \$360 per month for the individual or up to \$520 per month for self, spouse, and dependent children.
  - (2) Senior Research Associate participants will receive up to \$600 per month for the individual or up to \$750 per month for self, spouse, and dependent children.
  - (3) Sabbatical participants, depending on amount of financial support provided by the home organization, government agency or through other recognized programs, may receive up to \$360 per month for the individual or up to \$520 per month for self, spouse, and dependent children. A Sabbatical participant with 12 years or more of experience will receive up to \$600 per month for the individual or up to \$750 per month for self, spouse and dependent children.

## **9. Relocation Travel for Temporary Employees**

Temporary Laboratory employees may be reimbursed for reasonable one-way transportation expenses to the assigned duty station for self, spouse, and dependent children when the permanent residence is more than 50 miles away from their assigned duty station.

**10. Relocation Expenses for New Employees**

Relocation costs incidental to the transfer of a newly recruited employee to Laboratory facilities shall be subject to the relocation allowances detailed in the FTR for New Appointees Assigned to First Official Duty Station in addition to those allowances as specified below, and that are not otherwise unallowable under the provisions of the Contract.

a. House-Hunting Trip

An employee moving to a new location may be allowed one house-hunting visit up to a maximum of 5 days, which is included in the separate cumulative totals of 60 days for employees and/or for spouses and dependents allowed for interim living expenses. The normal, actual costs of transportation, coach class airfare, (the Laboratory will obtain, when available, the lowest cost service), or automobile mileage (at the Laboratory rate per mile, not to exceed the total cost of coach class airfare). Reasonable and actual cost of lodging up to the maximum lodging locality rate and M&IE locality rate as permitted by the FTR will be paid in lieu of actual expenses for meals, tips, personal luggage handling fees, and small miscellaneous travel cost items, for the husband and wife only. The per diem allowance is not paid for any personal stopovers enroute. Daily local mileage should not exceed 200 miles per day.

b. Interim Living Expenses

The Contractor recognizes that there are times when an employee is required to live in temporary housing such as a motel/hotel, or apartment while permanent housing is being completed. Therefore, reasonable and actual costs of lodging as permitted in the FTR and an M&IE allowance in lieu of actual expenses for meals, tips, and small miscellaneous items shall be paid. The M&IE allowance for each employee, spouse, and children is at the rate for the locality per day or 24-hour period for:

Per Diem	Employee	Spouse (unaccompanied)	Spouse (accompanied)	Children 12 & over	Children Under 12
1 <sup>st</sup> 30 days	100%	100%	75%	75%	50%
2 <sup>nd</sup> 30 days	75%	75%	50%	50%	40%

Employees will be encouraged to locate in an apartment if their stay in a motel/hotel exceeds seven (7) days, but the apartment must be for temporary housing only. The Contractor will pay the above costs in an apartment only if obtained for temporary purposes. No allowance shall be made for charges relating to real estate, mortgage, or leases. Reasonable and actual costs of long distance phone calls will be paid only if such calls are necessary to facilitate the process of relocations, and do not exceed two such calls of reasonable length per week.

c. Allowances for Moving

- (1) The Contractor will pay the reasonable and actual cost of packing, crating, moving and temporary storage, and insuring of employee's household goods and personal effects. The maximum allowable weight which may be moved is 18,000 pounds. If employees elect to move themselves, they will be reimbursed under the commuted rate system. Household goods are those items normally used inside the home to maintain or furnish a residence. Motorized and non-motorized vehicles, such as motorcycles, ATV's, boats, trailers, etc., and pets, plants, lumber, bricks or stones, satellite dishes, green houses, storage sheds, and similar items, are not considered household goods and therefore moving of such items will be the responsibility and expense of the employee, even if the total household goods shipment does not exceed 18,000 pounds. The move must occur within 12 months of initial employment and shall be covered from one point of loading to one point of unloading (except in the case of authorized storage).
- (2) Employees and their families will be reimbursed for actual costs of coach class airfare (the Laboratory will obtain, when available, the lowest cost service). If an employee elects to drive to the new location, total transportation reimbursement will be at the Laboratory rate per mile for one car, not to exceed the total coach class airfares for the most direct route for the number of immediate family members riding in the car. An M&IE allowance in lieu of actual expenses for tips, personal luggage handling fees, and small miscellaneous travel cost items shall be paid. The allowance for each employee, spouse, and child 12 years of age or older is the M&IE rate for the locality and 70 percent of the rate for each child under 12 years of age. The M&IE will be reimbursed at the standard pro-ration of 3/4 day on the first day and the last day of travel. The allowance will not be paid for any personal stopovers enroute. Reasonable and actual lodging up to the maximum lodging locality rate permitted by the FTR will also be paid. If the employee elects to drive, reimbursement shall be paid only for those days where traveling is in excess of 300 miles per day with the exception of the first and last days unless otherwise approved by Human Resources and when a second car is necessary as transportation due to conflict of scheduling or when deemed necessary.
- (3) The normal and customary storage charges for household goods will be paid up to a maximum of sixty days for 18,000 pounds or less. Charges for access to these goods may be allowed only if necessary.

d. Miscellaneous Costs

An amount of \$1,000 may be paid to relocating employees in lieu of actual costs for other necessary and reasonable expenses such as disconnecting and connecting household appliances, automobile registration, drivers license, and use taxes, and forfeited utility fees and deposits. Receipts are not required.

e. Allowable Trips Home

Employees shall be allowed a maximum of one trip to the point they are moving from if members of the immediate family are still at that location. Any additional consideration for trips to the point of departure must be approved by Human Resources and the DOE Contracting Officer. Reimbursement of such trips will be limited to transportation expenses only.

f. Closing Costs on Sale of Residences

Costs associated with the sale of homes will be allowed for new employees hired in jobs in Salary Band 2 and above who were homeowners at their previous work locations, for up to 10 percent of the sale price of the property sold (after allowable gross up of the income taxable portion of these expenses), in accordance with the FTR, including but not limited to the following items:

- (1) Brokerage fees
- (2) Legal fees
- (3) Appraisal fees
- (4) Mortgage prepayment penalties
- (5) Mortgage satisfaction fees
- (6) Title insurance
- (7) Closing costs
- (8) Trustees fees
- (9) Escrow fees
- (10) Tax service fees
- (11) Termite inspection fees
- (12) Property inspection fees
- (13) Environmental testing fees

g. Ownership Costs

Continuing costs of ownership of vacant former actual residences being sold (after allowable gross up of the income taxable portion of these expenses), such as maintenance of building and grounds (exclusive of fixing up expenses), utilities, taxes, property insurance, and mortgage interest, etc., after settlement date or lease of new permanent residence shall be reimbursed. These costs in addition to the sales costs covered under section f. above will not exceed 14 percent of the

sales price of the property sold. Costs incident to acquiring a home in a new location, except that 1) these costs will not be allowable for newly recruited employees who, before the relocation, were not homeowners, and 2) the total costs shall not exceed five percent of the purchase price of the new home.

h. Area Location

No reimbursement for relocation expenses will be made if the employee already resides in the metropolitan area in which the Laboratory facility is located. The metropolitan area shall be defined as within 50 miles of the Laboratory.

i. Recovery of Payments

The Laboratory shall inform the newly-hired employee in writing that if within 12 months after the hire date the employee resigns or is discharged for cause, the employee will be liable for return of all funds paid for relocation. The Laboratory shall be required to refund or credit such relocation costs to the DOE.

## **11. Relocation Expenses for Existing Employees**

Existing employees of the Laboratory who are transferred to another Laboratory facility shall be subject to the relocation allowances detailed in the FTR for Transfers Between Official Duty Stations. Relocation are expenses incident to the permanent change of duty assignment of an existing employee for a period of no less than twelve months. In addition, the provisions as specified below will apply:

a. Relocation costs may include, but are not limited to, the type of costs covered in sections c. and d. below, and are allowable to the extent therein set forth provided:

- (1) The move is for the benefit of the Contract work.
- (2) Reimbursement is in accordance with an established policy or practice consistently followed by the Laboratory in connection with its private operations, and such policy or practice is designed to motivate employees to relocate promptly and economically.
- (3) The costs are not otherwise unallowable under the provisions of the Contract.
- (4) The amounts to be reimbursed shall not exceed the actual (or reasonable estimated) expenses or other limitation on allowability set forth in Section 11. Travel and Relocation.

b. Allowable relocation costs include the following types of expenses:

- (1) Travel expenses, including costs of transportation, lodging, subsistence, and reasonable incidental expenses of the employee and members of the

immediate family and transportation of household and personal effects to the new location.

- (2) Expenses incurred incident to locating a new home, such as advance trips by employees and spouses to locate living quarters, and temporary lodging and subsistence.
  - (3) Other necessary and reasonable expenses normally incident to relocation, such as costs of canceling an unexpired lease, disconnecting and reinstalling household appliances, and purchase of insurance against damages to or loss of personal property. Costs of canceling an unexpired lease shall not exceed three times the monthly rental.
  - (4) Travel expenses and other expenses incidental to relocating a new home shall be governed by the provisions set forth in this part.
- c. The following types of relocation expenses are allowable, but the combined total of costs covered in (1) and (2) below shall not exceed 14 percent of the sales price of the property sold:
- (1) Closing costs (i.e., brokerage fees, legal fees, appraisal fees, etc.) incident to the sale of the actual residence owned at old location by the employee when notified of the transfer.
  - (2) Continuing costs of ownership of the vacant former actual residence being sold, such as maintenance of the building and grounds (exclusive of fixing-up-expenses), utilities, taxes, property insurance, mortgage interest (FAR Part 31.205-35(a)(3); (a)(4); and (c)(3) Relocation Costs) etc., after settlement date or lease date of new permanent residence.
- d. Costs incident to acquiring a home in a new location, except that 1) these costs will not be allowable for employees who were not homeowners before the transfer, and 2) the total costs shall not exceed five percent of the purchase price of the new home.
- e. Relocation costs of the following types are unallowable whether incurred by the employee or by the Laboratory:
- (1) Loss on sale of home.

## **12. Official Foreign Business Travel**

All foreign travel will be made in accordance with the DOE Official Foreign Travel Order and the FTR.

## **Section 12. Recruitment**

1. Reimbursable expenses incurred in recruiting of personnel will include necessary and reasonable costs.
2. An annual recruiting budget is included in the yearly Cost Proposal which is reviewed and approved by DOE. Allowable recruiting expenses include but are not limited to:
  - a. Transportation, lodging, meals, incidental and other expenses for interviewees, and when approved on a case-by-case basis for spouses, during their stay for the interview and in traveling to and from their home to the Contractor location where they are interviewed subject to the limitations under Section 11. Travel and Relocation of the Appendix.
  - b. Costs associated with pre-employment screening, including the costs of the interviewee travel to and from his/her home to a contractor-specified location for the purposes of medical evaluation or drug testing, when required, for the position being considered.
  - c. Recruitment advertising, recruitment-related employment office expenses, travel of employees on recruiting assignments, preparation of booklets and other recruitment materials, and use of employment agencies not in excess of standard commercial rates.

### **Section 13. Community Programs**

The cost of participating in community activities that are intended to promote stakeholder and community outreach will be allowable. The Contractor will submit an annual budget in support of the Laboratory program as part of the Cost Proposal.