

U.S. DEPARTMENT OF ENERGY
BASIC ORDERING AGREEMENT
DE-AK05-01OR22874
AMENDMENT NUMBER M002

This Basic Ordering Agreement (BOA) between **Duratek Radwaste Processing, LLC.** (hereinafter "Contractor") and the Department of Energy (hereinafter "DOE") is entered into to provide services to all federal agencies and their prime contractors in accordance with the following:

1. This Agreement is for the services described in Appendix A.
2. General Terms and Conditions are included in Appendix B, and made a part hereof.
3. The parties agree that any federal agency, or any entity having a prime contract with said agency, may place task orders (hereinafter "order(s)") under this BOA for federal government work requirements. Any federal agencies' prime contractors may issue orders with written authorization from that agency's authorized Contracting Officer. Each requiring organization shall place its own orders under this Agreement as set forth under the Federal Acquisition Regulation, section 16.703.
4. The Government, through the US Department of Energy, Oak Ridge Operations Office, intends to award multiple BOA's for the services described herein. A competitive bid process among those Contractors awarded a BOA for these services will determine the price for the services. Federal agencies and their prime Contractors reserve the right to use other criteria, in addition to price, in determining which Contractor will receive an order under the BOA.
5. The sole purpose of this modification is to insert the Nuclear Hazards Indemnity Agreement, Clause 952.250-70, in Part II, Appendix B, I.2

ARTICLE 1 - SCOPE OF WORK

The Contractor agrees to furnish such services as described herein as the Government or any of its applicable prime Contractors may order during the term of this Agreement. Any such order shall become a binding contract upon the Contractor's and Government's acceptance of the order. All orders placed hereunder shall reference the number of this BOA (DE-AK05-01OR22874) and the order number assigned by the ordering agency office and/or applicable prime contractor administrator. The DOE BOA Administrator listed in Article 3 below is available to clarify understanding of the BOA only. The DOE BOA Administrator does not issue orders or award contracts.

ARTICLE 2 - DELIVERY/PAYMENT

The work specified in Article 1 shall be completed and delivered as stated in each individual order. Payment for completed services will be made by the organization issuing the order.

ARTICLE 3 – ADMINISTRATIVE

DOE BOA Administrator -
Name: Mario Aguirre
Telephone Number: (865) 576-0554
Address:
Oak Ridge Operations Office
P.O. Box 2001
Oak Ridge, TN 37831

Contractor's BOA Administrator -
Name: Christopher Reno
Telephone Number: (865) 220-1623
Address:
1560 Bear Creek Road
PO Box 2530
Oak Ridge, TN 37831-2530

ARTICLE 4 - SITE-SPECIFIC TERMS AND CONDITIONS

The Contractor acknowledges that the organization issuing an order under this BOA may have requirements unique to its mission and/or geographic location, including statements of work. Therefore, the Contractor agrees that the organization placing an order under this BOA reserves the right to incorporate its own local site-specific terms & conditions.

ARTICLE 5 - CONTRACTOR FACILITY APPROVAL

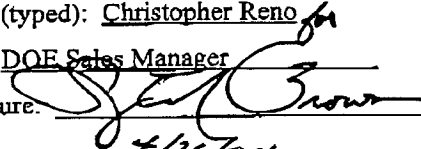
The following contractor facility (facilities) are approved work performance sites under this BOA. Other contractor facilities may be approved subject to an acceptable site quality assurance audit performed by a representative of the DOE Contracting Officer for this BOA. Work may not be performed at other contractor sites until this BOA is modified in writing.

***Duratek Bear Creek Operations**
1560 Bear Creek Rd.
Oak Ridge, TN 37830

* Highest classification level storage capability at this site: **Confidential**

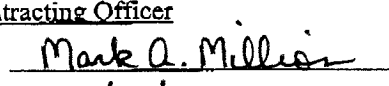
Agreed to by both parties as indicated below:

For the Contractor;

Name (typed): Christopher Reno
Title: DOE Sales Manager
Signature: 
Date: 4/26/04

STEVE R. BROWN
CONTRACTS MANAGER

For the Government;

Name (typed): Mark A. Million
Title: Contracting Officer
Signature: 
Date: 5/27/04

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For the Government;

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APPENDIX A
STATEMENT OF WORK FOR MATERIALS DISPOSITION
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Introduction:

The Government desires to divest itself of surplus Material such as scrap metal, equipment, vehicles, etc., that cannot be made available to the general public. The Material is currently located at sites across the Government complex. The Material is believed to have some value to certain commercial enterprises, therefore, the Material is not considered waste. The Material meets the definition of personal property as stated in the Federal Acquisition Regulation. Some of the Material may be radioactively contaminated and regulated under The Atomic Energy Act of 1954 as amended.

Background:

The federal government and in particular the U.S. Department of Energy Complex has an indeterminate amount of potentially contaminated radioactive Material that could be recycled, reused or buried. The Material is in the form of small to large pieces of metal, structural steel, equipment and vehicles. The Material may be in scrap piles, outside locations and stored in containers, and/or it may be located within underutilized or abandoned facilities. In some cases the Material may be attached and/or part of the building in which they are located.

Scope:

General – The Contractor shall disposition the Material by decontamination, sorting, segregating, or by other means, processing the Material at the Contractor’s facility(ies). The requirements shall be specified in each order. Hereafter referred to as “order(s)”. The order may include removal, characterization, packaging, and transportation to the Contractor’s facility.

Security – The requiring organization shall make the determination if the Material has security concerns. If the Material to be dispositioned requires special handling or processing due to classification, Unclassified Controlled Nuclear Information (UCNI), or Export Controlled Information (ECI) specific requirements shall be detailed within the individual orders. It is anticipated that such requirements will be minimal, but where applicable shall likely require certified destruction or reconfiguration of the affected Material. Where required, methods of destruction or reconfiguration may be proposed by the contractor for approval by the organization issuing the order. Contractors may not be able to perform those orders requiring security clearances until such clearances are obtained.

Radioactive Property - When the Material subject to transfer is radioactively or potentially contaminated the contractor shall comply with federal requirements for all activities performed at that site. It is anticipated only minimal decontamination processing to expedite handling, loading, and transporting of the Material will be permitted at the federal work site. Material located at the contractor’s facilities shall be managed and regulated in accordance with the terms and conditions of its NRC or NRC Agreement State license.

Environment, Safety and Health (ES&H) and Quality Assurance (QA) - The ES&H and QA requirements will likely vary with each order depending on what work (if any) will be performed on the government’s site. If the order requires dismantling for parts or equipment on a

government site there would likely be additional ES&H and QA requirements. The organization issuing the order shall be required to detail the ES&H and QA requirements associated with a given order.

Onsite Actions, Packaging, and Transportation - For some tasks, the contractor shall be responsible for removal of the Material from designated facilities and/or storage areas. Onsite actions shall be defined by each order. The requiring organization shall provide the best information available on the description, characterization, and history of the Material. The removal and transportation of the Material by the Contractor shall be done in compliance with all applicable State, Federal, and local laws and regulations.

Title and Possession – The government’s intent is to transfer title to all the Material at some point in the disposition process. The point of title transfer and possession shall be clearly defined in each order. Possession shall occur no later than at the point of receipt at the Contractor’s facility. If there are no security concerns with the material under an order, title transfer will likely be concurrent. If the Material has security concerns the title will transfer after the security concerns are resolved and prior to any unrestricted release of Material or final disposition of the Material.

Applicable Directives:

1. The Contractor shall maintain all required licenses/permits to conduct the scope of each applicable task, including shipping, storage, handling and waste disposal.
2. The Contractor shall perform all work in accordance with federal, state, and local rules, regulations and standards and within the limits of the Contractor’s permit or license.
3. The Contractor shall comply with quality assurance requirements as established by Nuclear Quality Assurance manual (NQA-1), Quality Assurance Program Requirements for Nuclear Facilities.
4. Any other applicable organization directives (e.g. DOE Orders and/or Site-specific procedures) shall be specified in each order.

Performance Requirements:

Specific performance requirements shall be delineated for each order.

General Requirements -The Department of Energy, Oak Ridge Operations, National Center of Excellence for Metals Recycle (NMR) is the sponsor of this BOA. NMR reserves the right to conduct annual quality assurance audits to the requirements of the Contractor’s NRC or NRC Agreement State license. All organizations that issue orders under this BOA will rely on the NMR annual audits and shall not conduct their own. If NMR finds major concerns during an audit, the Contractor shall not be allowed to participate in the competition for any orders until the finding is corrected and approved by NMR. NMR, or a contractor for NMR, may also conduct surveillance.

1. The Contractor shall have the legal authority to possess and process radioactive materials, such as a NRC license or NRC Agreement State radioactive material license.

2. The Contractor shall comply with all applicable Federal and State requirements including EPA, OSHA, DOT and NRC/NRC Agreement State regulations. The Contractor shall notify DOE if any of their licenses or permits has expired, been revoked, or is under any other action by regulators that shall not allow the Contractor to accept Material for processing.
3. The Contractor shall provide DOE the results of regulatory audits conducted, or Notices of Violations issued by regulators.
4. The Contractor shall have health and safety programs that meet the requirements of their licenses or permits to handle Material in the specific order.

Deliverables

For each order the Contractor shall provide an annual Mass Balance Report in accordance with the attached format delineating the Material dispositioned under that order to the BOA Administrator listed in Article 3. One copy shall also be provided to the activity or site issuing the order. Annual Mass Balance Reports shall be due on February 1st for the previous year. Additional deliverables may be specified in each order.

APPENDIX B
GENERAL TERMS AND CONDITIONS
DE-AK05-01OR22874

General Terms and Conditions will be identified and incorporated for each order as directed in FAR Part 16.703 (c) (1)(ii).

PART I of APPENDIX B - THE SCHEDULE

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 ITEMS BEING ACQUIRED

The Contractor shall furnish all personnel, facilities, equipment, material, supplies, and services (except as may be expressly set forth in this BOA as furnished by the Government) necessary for the disposition of material as delineated in individual orders. The Government, in accordance with the procedures outlined herein, will direct specific detailed performance requirements (including any necessary reporting requirements) in the order.

B.2 OBLIGATION OF FUNDS

The amount of funds obligated and made available for payment will be stated in each order.

B.3 PRICE

In consideration of the performance under Agency-issued orders, the Contractor shall be paid the consideration identified in each order; which consideration shall constitute complete payment for all services and materials furnished and accepted pursuant to the order.

SECTION C - DESCRIPTIONS/SPECIFICATIONS

C.1 See Appendix A Statement of Work

SECTION D - PACKAGING AND MARKING

D.1 MARKING

- (a) Each package, report or other deliverable shall be accompanied by a letter or other document which:
 - (1) Identifies the contract by number under which the item is being delivered.
 - (2) Identifies the deliverable Item Number or Reporting Requirement that requires the delivered item(s).
 - (3) Indicates whether the Contractor considers the delivered item to be a partial or full satisfaction of the requirement.