

## 1. APPLICABILITY

This policy applies to all cost-reimbursement, time-and materials, and labor-hour subcontracts. It also applies to those fixed-price subcontracts that have travel as a separate pay line item, but its applicability in such cases is only to that line item. The Company will only reimburse travel costs that are specifically allowed under this policy. The Company will not pay markups (e.g., profit/fee or G&A) on any of Seller's travel costs.

The Company may provisionally approve costs for reimbursement under this policy. The Company also may issue whole or partial reimbursement subject to a reservation of rights to reclaim any payments discovered to have been made in error.

## 2. DEFINITIONS

(a) Business Travel Status. Seller employees assigned to work at the Y-12 National Security Complex (Y-12) for an expected period of 30 or fewer consecutive calendar days during any 365-day period.

(b) Temporary Assignment. Seller employees assigned to work at Y-12 for a period expected to exceed 30 consecutive calendar days and fewer than 365 calendar days during any 365-day period, as further detailed in Section 4 below.

(c) Lodging. Expenses for overnight sleeping facilities, baths, personal use of the room during daytime, telephone access fee, and service charges for fans, air conditioners, heaters, and fires furnished in rooms when such charges are not included in the room rate. Lodging does not include accommodations on airplanes, trains, buses, or ships; such cost is included in the transportation cost and is not considered a Lodging expense.

(d) Meals. Expenses for breakfast, lunch, dinner and related tips and taxes (specifically excluded are alcoholic beverage and entertainment expenses, and any expenses incurred for other persons).

(e) Incidental Expenses. Expenses for (1) fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses, and others on ships, and hotel servants in foreign countries; and (2) transportation between places of lodging or business and places where meals are taken.

(f) M&IE. The combination of Meals and Incidental Expenses.

(g) Maximum Lodging Amount ("MLA"). The maximum reimbursable amount for Lodging in effect at the time of travel for the applicable location set forth in:

(1) Appendix A to Chapter 301 of the Federal Travel Regulations ("FTR") for travel in the contiguous 48 states and the District of Columbia;

(2) The DoD Joint Travel Regulations, Volume 2, DoD Civilian Personnel, Appendix A, for travel in Alaska, Hawaii, Puerto Rico, and territories and possessions of the United States; or

(3) Standardized Regulations (Government

Civilians, Foreign Areas), Section 925, "Maximum Travel Per Diem Allowances for Foreign Areas," prescribed by the Department of State, for travel in areas not covered in (1) or (2) above.

(h) Maximum M&IE Rate ("MMR"). The maximum reimbursable rate for M&IE in effect at the time of travel for the applicable location set forth in the same three sources in (g) above for determining the MLA.

(i) Point of Contact (POC). Seller must designate a single POC who will be responsible for reviewing all travel reimbursement requests for compliance with this policy before the costs are submitted to the Company's Subcontract Administrator (SA).

## 3. EXPENSES IN BUSINESS TRAVEL STATUS

(a) General. The Company will pay Seller's costs incurred under this subcontract for transportation, lodging, meals, and related incidental expenses in accordance with this Section 3. Seller's POC must notify the SA and request pre-approval at least 10 calendar days before an employee's Business Travel Status is scheduled to begin. The Company will reimburse no costs incurred before the date when such approval is granted.

(b) Reimbursement for Lodging. (1) Except as provided in subparagraph (b)(2) and paragraph (h) below, Seller will be reimbursed for actual Lodging costs incurred in accordance with Seller's established travel policy to the extent that such amount does not exceed the MLA.

(2) When lodging cannot be obtained within the ceiling in (b)(1) above, the SA may approve reimbursement at a higher incurred cost upon Seller's submission of appropriate written justification.

(3) Receipts for Lodging are required in accordance with paragraph (i) below.

(c) Reimbursement for M&IE. (1) Except as provided in paragraph (h) below, Seller will be reimbursed for M&IE in accordance with Seller's established travel policy to the extent that such amount does not exceed the MMR.

(2) For the days travel begins and ends, the allowance will be 75 percent of the applicable MMR.

(d) Airfare Costs. Airfare costs in excess of the lowest customary standard, coach, or equivalent airfare offered during normal business hours are unallowable except when such accommodations require circuitous routing, require travel during unreasonable hours, excessively prolonged travel, result in increased cost that would offset transportation savings, are not reasonably adequate for the physical or medical needs of the traveler, or are not reasonably available to meet mission requirements. However, in order for airfare costs in excess of the above standard airfare to be allowable, the applicable condition(s) set forth above must be documented and justified. Transportation aboard personally-owned or privately-owned aircraft is not

allowed, and the costs of such transportation are not reimbursable.

(e) Motor Vehicle Costs. (1) Personally-owned Motor Vehicle ("POV"). If Seller elects to allow its employee to travel by POV, Seller will be reimbursed for the use of the vehicle in accordance with Seller's established travel policy to the extent that such amount does not exceed the POV mileage reimbursement rate allowed by the applicable IRS Standard Mileage Rates based on the mileage between the authorized points of travel as listed in Rand-McNally standard distance charges. A variation of ten percent, if reasonable under the circumstances, is allowable, except when a longer route is necessitated by road or weather conditions. An employee approved to travel by POV may not unreasonably exceed time or expense requirements generally imposed by common carriers, regarding reimbursement for Lodging and M&IE for travel time.

(2) Rental Cars. Rental Car expenses are allowable if the nature of the travel or the location of the business is such that the use of public transportation is not cost effective or practical, considering the traveler's time. Rates for up to mid-size/intermediate size cars are allowable. Exception to the use of a mid-size/intermediate car may only be made when (i) more than three employees are traveling together, (ii) extra equipment is being transported by the traveler, or (iii) the traveler has a medical/health condition that prohibits the use of a car at the mid-size/intermediate rental rate. Refueling charges at the rental agency (pre-paid or at car return) are not allowable, unless justification is provided and approved by the Company.

(f) Commuting. When the traveler's residence or regular place of business is within 50 miles of the place of performance of the subcontract work, the costs of commuting are not reimbursable, and no payments for Lodging or M&IE will be made.

(g) Foreign Travel. Foreign travel is travel from the United States (including Alaska, Hawaii, the Commonwealths of Puerto Rico and the Northern Mariana Islands, and the territories and possessions of the United States) to a foreign country and return or between foreign countries. All foreign travel is subject to the prior approval of the DOE. Requests for approval for travel to a sensitive country or involving a sensitive subject must be submitted to the Company at least 40 days prior to the proposed departure date. Requests for approval for travel to a non-sensitive country and not involving a sensitive subject must be submitted to the Company at least 30 days before the proposed departure date. Post-travel trip reports for all foreign travel must be submitted to the Company within 25 days after return. Forms for use in requesting approval for foreign travel and for post-trip reporting are available from the Company.

(h) Labor Hours. Actual paid labor hours spent in route on Business Travel Status, will be compensated up to the daily maximum of the Y-12 standard workday, which is 10 hours.

(i) Receipts. Seller must submit with its invoice (1) itemized original receipts for Airfare Costs and associated baggage fees, Lodging, and rental car transportation regardless of cost, and (2) receipts for any authorized expenditure costing more than \$75.00.

#### 4. EXPENSES ON TEMPORARY ASSIGNMENTS

(a) Conditions. Seller may be entitled to reimbursement for any employee working at Y-12 under a Company subcontract if the employee is on Temporary Assignment, which means, in addition to the requirements specified above in Section 2(b), that the employee:

(1) Maintains a permanent residence:

(i) that is located more than 100 miles from the Y-12 site, as determined by standard mileage tables, and

(ii) for which the employee incurs monthly mortgage payments, rental expenses, or property taxes (if there is no mortgage); and

(2) Does not commute daily to the Y-12 work location from the permanent residence.

(b) Approval Necessary. Seller's POC must notify the SA and request pre-approval at least 10 calendar days before an employee's Temporary Assignment is scheduled to begin. The Company will reimburse no costs incurred before the date approval is granted. All reimbursements related to Temporary Assignments will be limited to three years as detailed below in paragraph (i). Eligibility will be calculated by using the employee's first day of reimbursement.

(c) Reimbursement for Lodging. For the first 60 days of the Temporary Assignment, the Company will reimburse costs associated with Lodging at the lesser of actual cost or 100% of the MLA. After the 60<sup>th</sup> day, reimbursement will be at the lesser of actual cost or 55% of the MLA. Receipts for lodging are required.

(d) Reimbursement for M&IE. For the first 30 days of the Temporary Assignment, the Company will reimburse costs associated with M&IE at 100% of the MMR. After the 30<sup>th</sup> day, reimbursement will be at 55% of the MMR. No reimbursement for M&IE will be made for vacation, personal absence from work, or return trips home. Furthermore, reimbursement for M&IE will not be paid for days not worked due to illness of two or more consecutive workdays unless the absence is supported by a physician's written statement.

(e) Reimbursement for Motor Vehicle Costs.

(1) Personally-owned Motor Vehicle ("POV"). The Company will only reimburse Seller for its employees' initial transportation costs (via personal vehicle) from their permanent residence to the temporary residence at Y-12 and for the same trip for the final return to the permanent residence at the completion of the Temporary Assignment.

(2) Rental Cars. Rental Car expenses while on Temporary Assignment are allowable at the discretion of the SA, and must be supported in writing. Written justification for such use must be submitted to the SA and approved in advance. Reimbursement for a rental vehicle will be made up to the cost of mid-size/intermediate. Exceptions to the use of mid-size/intermediate car rates may only be made when:

(i) more than three employee are traveling together;

(ii) extra equipment is being transported by the traveler; or

(iii) the traveler has a medical/health condition that prohibits the use of a mid-size/intermediate car.

(f) Business Travel While On Assignment. Transportation, Lodging, and M&IE expenses incurred for business travel outside the Y-12 area required in the performance of the subcontract will be reimbursed in accordance with Section 3. In addition, on-going Temporary Assignment expenses incurred to maintain a housing lease or discounted long-term hotel rate while on bona fide business travel from the assignment area are reimbursable under Section 4. M&IE will be reimbursed only under Section 3 for Business Travel Status and not under Section 4.

(g) Return Trips Home. (1) So long as one month remains on the assignment, the Company will reimburse the cost of one trip per month home to their permanent residences of Seller employees (but not others in lieu of employees) who are on Temporary Assignment at Y-12 and who have not been relocated. Evidence of actual travel to the permanent residence must be verified by the Seller before reimbursement is made by the Company to the Seller. Travel time to and from the permanent residence is not reimbursable.

(2) If a POV is used to return to the permanent residence, mileage will be paid at the current IRS rates. Such allowance will be based on the mileage between the authorized points of travel as listed in Rand-McNally standard distance charges. A variation of ten percent, if reasonable under the circumstances, is allowable, except when a longer route is necessitated by road or weather conditions. If Seller's employee is approved by Seller to travel by POV, reimbursement for Lodging, Meals, and Incidental Expenses for travel time will be limited to such reasonable period of time that would be required if common carriers were used.

(3) If airline transportation is used to return to the permanent residence, only coach airfare via the most direct route in accordance with FTR guidelines is allowed. Every effort must be made to obtain the lowest fares. Actual receipts must document all airfare costs.

(h) Assignment Extensions. If an assignment originally classified as Business Travel Status is extended such that the total assignment duration exceeds 30 calendar days, the assignment shall be reclassified as a Temporary Assignment with a deemed start date of the 31<sup>st</sup> day after the employee's first day of reimbursement for Business Travel Status.

(i) Breaks in Temporary Assignments. As noted above in paragraph (b), the Company will not reimburse costs associated with Lodging, M&IE, Airfare Costs, Motor Vehicle Costs, or any other costs that the Company may have agreed to reimburse, after an employee has been on Temporary Assignment with the Company for three years. If a Temporary Assignment has a break of less than 12 months, the Company will treat the assignment as continuous for purposes of the three-year cap. E.g., if an employee completes a two-year Temporary

Assignment and returns home for 12 months or more, a subsequent two-year Temporary Assignment will restart a new three-year cap. But if an employee completes a two-year Temporary Assignment and returns home for 6 months before a second Temporary Assignment, the Company will treat the second such assignment as a continuation of the first.

(j) Receipts. Seller must submit with its invoice (1) itemized original receipts for Airfare Costs and associated baggage fees, Lodging, and rental car transportation regardless of cost, and (2) receipts for any authorized expenditure costing more than \$75.00.

## 5. RELOCATION OR TEMPORARY CHANGE OF STATION

(a) Initial Cost Comparison. Seller employees initially proposed under a Company subcontract for an assignment period expected to exceed 365 consecutive calendar days are normally expected to relocate to the work location area. Nevertheless, at the time of proposing an employee, Seller must provide to the SA a cost comparison of the expected total reimbursable costs under Section 4 to (1) the expected reimbursable relocation costs computed in accordance with Seller's standard corporate relocation policy, subject to the limitations contained in FAR 31.205-35, and to (2) the expected reimbursable Temporary Change of Station (TCS) allowance as described in the FTR at 41 CFR §§302-3.400 to 302.3.429.

(b) Subsequent Cost Comparisons. For Seller employees not initially proposed for an assignment period expected to exceed 365 consecutive calendar days but who are extended beyond 365 days, Seller must, within 30 days of the original extension and on the annual anniversaries of any extensions thereafter, provide to the SA a cost comparison of the expected remaining total reimbursable costs under Section 4 to (1) the expected reimbursable relocation costs computed in accordance with Seller's standard corporate relocation policy, subject to the limitations contained in FAR 31.205-35, and to (2) the expected reimbursable TCS allowance as described in the FTR at 41 CFR §§302-3.400 to 302.3.429.

(c) Upon consideration of such cost comparisons, the SA may choose to reimburse expenses in accordance with Section 4 above (as for a Temporary Assignment), as a TCS, or as a permanent relocation.

## 6. FLOWDOWN

Seller must include this Travel Reimbursement Policy document in each lower-tier subcontract that requires reimbursement of travel expenses.

*(This policy implements DOE AL-2013-01 (10/18/12))*