



TRAVEL REQUEST

85057
(ATTACHMENT A)

OHM Corporation

Form 0022

Accounting

Rev. 8/94

TRXXXXX

Tickets Issued On _____

NAME	EMPL#	REG	DIV	DEPT	PROJECT#	BILLABLE?	CTC Invoice
						YES NO	
						YES NO	
						YES NO	
						YES NO	
						YES NO	
						YES NO	

Employee(s) of: OHMRSC OHMRS of Canada OHMC ASC Charge to: OHMRSC OHMRS of Canada OHMC ASC

RESERVATION INFORMATION

DATE	CAN LEAVE AFTER	MUST ARRIVE BY	ORIGIN	DESTINATION
SAMPLE				

CAR? YES NO How long? _____ Hotel Preference: _____

COMMENTS: _____

TICKET INFORMATION

DATE	AIRLINE FLIGHT #	TIME DEPART	TIME ARRIVE	ORIGIN	DESTINATION

HOTEL/CAR

CONFIRMATION NUMBER

FARE: \$ _____

Need ride to/from airport? _____

Lowest Fare Per Company Policy: Taken NOT Taken Reason: _____

Reason for travel: _____

Prepared By: _____ Emp: _____ CTC Agent: _____

Approved By: _____ Emp: _____ Date: ____/____/____

White - CTC Travel

Pink - Sender's Copy

AR312122

Memo



**OHM Remediation
Services Corp.**
A Subsidiary of OHM Corporation

16406 U.S. Route 224 East • Findlay, Ohio 45840

Corporate Office

TO: All Departments and Divisions

FROM: Kris Hansel *KH*
Bob McGregor *RM*

PC: Joe Kirk
Jerry Egger

DATE: April 26, 1995

SUBJECT: Airport Shuttles

Following further discussion regarding Findlay's airport shuttle service, please disregard the memo of April 17. The procedure for transportation to/from the airports serviced by the Findlay airport shuttle service is now as follows:

1. Before planning to drive to an airport, first check with Betty Mangas, ext. 6176, to determine if another shuttle trip has been scheduled that may be consistent with your time frame. Betty is responsible for coordinating shuttle trips and, if at all possible, will combine shuttle trips.
2. If you depart Findlay via the shuttle service, the service will also be provided upon your return.
3. If it is determined that the shuttle service is not available and you elect to provide your own transportation to/from an airport, you will be reimbursed as follows:

Cleveland	\$55
Columbus, Dayton, or Detroit	\$50
Toledo	\$25

4. Parking at an airport will be reimbursed at the airport long-term parking lot rate only.
5. Personnel arriving from other OHM locations should contact Betty Mangas for their travel arrangements to and from the airport.

If you need further clarification regarding this memo, please contact Betty Mangas at ext. 6176.

jln

AR312123



OHM Corporation

ADMINISTRATIVE POLICIES AND PROCEDURES

Heading	<u>Travel Related Expenditures</u>	Section	<u>Vehicle Usage</u>	
Approved By:	<u><i>J. M. DeSalvo</i></u>	Policy No.	<u>4.02</u>	
	<u><i>James J. Walker</i></u>	Supersedes	<u>8.01</u>	Dated <u>04/01/94</u>
	<u><i>Robert T. Waters</i></u>	Effective	<u>August 1994</u>	Page <u>1</u> of <u>3</u>

A. Purpose

The purpose of this section is to set forth the Company's guidelines to employees for vehicle transportation beyond normal commute while traveling away from home in the conduct of Company business.

B. Policy

1. It is the policy of the Company to pay or reimburse its employees for normal and necessary transportation costs such as taxis, public transportation, shuttle services or rental cars when traveling away from home in the conduct of Company business.
2. It is the policy of the Company that Company vehicles provided to employees should be used for business purposes only.
3. It is the policy of the Company that all persons operating either Company or personal vehicles in the performance of Company business have a valid drivers license and personal automobile insurance.
4. It is the policy of the Company to reimburse its employees with a transportation allowance for the use of their personal vehicle if temporary use of a Company vehicle is not available to the employee.
5. It is the policy of the Company not to reimburse employees for fines resulting from traffic violations of any type.

C. Use of Company-Owned Vehicles

Certain employees may be eligible for the use of Company vehicles in the conduct of the Company's business. In addition, the Company maintains vehicles for use on a temporary basis for employee business travel. The policies for use of a Company vehicle are contained in the Company's Human Resources Policies and Procedures Manual.

D. Use of Personal Vehicles

1. Employees who use their personal vehicle for travel directly related to the active conduct of Company business will be reimbursed 25 cents per mile.

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2. This mileage allowance covers all personal automobile expenses incurred by the employee including gas, oil, repairs, insurance, etc. No additional reimbursement for personal automobile expenses are allowed.
3. Employees may be reimbursed for all business miles incurred which are in excess of the miles driven for their normal commute to and from their home office. For example, an employee normally commutes a total of 20 miles round trip to and from their home office. The same employee drives their personal automobile a total of 50 miles in one day directly from their home round trip on Company business. The employee should request reimbursement for 30 business miles.
4. All requests for reimbursement of mileage allowances are to be submitted in a business expense report (BER).

E. Taxis, Public Transportation, Shuttle Services

1. Employees should use taxis, public transportation or shuttle services when their travel requirements call for short trips, especially within larger cities.
2. Limousine services should not be used unless the cost of the service is not more than the transportation recommended in [E.1], or when necessitated by client service.

F. Regional Shuttle Service

1. It is the intent of the Company to promote the use of the regional shuttle services, not the use of personal vehicles or rental cars when traveling to and from airports.
2. When making travel arrangements, the employee should inquire as to the availability of the regional office's shuttle services for traveling to or from a company location. Employees may make shuttle arrangements by calling their regional shuttle coordinator.

G. Rental Cars

1. The Company has made arrangements with certain rental car agencies to provide rental cars to OHM employees at favorable rates. These agencies should be used whenever possible. The Company's discount program numbers should be used when making reservations. See the Corporate Rental Car Agencies (Attachment A).
2. Rental cars should be reserved through the corporate travel agency.
3. When a rental car is needed, the Company will reimburse the employee for using the most cost effective car available for the number of people traveling.
4. Collision damage waiver coverage is included in our corporate rates with the corporate rental car agencies. Do not accept this coverage when renting from the corporate rental car agencies.
5. Employees may use other rental car agencies if the rental rates are more advantageous. However, when comparing the cost to the corporate rental car agencies rates, include the cost of the collision damage waiver in the comparison. Always accept the collision damage waiver when renting from car rental companies other than the corporate rental car agencies.

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6. Attachment A shows the maximum rates in effect for Company employees.
7. Prior to returning a rental car, employees should fill the gas tank. The per gallon rate charged by car rental agencies for gasoline is generally more than double the rate at gas stations.

H. Airport Mileage

To reduce the cost of travel, several of the Company locations have set up arrangements for employee transportation to and from area airports. At each of the Company's locations, local policy may exist for reimbursement of travel expenses to and from airports. Contact your regional accounting department for the specific policy for reimbursement of these charges.

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OHM Corporation

(ATTACHMENT A)

8/94

CORPORATE RENTAL CAR AGENCIES

Primary Rental Car Agency	National Car Rental
Corporate Discount Number	5257033
Secondary Rental Car Agency	Alamo Car Rental
Corporate Discount Number	110800

CAR RENTAL PROGRAM SUMMARY

(Effective 6/29/94)

Daily Rates

<u>Car Class</u>	<u>National</u>	<u>Alamo</u>
Economy	\$33.00	\$32.00
Midsize	\$35.00	\$32.00
Full-size	\$37.00	\$32.00

Alamo Special Rates

	<u>Daily</u>
<u>Car Class</u>	<u>Florida</u>
Economy	\$26.00
Midsize	\$28.00
Full-size	\$33.00

City Surcharges - National Only

\$4 Per Day	Boston, Chicago
\$6 Per Day	Philadelphia, Washington D.C.
\$8 Per Day	CT Metro Area, NJ, NY
\$12 Per Day	JFK Airport, Laganardia Airport, Manhattan Airport

**Note: Alamo does not have any surcharge cities.

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OHM Corporation

ADMINISTRATIVE POLICIES AND PROCEDURES

Heading	<u>Travel Related Expenditures</u>	Section	<u>Lodging</u>	
Approved By:	<u><i>J. H. Ignatelli</i></u>	Policy No.	<u>4.03</u>	
	<u><i>James L. Walker</i></u>	Supersedes	<u>9.01</u>	Dated <u>04/01/94</u>
	<u><i>Paul M. Walker</i></u>	Effective	<u>August 1994</u>	Page <u>1</u> of <u>2</u>

A. Purpose

The purpose of this section is to set forth the Company's guidelines for employee lodging accommodations when traveling in the conduct of Company business.

B. Policy

1. It is the policy of the Company to provide its employees with reasonable lodging accommodations when traveling away from home is necessary in the conduct of Company business.
2. It is the policy of the Company to comply with guidelines established by the Federal government as outlined in the Federal Travel Regulations.

C. Definitions

1. CONUS is an acronym which stands for CONTinental United States.
2. Travel away from home is defined as travel which requires an overnight stay of one or more nights directly related to the active conduct of the Company's business. Such travel will be to locations that are a distance of 50 miles or more beyond the employee's home office or personal residence, whichever is closer.
3. Travel Coordinators have been designated for each division, region, and corporate group in the Company. The travel coordinator will provide the corporate travel agency with the information needed for the employee to obtain an airline ticket, hotel reservation and/or car rental.
4. Corporate Travel Agency is responsible for providing the airline ticket, hotel reservation and/or car rental to the employee through the appropriate travel coordinator and will direct bill the Company for the air travel.

D. Obtaining Lodging

1. Employees are expected to use standard accommodations at moderately priced hotels.
2. Arrangements for lodging accommodations should be made through the corporate travel agency. The corporate travel agency has negotiated rates for company employees at selected hotels throughout the country.

3. At the time of check-in, employees should always confirm that a corporate rate is being given. In addition, employees should inquire if lower than corporate rates are available due to special promotions. The lowest rate available should always be taken.
4. Employees are responsible for cancellation of guaranteed reservations in the event the accommodations are not needed. Normally, cancellations must be made no later than 6 p.m. of the day of arrival to avoid a "no-show" billing. "No-show" billings are normally the responsibility of the employee and may not be reimbursed by the company as a business expense.
5. Large groups of employees staying for an extended period of time (one week or longer) should have their regional purchasing departments negotiate with the hotel manager for advantageous rates.

E. Accommodations At Project Sites

Employees in salary grade 15 or less, are assigned two to a room except for PA's, project supervisors or lone females. Project employees wishing to stay in a single room may do so with the approval of the project manager and by reimbursing directly to the hotel/motel/apartment the difference between single and double room rates.

F. Receipts

Lodging expenses which include room and tax only, must be supported by receipts, itemizing dates and charges. Credit card slips alone are not sufficient. For lodging procured with a purchase requisition, vendor invoices should not contain charges for food, movies, room service, personal telephone calls or other incidentals when employees receive per diem allowances.

G. Long-Term, Out-Of-Town Arrangements

1. The Company allows employees on extended out-of-town business assignments to seek long-term accommodations such as apartments. Use of these accommodations should in all cases be approved in advance by the employee's supervisor or the project manager and the regional controller. This approval should become a part of the project file in the regional office.
2. All apartment rentals should be procured by the regional purchasing department through the use of a purchase requisition. See Section 3.04, **REQUISITIONS AND PURCHASE ORDERS** in this manual for further information.
3. It is the employee's or SA's responsibility to return to the Company any deposits for long-term accommodations upon completion of the lease.

H. Unusual Circumstances

The Company recognizes there may be situations such as projects outside CONUS, overseas travel and other unusual circumstances which require the lodging reimbursement limitation to be modified. Prior to any changes, a written request approved by the regional controller must be submitted to the corporate controller.



OHM Corporation

ADMINISTRATIVE POLICIES AND PROCEDURES

Heading	<u>Travel Related Expenditures</u>	Section	<u>Meals and Incidentals</u>	
Approved By:	<u><i>M. D'Agalucci</i></u>	Policy No.	<u>4.04</u>	
	<u><i>James J. Walker</i></u>	Supersedes	<u>13.01</u>	Dated <u>07/01/92</u>
	<u><i>Paul M. Waters</i></u>	Effective	<u>August 1994</u>	Page <u>1</u> of <u>3</u>

A. Purpose

The purpose of this section is to set forth the Company's policies for reimbursement of the cost of daily meals and incidental expenses. These expenses would be incurred by employees while traveling away from home in the conduct of Company business.

B. Policy

1. It is the policy of the Company to provide per diem allowances to all OHM employees for meals and incidentals while traveling away from home in the conduct of Company business.
2. It is the policy of the Company to comply with guidelines established by the Federal government as outlined in the Federal Travel Regulations.

C. Definitions

1. Travel away from home is defined as travel that requires an overnight stay of one or more nights directly related to the active conduct of Company business. Such travel will be to project sites or locations that are a distance of 50 miles or more beyond the employee's home office or personal home, whichever is closer to the site.
2. Incidental expenses for OHM employees are personal laundry, dry-cleaning, personal phone calls, waiter and porter tips, newspapers, magazines, in-room movies and between-meal snacks. These costs are included within the per diem allowance and should not be claimed as a separate expense on a Business Expense Report (BER).
3. Work clothes for laundering are those required by the site-specific health and safety plan as decided by the regional health and safety manager. No other clothing will be laundered at Company expense.
4. High cost of living areas are defined as any geographic locations designated in Attachment A, High Cost Per Diem Areas. High cost of living areas are based on where the employee is working (project site) not where the employee is staying (motel).
5. CONUS is an acronym which stands for Continental United States.

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D. Eligibility for Project Site Per Diem Allowance

1. The following project site job titles are eligible for per diem allowances to be reimbursed on their payroll check for travel to and from project sites as well as for work at the project site:

Carpenter & Carpenter Senior	Project Accountant & Project Accountant Sr
Control Room Incinerator Operator	Project Accountant Manager
Cost Scheduling Coordinator	Project Clerk
Electrician & Electrician Senior	Project Controller
Electrician Trainee	Project Superintendent
Electronics Technician & Electronics Tech Sr	Recovery Technician & Recovery Technician Senior
Engineer, Mechanical Design	Safety Technician & Safety Technician Senior
Equipment Oper I & Equipment Operator II	Supervisor, Health & Safety
Equipment Operator Senior	Supervisor, Incinerator
Health & Safety Officer	Supervisor, Project
Incinerator Oper & Incinerator Operator Sr	Supervisor, Project Accountant
Machinist & Machinist Senior	Team Leader
Mechanic & Mechanic Senior	Technologist & Technologist Senior
Painter & Painter Senior	Thermal Maintenance Technologist
	Welder & Welder Senior

2. The project site employee, as listed above, will claim the daily project site per diem allowances on their time report. The per diem allowance will be reimbursed on the employee's next regular pay check. See Section 6.01-TIME KEEPING.

E. Per Diem Allowances for Salaried and Hourly Employees

All employees not listed in [D.1] of this policy will be reimbursed by the Company for their per diem allowances through the BER system. See Section 5.01-BUSINESS EXPENSE REPORTS.

F. Per Diem Amounts

1. The following low cost area amounts are the Company's per diem allowance limits and apply to all employees for travel within CONUS. Attachment A, High Cost Per Diem Areas, lists each of the geographic locations that are defined as high cost of living areas. Any travel by employees, within CONUS, to a high cost of living area will entitle the employee to the higher rates:

a. Low Cost Areas:	b. High Cost Areas:	c. Special Locations:
Morning \$ 5.00	Morning \$ 5.00	Morning \$10.00
Afternoon \$ 5.00	Afternoon \$ 7.00	Afternoon \$15.00
Evening <u>\$15.00</u>	Evening <u>\$18.00</u>	Evening <u>\$25.00</u>
\$25.00	\$30.00	\$50.00

The special locations are Alaska, Hawaii and Puerto Rico as listed in (c) above.

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2. On an employee's day of departure or return from a trip with an overnight stay, only a partial allowance may be claimed dependent upon the time of departure or return. The departure and return times to an employee's home or office and applicable partial allowances are as follows:

Day of Departure:			Low	High	Special	Day of Return:			Low	High	Special
Before 7 a.m.	\$25.00	\$30.00	\$50.00	After 9 p.m.	\$25.00	\$30.00	\$50.00	After 3 p.m.	\$10.00	\$12.00	\$25.00
Before 12 p.m.	\$20.00	\$25.00	\$40.00	After 11 a.m.	\$ 5.00	\$ 5.00	\$10.00				
Before 5 p.m.	\$15.00	\$18.00	\$25.00								

3. For project per diem allowances, the employee must claim the partial day per diem on his/her time report.

G. Policy Regarding One Day Trips

An employee is eligible for just the evening allowance for one day trips away from home when the employee is on business more than 12 hours or returns home after 9 p.m. For per diem allowances on one day projects, the employee should claim only the evening allowance.

H. When Never To Claim A Per Diem Allowance for Reimbursement

1. NEVER claim a per diem allowance for any meals that were provided at a project site by the Company.
2. NEVER claim a per diem allowance for part of a day when your meal was provided to you by a Company employee or as part of a business meeting or entertainment.

I. Unusual Circumstances

The Company recognizes there may be situations such as projects outside CONUS, overseas travel, and other unusual circumstances that require the per diem allowance reimbursement limitation to be modified. Prior to any changes, a written request approved by the regional controller to modify the per diem allowance limitation should be submitted to the corporate controller for approval.

HIGH COST PER DIEM AREAS

<u>State</u>	<u>City</u>	<u>County and/or Other Defined Location</u>
ALABAMA	Birmingham	Jefferson
	Huntsville	Madison
	Mobile	Mobile
ARIZONA	Flagstaff	Conconino
	Grand Canyon Nat'l Park	Conconino
	Phoenix	Maricopa
	Prescott	Yavapai
	Scottsdale	Maricopa
	Tuscon	Pima County; Davis-Monthan AFB
ARKANSAS	Hot Springs	Garland
	Little Rock	Pulaski
CALIFORNIA	Barstow	San Bernardino
	Bridgeport	Mono
	Chico	Butte
	Death Valley	Inyo
	El Centro	Imperial
	Eureka	Humboldt
	Fresno	Fresno
	Gualalo	Mendocino
	Los Angeles	Kern, Orange, Los Angeles and Ventura Counties; Edwards AFB, Naval Weapons Center and Ordnance Test Station, China Lake
	Merced	Merced
	Modesto	Stanislaus
	Monterey	Monterey
	Napa	Napa
	Oakland	Alameda, Contra Costa, and Marin
	Ontario	San Bernardino
	Palm Springs	Riverside
	Palo Alto	Santa Clara
	Point Arena	Mendocino
	Redding	Shasta
	Redwood City	San Mateo
	Sacramento	Sacramento
	San Diego	San Diego
	San Francisco	San Francisco
	San Jose	Santa Clara
	San Luis Obispo	San Luis Obispo
	San Mateo	San Mateo
	Santa Barbara	Santa Barbara
	Santa Cruz	Santa Cruz
	Santa Rosa	Sonoma
	South Lake Tahoe	El Dorado
	Stockton	San Joaquin
	Tahoe City	Placer
Vallejo	Solano	

HIGH COST PER DIEM AREAS

<u>State</u>	<u>City</u>	<u>County and/or Other Defined Location</u>
	Victorville	San Bernardino
	Visalia	Tulare
	Yosemite Nat'l Park	Mariposa
	Yuba City	Sutter
COLORADO	Aspen	Pitkin
	Boulder	Boulder
	Denver	Denver, Adams, Arapahoe, and Jefferson
	Durango	La Plata
	Glenwood Springs	Garfield
	Grand Junction	Mesa
	Keystone	Summit
	Silverthorne	Summit
	Steamboat Springs	Routt
	Vail	Eagle
CONNECTICUT	Bridgeport	Fairfield
	Danbury	Fairfield
	Groton	New London
	Hartford	Hartford and Middlesex
	New Haven	New Haven
	New London	New London
	Salisbury	Litchfield
DELAWARE	Lewes	Sussex
	Wilmington	New Castle
DISTRICT OF COLUMBIA	Washington, DC	
FLORIDA	Cocoa Beach	Brevard
	Fort Lauderdale	Broward
	Fort Myers	Lee
	Fort Pierce	Saint Lucie
	Fort Walton Beach	Okaloosa
	Gainesville	Alachua
	Jacksonville	Duval County; Naval Station Mayport
	Key West	Monroe
	Kissimmee	Osceola
	Miami	Dade
	Naples	Collier
	Orlando	Orange
	Panama City	Bay
	Pensacola	Escambia
	Punta Gorda	Charlotte Saint Augustine Saint Johns
	Saint Augustinge	Saint Johns
	Saint Petersburg	Pinellas
	Sarasota	Sarasota
	Stuart	Martin
	West Palm Beach	Palm Beach
GEORGIA	Atlanta	Clayton, DeKalb, Fulton, and Cobb
	Lawrenceville	Gwinnett
	Norcross	Gwinnett
	Savannah	Chatham

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HIGH COST PER DIEM AREAS

<u>State</u>	<u>City</u>	<u>County and/or Other Defined Location</u>	
IDAHO	Boise	Ada	
	Idaho Falls	Bonneville	
	Ketchum	Blaine	
	McCall	Valley	
	Stanley	Custer	
	Sun Valley	Blaine	
ILLINOIS	Bloomington	McLean	
	Champaign	Champaign	
	Chicago	Du Page, Cook, and Lake	
	Peoria	Peoria	
	Rockford	Winnebago	
	Springfield	Sangamon	
	Urbana	Champaign	
INDIANA	Bloomington	Monroe	
	Columbus	Bartholomew	
	Crane	Martin	
	Evansville	Vanderburgh	
	Gary	Lake	
	Indianapolis	Marion County; Fort Benjamin Harrison	
	Lafayette	Tippecanoe	
	Southbend	Saint Joseph	
IOWA	Des Moines	Polk	
	Dubuque	Dubuque	
	Iowa City	Johnson	
KANSAS	Kansas City	Johnson and Wyandotte	
	Wichita	Sedgwick	
KENTUCKY	Bowling Green	Warren	
	Covington	Kenton	
	Florence	Boone	
	Lexington	Fayette	
	Louisville	Jefferson	
LOUISIANA	Alexandria	Rapides Parish	
	Baton Rouge	East Baton Rouge Parish	
	Bossier City	Bossier Parish	
	Lafayette	Lafayette Parish	
	Lake Charles	Calcasieu Parish	
	New Orleans	Parishes of Jefferson, Orleans, Plaquemines, and St. Bernard	
	Shreveport	Caddo Parish	
	Slidell	St. Tammany Parish	
	MAINE	Auburn	Androscoggin
		Bangor	Penobscot
Bar Harbor		Hancock	
Kennebunk		York	
Kittery		Portsmouth Naval Shipyard	
Portland		Cumberland	

HIGH COST PER DIEM AREAS

<u>State</u>	<u>City</u>	<u>County and/or Other Defined Location</u>
	Rockport Sanford Wiscasset	Knox York Lincoln
MARYLAND	Annapolis Baltimore Columbia Eastern Frederick Hagerstown Lusby Ocean City Salisbury Tower Garden on Bay Waldorf	Anne Arundel Baltimore and Hartford Howard Talbot Frederick Washington Calvert Worcester Wicomico Queen Anne's Charles, Montgomery, Prince George's
MASSACHUSETTS	Andover Boston Hyannis Cambridge Lowell Martha's Vineyard Nantucket Pittsfield Quincy Springfield	Essex Suffolk Barnstable Middlesex Middlesex Dukes Nantucket Berkshire Norfolk Hampden
MICHIGAN	Ann Arbor Benton Harbor Charlevoix Detroit Flint Grand Rapids Kalamazoo Mackinac Island Niles Pontiac Port Huron Saginaw Saint Joseph Traverse City Troy	Washtenaw Berrien Charlevoix Wayne Genesee Kent Kalamazoo Mackinac Berrien Oakland St. Clair Saginaw Berrien Grand Trave Oakland
MINNESOTA	Bemidji Brainerd Duluth Grand Rapids Mendota Heights Minneapolis Rochester Saint Cloud Saint Paul	Beltrami Crow Wing St. Louis Itasca Dakota Anoka, Hennepin and Ramsey Counties; Fort Snelling Military Reservation and Navy Astronautics Group (Detachment BRAVO), Rosemount Olmsted Stearns Ramsey

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HIGH COST PER DIEM AREAS

<u>State</u>	<u>City</u>	<u>County and/or Other Defined Location</u>
MISSISSIPPI	Bay Saint Louis	Hancock
	Biloxi	Harrison
	Gulfport	Harrison
	Jackson	Hinds
	Natchez	Adams
	Pascagoula	Jackson
	Ridgeland	Madison
	Vicksburg	Warren
MISSOURI	Branson	Taney
	Kansas City	Clay, Jackson and Platte
	Lake Ozark	Miller
	Osage Beach	Camden
	Saint Louis	St. Charles and St. Louis
	Springfield	Greene
NEBRASKA	Omaha	Douglas
NEVADA	Las Vegas	Clark County; Nellis AFB
	Reno	Washoe
	Stateline	Douglas
NEW HAMPSHIRE	Conway	Carroll
	Hanover	Grafton
	Laconia	Belknap
	Lebanon	Grafton
	Manchester	Hillsborough
	Newington	Rockingham County; Pease AFB
	Portsmouth	Rockingham County; Pease AFB
	NEW JERSEY	Atlantic City
Belle Mead		Somerset
Camden		Camden
Cape May		Cape May
Eatontown		Monmouth County
Edison		Middlesex
Freehold		Fort Monmouth
Millville		Cumberland
Moorestown		Burlington
Newark		Bergen, Essex, Hudson, Passaic, and Union
Ocean City		Cape May
Princeton		Mercer
Tom's River		Ocean
Trenton		Mercer
NEW MEXICO		Albuquerque
	Farmington	San Juan
	Las Cruces	Dona Ana
	Los Alamos	Los Alamos
	Santa Fe	Santa Fe
	Taos	Taos
	White Sands	Dona Ana
NEW YORK	Albany	Albany

HIGH COST PER DIEM AREAS

State

City

County and/or
Other Defined Location

Binghamton
Buffalo
Corning
Elmira
Glen Falls
Ithaca
Jamestown
Kingston
Lake Placid
Monticello
New York City

Broom
Erie
Steuben
Chemung
Warren
Tompkins
Chautauqua
Ulster
Essex
Sullivan
The boroughs of the Bronx, Brooklyn, Manhattan, Queens,
and Staten Island; Nassau, King, Richmond and Suffolk
Counties

Niagara Falls
Nyack
Palisades
Plattsburgh
Rochester
Saratoga Springs
Schenectady
Syracuse
Troy
Utica
Watertown
West Point
White Plains

Niagara
Rockland
Rockland
Clinton
Monroe
Saratoga
Schenectady
Onondaga
Rensselaer
Oneida
Jefferson
Orange
Westchester

NORTH CAROLINA

Asheville
Chapel Hill
Charlotte
Duck
Durham
Greensboro
High Point
Raleigh
Winston Salem

Buncombe
Orange
Mecklenburg
Dare
Durham
Guilford
Guilford
Wake
Forsyth

NORTH DAKOTA

Bismarck
Fargo
Mandan

Burleigh
Cass
Morton

OHIO

Akron
Cincinnati
Cleveland
Columbus
Dayton
Evendale
Fairborn
Oak Harbor
Port Clinton
Sandusky
Springfield
Toledo
Warren

Summit
Hamilton and Warren
Cuyahoga
Franklin
Montgomery; Wright Patterson AFB
Warren and Hamilton
Greene; Wright Patterson AFB
Ottawa
Ottawa
Erie
Clark
Lucas
Trumbull

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HIGH COST PER DIEM AREAS

<u>ate</u>	<u>City</u>	<u>County and/or Other Defined Location</u>
OKLAHOMA	Bartlesville	Osage, Washington
	Norman	Cleveland
	Tulsa	Osage, Tulsa
OREGON	Ashland	Jackson
	Bend	Deschutes
	Eugene	Lane
	Lincoln City	Lincoln
	Medford	Jackson
	Newport	Lincoln
	Portland	Multnomah
PENNSYLVANIA	Allentown	Lehigh
	Bloomsburg	Columbia
	Chester	Delaware
	Fort Washington	Montgomery County, except Bala Cynwyd
	Gettysburg	Adams
	Harrisburg	Dauphin
	King of Prussia	Montgomery County, except Bala Cynwyd
	Lancaster	Lancaster
	Mechanicsburg	Cumberland
	Philadelphia	Philadelphia County; city of Bala Cynwyd in Montgomery County
	Pittsburgh	Allegheny
	Radnor	Delaware
	Scranton	Lackawanna
	Shippingport	Beaver
	Somerset	Somerset
	State College	Centre
	Stroudsburg	Monroe
	Valley Forge	Chester
	Warminster	Bucks County; Naval Air Development Center
	Wilkes-Barre	Luzerne
York	York	
RHODE ISLAND	East Greenwich	Kent County; Naval Construction Battalion Center, Davisville
	Newport	Newport
	Providence	Providence
SOUTH CAROLINA	Charleston	Charleston and Berkeley
	Columbia	Richland
	Hilton Head	Beaufort
	Myrtle Beach	Horry County; Myrtle Beach AFB
TENNESSEE	Bristol	Sullivan
	Gadlinburg	Sevier
	Johnson City	Washington
	Kingsport	Sullivan
	Knoxville	Knox
	Memphis	Shelby
	Nashville	Davidson
Oak Ridge	Knox	

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HIGH COST PER DIEM AREAS

<u>State</u>	<u>City</u>	<u>County and/or Other Defined Location</u>
TEXAS	Amarillo	Potter
	Austin	Travis
	Brownsville	Cameron
	Corpus Christi	Nueces
	Dallas	Dallas
	El Paso	El Paso
	Fort Worth	Tarrant
	Galveston	Galveston
	Houston	Harris County, L.B. Johnson Space Center, and Ellington AFB
	Ingelside	San Patricio
	Laredo	Webb
	San Angelo	Tom Green
	San Antonio	Bexar
	UTAH	Cedar City
Ogden		Weber
Provo		Utah
Saint George		Washington
Salt Lake City		Salt Lake and Davis; Dugway Proving Ground and Tooele Army Depot
VERMONT		Burlington
	Middlebury	Addison
	Rutland	Rutland
	White River Junction	Windsor
	VIRGINIA	Alexandria*
Amissville		Rappahannock
Charlottesville*		
Chesapeake*		York
Fairfax*		
Falls Church*		
Hampton*		York
Lynchburg*		
Newport News*		York
Norfolk*		York County; Naval Weapons Station, Yorktown
Portsmouth*		York
Richmond*		Chesterfield and Henrico Counties; also Defense Supply Center
Roanoke*		Roanoke
Virginia Beach*		
Warrenton	Fauquier	
Williamsburg	Williamsburg	
Wintergreen	Nelson, Arlington, Fairfax, Loudoun	
WASHINGTON	Anacortes	Skagit
	Bellingham	Whatcom
	Bremerton	Kitsap
	Everett	Snohomish
	Keiso	Cowlitz
	Longview	Cowlitz
	Lynnwood	Snohomish

* Denotes independent cities

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HIGH COST PER DIEM AREAS

<u>State</u>	<u>City</u>	<u>County and/or Other Defined Location</u>
	Mount Vernon	Skagit
	Olympia	Thurston
	Port Angeles	Clallam
	Richland	Benton
	Seattle	King
	Spokane	Spokane
	Tacoma	Pierce
	Tumwater	Thurston
	Vancouver	Clark
	Whidbey Island	Island
	Yakima	Yakima
WEST VIRGINIA	Charleston	Kanawha
	Martinsburg	Berkeley
	Morgantown	Monongalia
	Parkersburg	Wood
WISCONSIN	Brookfield	Waukesha
	Eau Claire	Eau Claire
	La Crosse	La Crosse
	Lake Geneva	Walworth
	Madison	Dane
	Milwaukee	Milwaukee
	Oshkosh	Winnebago
	Wisconsin Dells	Columbia
WYOMING	Casper	Natrona
	Cheyenne	Laramie
	Jackson	Teton

Unless otherwise specified, the per diem locality is defined as "all locations within, or entirely surrounded by, the corporation limits of the key city, including independent entities located within those boundaries".

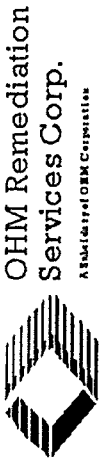
Per diem localities with county definitions shall include "all locations within, or entirely surrounded by, the corporation limits of the key city as well as the boundaries of the listed counties, including independent entities located within the boundaries of the key city and the listed counties".

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***CONSTRUCTION MANAGEMENT PROCEDURES I
PERSONNEL AND COMPANY POLICIES***

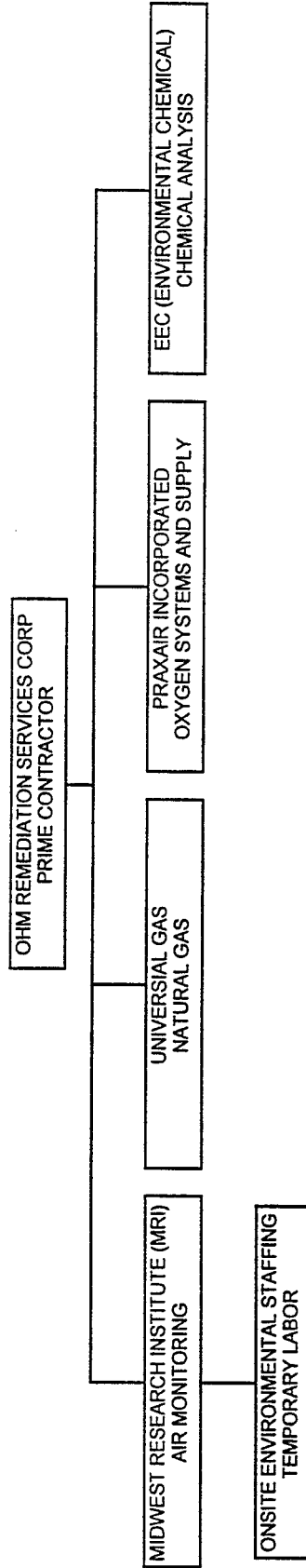
***ORGANIZATION CHART OF THE
CONTRACTOR/SUBCONTRACTOR
RELATIONSHIP***

AR312142



DRAKE CHEMICAL SUPERFUND SITE ORGANIZATION CHART OF THE CONTRACTOR / SUBCONTRACTOR RELATIONSHIP

ADVANCED AGREEMENTS
DACW31-96-R-0053



AR312143

JUNE 19, 1996

***CONSTRUCTION MANAGEMENT PROCEDURES I
PERSONNEL AND COMPANY POLICIES***

***TEAM SUBCONTRACTOR(S) RESPONSIBILITIES FOR
SUPPORTING CONTRACT***

AR312144

2

CONSTRUCTION MANAGEMENT PROCEDURES II
LOGISTICS MANAGEMENT PLAN

AR312155

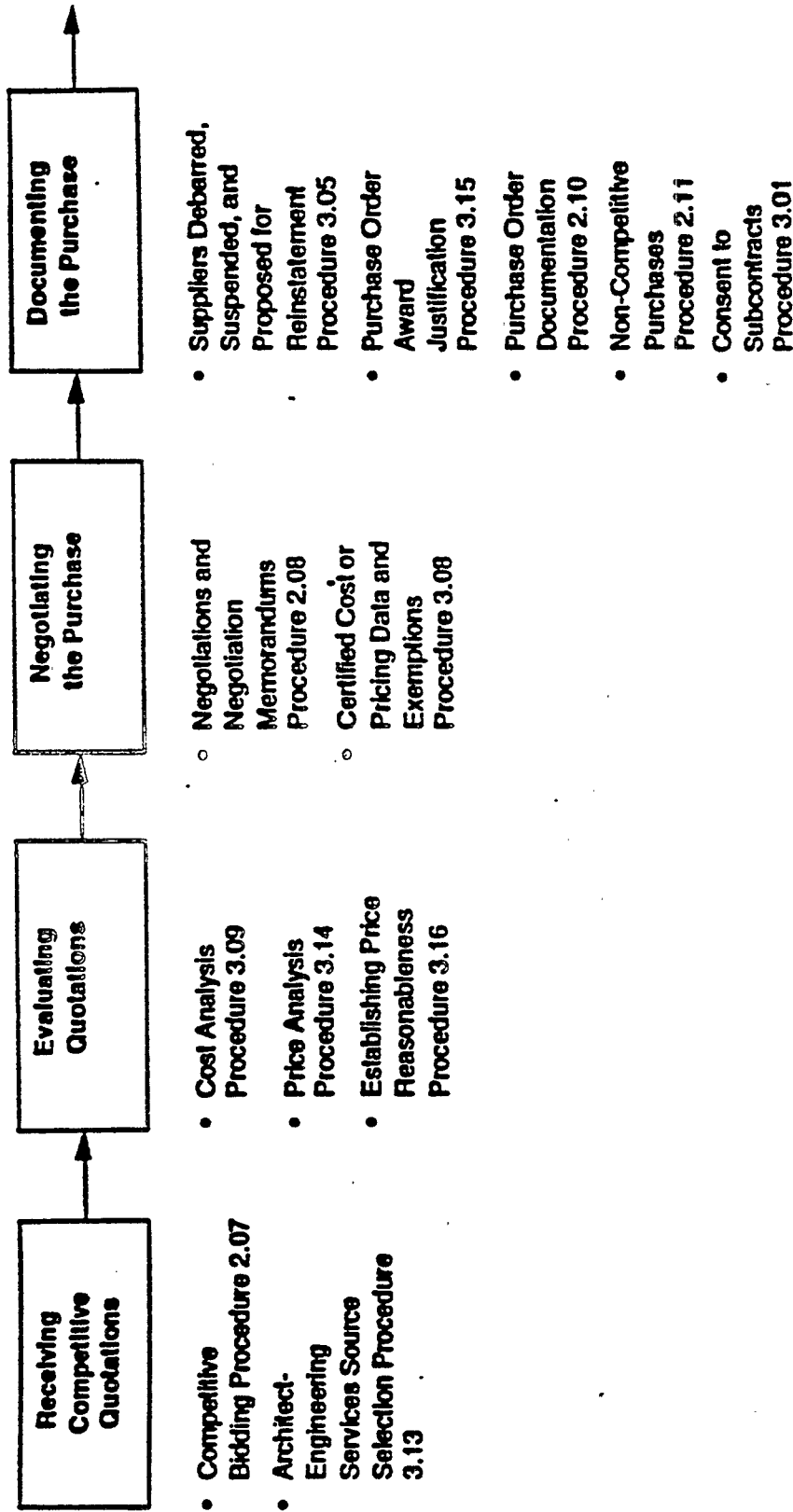
CONSTRUCTION MANAGEMENT PROCEDURES II
LOGISTICS MANAGEMENT PLAN

CONTRACTOR PROCUREMENT MANUAL

AR312157

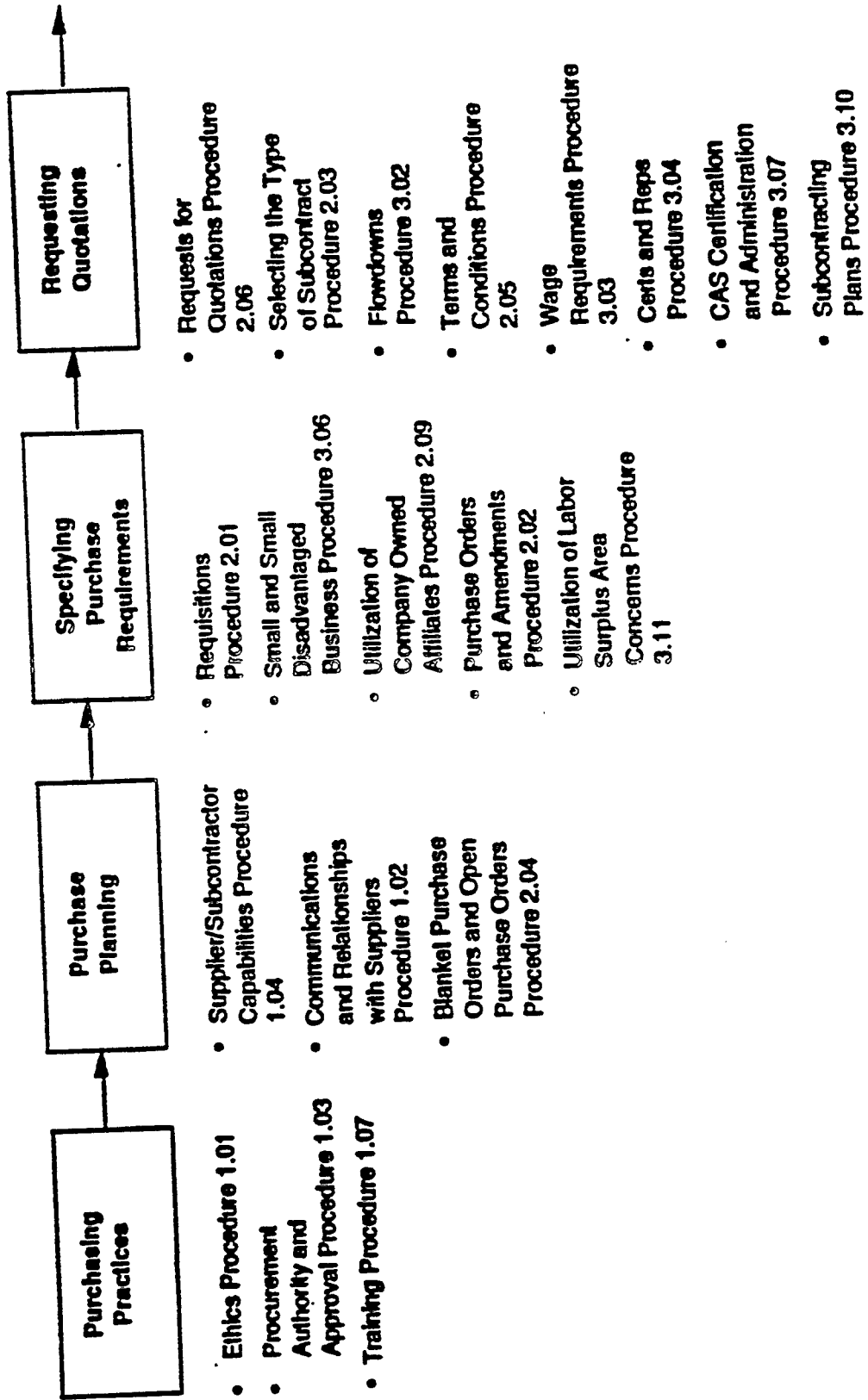
OVERVIEW OF OHM POLICIES AND PROCEDURES

PURCHASING FLOW (CONTINUED)



OVERVIEW OF OHM POLICIES AND PROCEDURES

PURCHASING FLOW



AR312159

- **Encouraging competition increases value.**

OHM utilizes competition in its procurement activities to the maximum extent practical.

- **Utilization of qualified Small Business and Small Disadvantaged Businesses (SB/SDB) is wise and fair business practice.**

OHM develops relationships with SB/SDB concerns to increase the number of qualified Suppliers/Subcontractors providing products and services to the environmental remediation industry.

- **Effective planning increases value.**

OHM plans its procurement activities to obtain the best value.

- **Good, prudent business practice protects OHM and the Customer.**

OHM requires its personnel to adhere to prudent business practice in all circumstances.

Introduction to Purchasing Policies and Procedures

OHM Remediation Services Corp. is a Company which focuses on providing environmental services to Non-Government and Governmental Customers. Most of the work completed under customer contracts is the remediation and cleanup of contaminated sites. This work is often authorized by the customer on an emergency basis. This means that in most instances, OHM must begin the mobilization of resources to the site within 1 week or less.

Over 70 percent of the Company's projects are completed within a few months. These projects are quick-response oriented and require that the Company be poised and ready to mobilize personnel to the project site, setting up office and site quarters on an immediate basis.

Project sites are scattered throughout the various regions of the country. At a majority of these sites, the Company has previously not maintained an office presence. Additionally, after completion of work, the Company rarely returns to continue follow-up activities.

The quick-response, emergency nature of the customer's requirements, the newness of the project locations, the brief duration of the work, and the nature of the work being done (i.e., construction, Architect-Engineering Services (A-E)) presents a procedural and administrative challenge to the Company. We pride ourselves in our ability to meet these administrative challenges while providing outstanding value and commitment to our clients.

OHM's procurement philosophy is consistent with this overall philosophy, as indicated in the following guidelines:

- Ethical conduct is a critical component of quality.

OHM conducts its Purchasing Function in compliance with all applicable laws and regulations. OHM will fairly conduct business with all of its Suppliers/Subcontractors.

- Value equals quality.

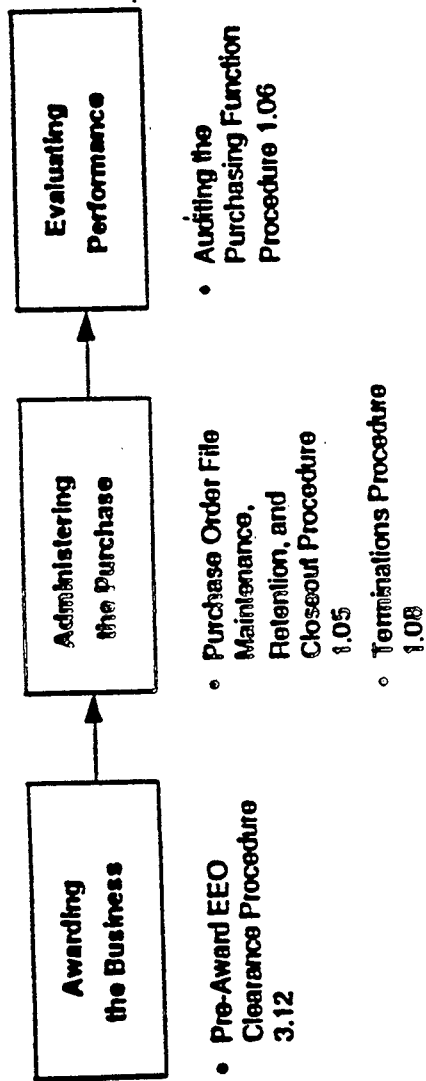
OHM seeks out and uses the best Suppliers/Subcontractors.

- A true value is the most cost-effective service or product available.

OHM uses its procurement skills to obtain the most cost-effective service or product.

OVERVIEW OF OHM POLICIES AND PROCEDURES

PURCHASING FLOW (CONTINUED)



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PROCUREMENT MANUAL

Purchasing Policies and Procedures

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PROCEDURE 1.01

ETHICS

I. Purpose/Objective

The purpose of this document is to establish procedures for issues related to business ethics.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to conduct all procurement activities with integrity, ethical standards of conduct, and in accordance with accepted business procedures.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A. Definitions.

- Conflicts of Interest (COI)
- Company Standards of Procurement
- Company Code of Ethics (CCE)
- Company Integrity Program (CIP)
- Ethics Hotline
- Federal Acquisition Regulation (FAR)
- Gifts and Gratuities
- Government
- Kickbacks
- Legal Department

- Non-Government
- Operations
- Purchase Order (PO)
- Purchasing Function
- Suppliers/Subcontractors

VI. Procedure

Since Operations and the Purchasing Function regularly interface with Suppliers/Subcontractors, both in the office and at project sites, there is a need for policies to establish, and procedures to implement, acceptable standards of business conduct and practice. This Procedure addresses the Company's Code of Ethics, the Company Integrity Program, and the Company Standards of Procurement Ethics and Conduct.

1. OHM Code of Ethics

The Company's Code of Ethics affirms OHM's Corporate Policy of conducting its business and operations in accordance with both the law and the highest standards of integrity. The following statement of the Company's policy constitutes the Company's Code of Ethics.

1. OHM's policy is to comply with all laws and regulations to which it is subject.
2. OHM's policy is to maintain contacts with Governmental officials and other Governmental personnel, both in this country and abroad, whether directly or indirectly, as legal and ethical business relationships.
3. OHM's policy is to be non-partisan.
4. OHM's policy is to maintain accurate and reliable Company records which disclose all disbursements and other transactions to which OHM is a party.

5. OHM's policy is to require ethical conduct of its employees in the exercise of their Company responsibilities.

The Code of Ethics also addresses the following issues:

- Employment of Subcontractors, Agents, and Consultants
- Campaign and Election Law Guidelines
- Conflicts of Interest (COI)
- Administration and Implementation

Acknowledgement of OHM Code of Ethics

Employees are required to execute, upon hire and thereafter on a yearly basis, an Acknowledgement of the OHM Code of Ethics. This acknowledgement states that they have read the Code, agreed to comply, know of no known facts or circumstances that may be in conflict with the Code of Ethics, and accept the responsibility for assuring that all employees under their direct supervision are in compliance.

Periodic Certification and Disclosures

Employees are also required, upon hire and thereafter on a yearly basis, to certify: (1) that they have not solicited or received any "Kickbacks", (2) Gifts or Gratuities, and (3) that they do not have a financial interest in any of the Suppliers/Subcontractors with which they do business.

2. Company Integrity Program

There is a Company Integrity Program which is implemented by the Legal Department. This Program includes Company training which allows employees and Suppliers/Subcontractors the opportunity to report, on a confidential basis, what they may consider violations or possible violations of ethically and legally incorrect business practice.

3. Standards of Procurement Ethics and Conduct

Supplier/Subcontractor Relationships

In our relationships with our Suppliers/Subcontractors, OHM Purchasing Function personnel shall maintain and practice the highest standards of integrity and business ethics, professional courtesy, and competence when dealing with Suppliers/Subcontractors. Purchases will be made on a competitive basis, to the maximum extent possible and whenever practical, and shall be based upon quality, schedule, service, cost, and other relevant factors. All Suppliers/Subcontractors will be accorded fair and equal treatment.

The Purchasing Function personnel are the key players in developing and maintaining this relationship and have a vital interest in developing long-term relationships with Suppliers/Subcontractors.

Activities that contribute to these goals that are appropriate include:

1. Scheduled Supplier/Subcontractor interviews and meetings
2. Referrals of Supplier/Subcontractor capabilities to appropriate Corporate, Regional, and Divisional Personnel
3. Awarding Purchase Orders (POs) on a competitive and independent basis
4. Providing Suppliers/Subcontractors with clear specifications and requirements so that quality standards and reliability and price goals can be achieved
5. Facilitating prompt payments
6. Providing reasonable assistance to Suppliers/Subcontractors to help them meet Corporate and technical requirements
7. Suppliers/Subcontractors facility visits, lunches, and occasional dinners can enhance Supplier/Subcontractor relationships. These activities are acceptable as long as OHM personnel pay their own travel expenses and per diems, and pay for approximately one-half the lunches and dinners on a reciprocal basis.

Activities that do not contribute to these goals and that are totally inappropriate include:

1. Seeking or accepting Gifts, Gratuities, Bribes, Kickbacks, Payoffs, or any other illegal or unethical fee

(The terms "Gifts or Gratuities" include any gratuitous service, loan, discount, money, or article of value, but does not include articles of nominal value given as sales promotions, holiday remembrances, or the value of reasonable entertainment consistent with local, social or business custom. Nominal value is less than \$25.00.)

2. Engaging in immoral, unethical, or illegal activities
3. Discussing one Supplier's/Subcontractor's pricing with another Supplier/Subcontractor
4. Giving prejudicial treatment to any Supplier/Subcontractor

OHM's Standards of Procurement Ethics are communicated to our Suppliers/Subcontractors by providing the Suppliers/Subcontractors with OHM's Code of Business Conduct. This includes an Ethics Hotline for Suppliers/Subcontractors to confidentially report potential or actual wrongdoing regarding our policy on Supplier/Subcontractor relationships, integrity, ethics, competition, and the following issues:

1. Accounts and Records
2. COI
3. Gifts or Gratuities
4. Bribes, Kickbacks, and Payoffs
5. Anti-trust

Supplier/Subcontractor Representations, Certifications, Disclosure, and Anti-Kickback Survey

On Government POs the Suppliers/Subcontractors are required to provide the following:

1. Anti-Kickback Certification -- Required annually when a PO of \$25,000 or more is issued

2. Anti-Kickback Survey Response -- Required annually when a PO of \$25,000 or more is issued
3. COI Certification -- Required annually when a PO of \$25,000 or more is issued
4. Procurement Integrity Certification -- For each Government PO exceeding \$100,000
5. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions -- For each Government PO exceeding \$100,000
6. Contingent Fee Representation and Agreement -- Required annually when a PO of \$25,000 or more is issued

Further Assurances of Ethical Conduct

Audit

The Company's Audit Program helps to ensure that there is ethical conduct and proper business practices in the Purchasing Function. If anything unusual is found, it is reported to Senior Management. Also, POs exceeding \$100,000 are reviewed by the Corporate Director of Purchasing. (See PROCEDURE 1.07, AUDITING THE PURCHASING FUNCTION).

Signatory Level

The signature requirements for requisitions, the responsibility of the Regional Purchasing Function for Supplier/Subcontractor selection, and the Corporate Purchasing Function approval review for POs exceeding \$100,000 all help to ensure that there is ethical conduct and proper business practices in the Purchasing Function. (Refer to PROCEDURE 2.01, REQUISITIONS)

4. Forms

The following forms are used in this Procedure and are contained in Appendix B, Forms.

- Acknowledgement of OHM Code of Ethics and Periodic Certification and Disclosure
- Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
- Contingent Fee Representation and Agreement
- OHM's Code of Business Conduct
- OHM's Code of Ethics
- Procurement Integrity Certification
- Purchase Order
- Supplier/Subcontractor Basic Representations, Certifications, Disclosure and Related Information
 - Part 8 is:
 - Anti-Kickback Certification
 - Anti-Kickback Survey Response
 - Part 10 is:
 - COI Certification

PROCEDURE 1.02

COMMUNICATIONS AND RELATIONSHIPS WITH SUPPLIERS/ SUBCONTRACTORS

I. Purpose/Objective

The purpose of this document is to establish procedures for the Company's communications and relationships with their Suppliers/Subcontractors.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to hold the Purchasing Function responsible for Supplier/Subcontractor communications and relationships.

V. Definitions

The following definitions are used in this Procedure and are defined in Appendix A, Definitions.

- Federal Acquisition Regulation (FAR)
- Government
- Non-Government
- Purchasing Function
- Suppliers/Subcontractors

VI. Procedure

1. Introduction

The communications and relationships with our Suppliers/Subcontractors are vital to the operation of our business. The responsibility for this task rests with the Purchasing Function, although it is often necessary for other functional areas of the Company to be involved. The following provides guidelines for ensuring that our communications and relationships with our Suppliers/Subcontractors are conducted in a proper manner:

- The Purchasing Function is the focal point for Supplier/Subcontractor communications and relationships.
- Communications and relationships with Suppliers/Subcontractors shall be conducted and maintained with the highest standards of integrity, business ethics, professional courtesy, competence, always at arm's length, and on a fair and equal basis.
- All Suppliers/Subcontractors are to be treated fairly and in accordance with PROCEDURE 1.01, ETHICS.
- OHM's Code of Business Conduct is a guide which describes the standards of conduct in the Company's relationship with Suppliers/Subcontractors.

2. Forms

The following form is used in this procedure and contained in Appendix B, Forms

- OHM's Code of Business Conduct

PROCEDURE 1.03

PROCUREMENT AUTHORITY, APPROVAL, AND RESPONSIBILITIES

I. Purpose/Objective

The purpose of this document is to establish procedures for procurement authority, approval level, and responsibilities.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy that the authority for Procurement is in the Corporate and Regional Purchasing Functions.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A, Definitions.

- Company Policy Committee
- Contract
- Contracting Officer (CO)
- Corporate Purchasing Function
- Corporate Purchasing Personnel
- Emergency Incidents
- Federal Acquisition Regulation (FAR)
- Project Accountant
- Government
- Master Agreement

- Non-Government
- On-Scene Coordinator (OSC)
- Prime Contract
- Procurement
- Purchase Order (PO)
- Regional Purchasing Function
- Regional Purchasing Personnel
- Requisition
- Requisitioner
- Subcontract Agreement
- Request for Proposal (RFP)
- Request for Quotation (RFQ)
- Suppliers/Subcontractors
- Transportation and Disposal (T&D)

VI. Procedure

1. Introduction

Corporate and Regional Purchasing Personnel have the sole authority to commit the Company to purchase supplies and services.

It may be necessary, due to emergency incidents, for site personnel, other than Corporate and Regional Purchasing Functions, to obtain and make Procurement commitments. No commitments shall be made without the full approval and knowledge of the Purchasing Personnel.

This Procurement Manual establishes the procedures for purchases to be made through the Requisition/Purchase Order (PO) process.

Company policies for all purchases, those through the Requisition/PO process and other approval processes (as defined in PROCEDURE 2.02, PURCHASE ORDERS AND AMENDMENTS), are established through the Company Policy Committee.

All purchases must be properly approved in accordance with the requirements of this Procurement Manual (see PROCEDURES 2.01 AND 2.02, REQUISITIONS and PURCHASE ORDERS AND AMENDMENTS).

2. Customer Procurement Approval and Authority

Customers, Non-Government, and Government representatives (Contracting Officer [CO] or designee, and On-Scene Coordinator [OSC]) do not have the authority to direct specific procurement actions, unless specifically stipulated by Contract terms.

The Corporate and Regional Purchasing Functions are responsible for obtaining quotations and making awards to Suppliers/Subcontractors which satisfy the job requirements at a fair and reasonable price in a fully compliant manner.

3. Purchasing Responsibility and Authority of Corporate and Regional Purchasing Functions and Project Accountants

Purchasing responsibility and authority, divided among Corporate and Regional Purchasing Functions and Project Accountants, are defined as follows:

Generic Responsibility and Authority

Corporate Purchasing Function: Purchasing Responsibility and Authority

- Procures Supplier's/Subcontractor's services, supplies required by Corporate
- Issues POs for Corporate purchases
- Develops and updates policies and procedures
- Ensures compliance with Company policy and procedures
- Maintains approved purchasing system status with Government
- Develops and maintains Supplier/Subcontractor data base in sufficient detail to negotiate Master Agreements
- Audits Regional Purchasing Function
- Actively manages open/closed audit action item list
- Reviews nationwide Prime Contracts and ensures that Regions and sites understand Flowdown requirements
- Defines Company-wide Purchasing training requirements
- Provides technical assistance to Regions and sites, as needed

- Develops and communicates Listing of Potential Small Business/Small Disadvantaged Business (SB/SDB) concerns; manages reporting requirements
- Procures or assists in procuring capital equipment
- Advises Regions of regulatory requirement changes
- Supports proposal activities
- Develops potential sources for current and future Corporate project requirements
- Distributes to Regions Lists of Parties Excluded From Federal Procurement or Nonprocurement Programs
- Ensures consistent application of Corporate Purchasing policies and procedures and compliance with Government requirements.

Regional Purchasing Function: Purchasing Responsibility and Authority

- Procures, subcontracts services, supplies, T&D services, equipment rentals, temporary personnel, and all other requirements to support projects and Regional needs.
- Provides purchasing direction and assistance to project staff
- Issues POs for Regional purchases.
- Reviews Region-specific Prime Contracts and ensures that sites understand flowdown requirements
- Maintains Regional data base of SB/SDB concerns
- Ensures Regional compliance and consistent application with Company policies and procedures and compliance with Government requirements
- Maintains and communicates data on Supplier/Subcontractor performance
- Develops and negotiates Region-specific Supplier/Subcontractor agreements
- Develops and maintains Regional data base to negotiate Regional Master Agreements

- Proactively supports project staff in advance of project start date on purchasing requirements
- Supports proposal activities
- Works with project staff to identify future Regional Purchasing requirements
- Performs Point-of-Transaction Audits and tracks audit action items
- Ensures that site staff comply with Requisition and Regional Purchasing authorization requirements
- Develops potential sources for current and future Regional project requirements

For site-generated procurements, the following responsibilities and authority apply:

Regional Buyer: Purchasing Responsibility and Authority

- Works with Project Accountant at project initiation to identify Supplier/Subcontractor and support requirements
- Prepares standard Solicitation Forms and flowdown requirements for Site Purchasing
- Makes supplier/subcontractor responsibility determinations including checking to assure that no proposed supplier/subcontractor is on the list of Parties Excluded From Federal Government Procurements
- Evaluates subcontractor proposals:
 - Price Analysis
 - Cost Analysis
 - Best Value
- Makes award decision and forwards name of recommended Supplier/Subcontractor to Project Accountant
- Directs award decision and any follow-up negotiations
- Completes File Documentation Check List
- Completes and maintains file at Regional Purchasing office

Project Accountant Staff: Purchasing Responsibility and Authority

- Receives Requisitions from Requisitioner
- Signs Requisition, if appropriate
- Ensures Requisition is accurately completed and approved by the required individuals
- Identifies potential Suppliers/Subcontractors with Regional Purchasing Function assistance
- Prepares solicitation using standard Request for Quotations (RFQs) and Request for Proposals (RFPs) provided by Regional staff
- Prepares Bid Evaluation Form and recommends Supplier/Subcontractor decision based on lowest offered price
- Provides PO number and invoicing information to Supplier/ Subcontractor, when PO is approved by Regional Purchasing
- Manages Supplier/Subcontractor business-related performance

See Page 7, Purchasing Responsibility Matrix, for a description of responsibilities and support activities within the Company

4. Forms

The following forms are used in this Procedure and are contained in Appendix B, Forms:

- Requisition
- File Documentation Check List

Purchasing Responsibility Matrix

	Project Accountant	Buyer	Project/Program Manager	Requisitioner
1. Requisition	S/R		R	R
2. Request for Quote	S	R		
3. Quotation Receipt	S	R		
4. Cost Evaluation	S	R		
5. Technical Evaluation	S	S	R	R
6. Summary of Bid	S	R		
7. Source Selection/Justification		R	S	S
8. Price Analysis	S	R		
9. Cost Analysis	S	R		
10. Noncompetitive Source Selection/Justification	S	R		
11. File Check List	S	R		
12. Certifications and Representations	S	R	S	S
13. PO Signature		R		
14. Negotiation Memorandums	S	R	S	S
15. SB/SDB/LSA/Women-owned	S	R	S	S
16. A-E Source Selection	S	R	R	S
17. Wage Requirements/Flowdowns	S	S	R	S
18. Other Flowdowns	S	R		

R = Responsibility and Authority

S = Support Only

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PROCEDURE 1.04

SUPPLIER/SUBCONTRACTOR CAPABILITY

I. Purpose/Objective

The purpose of this document is to establish the procedures for determining Supplier/Subcontractor capability.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to ensure that its Suppliers/Subcontractors are capable of performing all aspects of their Contracts, Subcontracts, Subcontract Agreements, and Master Agreements to satisfy the requirements of the customer and the Company.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A, Definitions

- Architect-Engineering (A-E) Services
- Contract
- Corporate Purchasing Function
- Dun & Bradstreet
- Federal Acquisition Regulation (FAR)
- Project Accountant
- Government
- Health and Safety Officer
- Master Agreement
- MIS

- Most Favored Customer Rate
- Non-Government
- Occupational Safety and Health Act (OSHA)
- Pre-Qualified
- Purchase Order (PO)
- Purchasing Function
- Regional Purchasing Function
- Scope of Work (SOW)
- Subcontract
- Subcontract Agreement
- Suppliers/Subcontractors
- Transportation and Disposal (T&D)
- Transportation and Disposal (T&D) Coordinators

VI. Procedure

1. Introduction

Purchasing and Program/Project Management are responsible for evaluating the capabilities of Suppliers/Subcontractors. In highly technical procurements, support will be provided by Operations, Engineering, Technical, Legal, Finance, Management Information System (MIS), and other departments as deemed necessary.

The degree of capability evaluation will depend upon the complexity of the Scope Of Work (SOW) and/or complexity of the technology involved; and, the experience with procurements of that nature and with the particular Supplier/Subcontractor.

A Supplier/Subcontractor may be "pre-qualified" in providing specific services or goods; however, all new Suppliers/Subcontractors will be evaluated.

2. Purchasing System Controls for Utilizing Qualified Suppliers/ Subcontractors

As part of this Procedure, the following controls are used to assist in ensuring the utilization of qualified Suppliers/Subcontractors:

- For example, Master Agreements are made with the major Transportation and Disposal (T&D) and Well Drilling Subcontractors. These agreements establish the contractual framework. Specific Purchase Orders (POs) are issued against the Master Agreement consistent with individual needs of the project.
- Where there is no Master Agreement in effect, a Subcontract Agreement is executed with the PO. The Subcontract Agreement establishes contractual requirements similar to the Master Agreement, but on an individual job/PO basis.
- POs shall not be made to Supplier/Subcontractors who are suspended and debarred from doing business with the Government, except as allowed by applicable regulation.
- The Purchasing Function is coordinated through Corporate Purchasing Function. Information regarding Suppliers'/ Subcontractors' technical capabilities or incapacities, as well as Government debarments/suspensions is funneled through the Corporate and Regional Purchasing Functions.

The Regional Purchasing Function is responsible for ensuring that the capabilities of Suppliers/Subcontractors are evaluated prior to making a PO award. Capabilities and responsible Supplier/Subcontractor determinations are accomplished by reviewing such things as past performance, evaluating personnel skills and equipment, capable of on-time delivery and applicable quality, evaluating technical knowledge, and evaluating financial strength, and other pertinent information as dictated by specific project needs.

3. Performance

The Corporate and Regional Purchasing Function is responsible for ensuring that Suppliers/Subcontractors perform adequately. Performance primarily means competitive pricing, acceptable quality, and delivery; but includes other factors.

The Corporate and Regional Purchasing Function monitors Supplier/ Subcontractor performance through requisitioner input for non-job related procurements, and through input from operations persons at the job sites for job-related procurements. Supplier/Subcontractors performance will be monitored by Operations personnel at the job site. Performance deficiencies and late deliveries will be communicated to the Purchasing Function and documented. The Purchasing Function will then review all pertinent facts and determine a course of action. The action will be task specific and could cover a spectrum from verbal discussion, written notification, face-to-face meeting, cancellation of the PO or Contract, withholding funds, price reductions, or whatever is deemed necessary.

4. Responsibility Determination

The Regional Purchasing Function, with the support of the Project Accountant, must determine that the prospective Supplier/Subcontractor is a responsible source of supply. This means that the Supplier/ Subcontractor has adequate financial resources, can meet the proposed delivery or performance schedule, has a satisfactory performance record, has a record of ethical practices, has the necessary organization and experience to perform the work, and possesses the necessary technical equipment to accomplish the envisioned work at the quoted price and schedule.

The Regional Purchasing Function should utilize Dun & Bradstreet reports and published financial report data available within the Company on post-delivery performance, site visit information, and site and regional technical expertise to assist in the responsibility determination.

5. Technical Capabilities

The technical capabilities of Supplier/Subcontractor are evaluated by the Purchasing Function, Program/Project Management, and the specific technical person. If necessary, a technical person will be the team leader as to the evaluation of Supplier/Subcontractor capability and PO award.

a. T&D

T&D is a major portion of the Company's subcontracted work and is one of the most technical. Technical personnel, T&D Coordinators, are dedicated to determining the SOW involved and Supplier/ Subcontractor capability as to the particular SOW and overall for other ongoing and future efforts.

In order to ensure capability, T&D Coordinators require these

Suppliers/Subcontractors to complete a Waste Management Facility Report Form, which is a detailed questionnaire concerning their capabilities.

- b. Technical Direction of Subcontractors
Specification, SOW, and schedules are developed by Program/Project Management with assistance from the other technical functions.

In some cases, technical assistance may be purchased from Suppliers/Subcontractors or consultants.

6. Suppliers/Subcontractors of Health and Safety Items

Critical health and safety items require testing, review, and approval by the Health and Safety Department.

7. On-Site Suppliers/Subcontractors-Satisfying Safety Requirements

When applicable, on-site Suppliers/Subcontractors must satisfy the safety requirements in OHM's Contract and in compliance with 29 CFR 1910.120. OHM's Health and Safety Department reviews Occupational Safety and Health Association (OSHA) Regulation and evaluates Supplier's/ Subcontractor's safety performance.

On-site Supplier/Subcontractors will complete and submit the Contractor Prequalification Safety Questionnaire. OHM's Health and Safety Officers will evaluate the information in the Questionnaire and determine whether the Supplier/Subcontractor satisfies the safety requirements. Based upon this determination, Suppliers/Subcontractors will be disqualified, qualified, or allowed to perform under OHM supervision and in accordance with OHM's Safety Program.

8. Special Government Requirements for Certain Types of Work

Some Government Contracts select clauses which delineate specific requirements for the selection and evaluation of Subcontractors/Suppliers of certain types of work. These areas are (1) Architect-Engineering (A-E), Surveying, and Related Services, and (2) Consultants.

For A-E, Surveying, and Related Services, See PROCEDURE 3.16, A-E SERVICES SOURCE SELECTION FOR GOVERNMENT PURCHASES.

For Consultants, the following may be required on a Contract-specific basis:

- Statement of Qualifications including relative project experience.

- Details of what costs are included in the daily or hourly rate charged and what costs would be charged over and above the rate.
- A signed statement from the consultant that the proposed rate is a "Most Favored Customer Rate", or the reason it was not offered.
- A rate comparison from the offeror which details that the rate proposed is comparable to the rates of other consultants doing similar types of work, and that the rate is charged by the consultant to other Customers for similar types of work.
- A statement of the consultant's technical ability to perform the desired work.
- A signed consulting agreement.
- Government Consent (Refer to each individual Contract and see PROCEDURE 3.01, CONSENT TO SUPPLIERS/ SUBCONTRACTORS.)

10. Forms

The following forms are used in this Procedure and copies are contained in Appendix B, Forms.

- Waste Management Facility Report Form
- Contractor Prequalification Safety Questionnaire
- Purchase Order

PROCEDURE 1.05

PURCHASE ORDER FILE MAINTENANCE, RETENTION AND CLOSE-OUT

I. Purpose/Objective

The purpose of this document is to establish procedures for the maintenance, retention, and close-out of Purchase Order files.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy that all supporting and related documentation for POs are retained and maintained in a manner which provides an accessible, current, complete, and accurate record of the transaction. This documentation should be maintained throughout the completion of the work envisioned by the PO, and retained in accordance with the contract requirements.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A, Definitions.

- Administrative Contracting Officer (ACO)
- Amendment
- Bidders
- Bids
- Contract
- Corporate Purchasing Function
- Federal Acquisition Regulation (FAR)

- Government
- Government Project Activity Report
- Management Information Systems (MIS)
- Non-Government
- Purchase Order (PO) File
- Proposals
- Purchasing Function
- Quotation
- Quotation Summary
- Regional Purchasing Function
- Requisition
- RFQs
- Small Business/Small Disadvantaged Business (SB/SDB) Concerns
- Specifications
- Solicitations

VI. Procedure

1. Applicability

This Procedure is applicable to all POs.

2. Maintenance and Retention

The Regional Purchasing Function maintains original document files for orders issued in the Regions and the Corporate Purchasing Function maintains original document files for orders issued by Corporate.

Each PO File must include the necessary documentation and other pertinent information as required by Purchasing Procedures as shown in the PO File Documentation Table.

Purchase Order File Documentation Table

Required	May Be Required Based on Order Value Contract/Customer Type
PO and Amendments	RFQs
Requisition	Written Vendor Quotes
Record of Vendor Quotes	Supplier Survey
Bid Summary	PO Award Justification
Additional Contract-specific Requirements	Noncompetitive Award Justification
	Source Selection/Justification
	Certifications and Representations
	Negotiation Summary
	Basis for selection of contract type
	Specifications
	Correspondence between Purchasing Functions and Bidders
	Evidence of SB/SDB concerns consideration
	Information as to use of special terms and conditions and documentation of approval
	Department and management approval
	Administrative Contracting Officer (ACO) notification and consent, as required
	Additional Contract-specific Requirements

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If an administrative office is maintained at a project site, the Site PO Files, at a minimum, shall include:

- Requisition
- Specifications
- Solicitation (if applicable)
- Quotes/Bids/Proposals
- Quotation Summary
- PO and Amendments

If, for practical reasons, other necessary documents or information are located outside the PO File, the location of the information must be specified in the PO File and the information must be readily obtainable. Each PO File must include all consecutive amendments which accurately reflect the changes and the progression of those changes.

The documents and information in a PO File on Non-Government Contracts may be consolidated in any reasonable manner. However, on a PO for a Government Project, the Purchase Order File Documentation Check List must be followed. POs with voluminous documentation may require multiple folders.

The PO Files will be filed in alphabetical order by Supplier/Subcontractor. The Supplier/Subcontractor files will run from January through December of the business calendar.

Responsibilities for retention of Regional PO Files rest with the Regional Purchasing Function. Responsibilities for retention of the Corporate PO Files rests with Corporate Purchasing. PO Files are to be maintained in active status for 1 year after closing the order. Inactive files are to be turned over to the appropriate records retention section (Regional or Corporate Counsel).

PO Files for all contracts shall be retained for 10 years after contract completion, or in accordance with Contract-specific requirements, whichever is longer.

3. Close-out

Unless otherwise specified, a PO closes-out when the Supplier/ Subcontractor has furnished all that was ordered, or performed all services contracted for, and all approved invoices have been paid.

A PO will automatically close-out under the following conditions:

- a) The project is completed and the charged number is no longer active; or
- b) After 1 year from date of issue or the date of the last amendment.

POs on Government Contracts

Additional action will be taken for the close-out of POs supporting Government projects.

Annually, the Purchasing Function will generate a regional "Government Project Activity Report" by Region, listing all active Government projects started since January 1. The Corporate Purchasing Function will send these reports to the Regional Purchasing Function to distribute to the Project/Program Manager to determine activity status. These reports will be returned by the Regional Buyers within 30 days of the end of the reporting period. The Regional Purchasing Function will use these up-dated activity reports to assist Management Information Systems (MIS) to close-out POs so authorized by the Project/Program Manager.

The Government Project Activity Report is formatted as follows:

1. Region number
2. Job number
3. Start date
4. Accounts payable end date (close-out date)
5. Job site name
6. Government entity (i.e., Army, Navy, etc.)
7. Project/Program Manager

It is the responsibility of the Regional Buyer to receive proper authorization from the Project Manager to close-out a PO.

4. Forms

The following forms are used in this Procedure and are contained in Appendix B, Forms.

- Purchase Order
- Purchase Order File Documentation Check List

PROCEDURE 1.06

AUDITING THE PURCHASING FUNCTION

I. Purpose/Objective

The purpose of this document is to establish procedures for auditing the Purchasing Function.

II. Scope

This Procedure is applicable to the Corporate and Regional Purchasing Functions, Field Accountants, internal audit, and others with purchasing responsibility.

III. Authority

This Procedure is consistent with prudent business practices, public law and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to ensure that there is on-going compliance with all policies and procedures.

V. Definitions

The following terms are used in this Procedure and defined in Appendix A, Definitions.

- Conflict of Interest (COI)
- Construction Blue Book
- Corporate Purchasing Function
- Federal Acquisition Regulation (FAR)
- Field Accountant
- Kickbacks
- Regional Purchasing Function
- Suppliers/Subcontractors

VI. Procedure

1. Introduction

The Corporate Internal Auditor is responsible for establishing Corporate-wide plans for auditing the Purchasing Function. Internal Audit, the Corporate Purchasing Function, and the Regional Purchasing Function will be responsible for auditing activities related to Purchasing.

2. Auditing Objectives

The major objectives of auditing of the Purchasing Function are:

- (a) Verifying adherence to policies and procedures;
- (b) Providing an independent evaluation of the effectivity and efficiency of the Purchasing Function (including its systems, operation, Procedures, personnel and any other relevant factors);
- (c) Examining whether the policies and procedures are effective and adequate;
- (d) Identifying any irregularities, questionable conduct, unethical actions, fraud, Conflict of Interest (COI), Kickbacks, etc; and
- (e) Defining suspect activities of those outside the Purchasing Function which might influence the adherence to the policies and procedures.

3. Practice

Audits will be performed as specified below to accomplish the auditing objectives. This includes audits on a periodic basis and may include unannounced audits by Purchasing Management and auditors independent of the Purchasing Function. Audit activities include, but are not limited to:

- (a) Audits at regions, Corporate Purchasing, and at project sites by Corporate Internal Auditing.
- (b) Audits of division offices and major sites by the Regional Purchasing Function.
- (c) Field Accountants and the Regional Purchasing Function use of the Audit/Purchase Check List for each purchase.
- (d) Audits to Regional Purchasing Files by Corporate Purchasing.

- (e) Follow-up audits.
- (f) Training as identified by audits.

The Corporate Internal Auditor will conduct:

- (a) Periodic Audits of purchasing activities at major project sites on an annual basis
- (b) Audits of Corporate and Regional Purchasing Files using the Government-based Check List as a guideline developed by Internal Audit on an annual basis.
- (c) An annual audit of Corporate-wide Purchasing activities in a format similar to that used by the U.S. Government when conducting a Contractor Purchasing System Review (CPSR).

Audit Findings

Results of these internal audits and the tracking of open and closed action items will be reported at a minimum to the CEO, responsible Vice-Presidents, and the Corporate Director of Purchasing. Reports related to any irregularities, questionable conduct, unethical actions, COIs, and kickbacks will be reported to the Legal department for disposition.

PROCEDURE 1.07

TRAINING

I. Purpose/Objective

The purpose of this document is to establish procedures for the training of company personnel who are involved in the Purchasing Function.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relative Federal Acquisition Regulation (FAR). The responsibility and authority for the training of Purchasing Function personnel rests with the Corporate Director of Purchasing. Corporate Purchasing and the Regions will implement this training.

IV. Policy

It is the Company's policy to ensure that all personnel are qualified and properly trained to perform their job functions.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A, Definitions.

- Code of Ethics
- Corporate Purchasing Function
- Federal Acquisition Regulation (FAR)
- Government
- Non-Government
- Purchasing Function

VI. Procedure

Purchasing Function Personnel

1. Employees new to the Purchasing Function are required to receive purchasing training. This training includes the Procurement Policies and Procedures, OHM's Code of Ethics, OHM's Code of Business Conduct, and other topics which are relevant to that employee's current duties in Purchasing.
2. All Purchasing Function personnel performance will be evaluated annually. The requirements of that training program will be determined by the Director of Purchasing and will include but not be limited to the subjects of purchasing techniques and methods, the Uniform Commercial Code, Ethics, Purchasing Policies and Procedures, and FAR requirements.
3. Other Company personnel involved in Purchasing Function will receive purchasing training through Corporate and Regional Training Programs.
4. Purchasing Function personnel will be qualified for their positions by prior experience and training. Requirements for additional training will be identified through quality control and audit findings.

PROCEDURE 1.08

TERMINATIONS

I. Purpose/Objective

The purpose of this document is to establish procedures for terminating Purchase Orders (POs) with the Suppliers/Subcontractors.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

In the case of PO terminations for any reason, it is the Company's policy to conform to laws, regulations, contractual requirements, prudent business practices; to exercise honest and fair treatment of all parties; and to minimize all costs involved.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A, Definitions.

- Buyer
- Federal Acquisition Regulation (FAR)
- Government
- No-Cost Termination Agreement
- Non-Government
- Purchase Orders (POs)
- Subcontracts
- Supplier/Subcontractor

VI. Procedure

POs and Subcontracts may be terminated for the convenience of the Company or because of subcontract default.

1. Should a Supplier/Subcontractor termination result from a termination notice on a Government Contract, the Corporate and Regional Purchasing Function, working with and through the Legal Department and any other pertinent functions, will handle the notice, the particular PO settlement of claims or disputes, and any other issues in accordance with the applicable sections in FAR 49, Termination of Contracts and this Procedure.
2. Should a Supplier/Subcontractor termination result on a Non-Government Contract, the Purchasing Function, working with and through the Legal Department and any other pertinent functions, will handle the required actions using as guidelines the Uniform Commercial Code, and the terms and conditions of the particular PO.
3. The Company may chose to terminate a PO or Subcontract as spelled out in its terms and conditions due to Supplier/Subcontractor default. The reasons for such default include such things as:
 - a. Supplier/Subcontractor nonperformance
 - b. Supplier/Subcontractor lack of compliance with any subcontracted terms and conditions
 - c. Supplier/Subcontractor failure to make progress or subcontracted work which endangers performance of a Prime Contract

In the case of potential subcontractor default, and pursuant to PO terms and conditions, the Company may elect to provide a written cure notice to the Supplier/Subcontractor, allowing up to 10 calendar days in which to:

- (1) cure the failure, or to
- (2) "show cause" as to why the Subcontract should not be terminated.

When it is clearly within the original Subcontract terms, that a Supplier/Subcontractor is failing to make progress so as to endanger performance within the prescribed time, and a Supplier/Subcontractor does not cure the failure within a definite time after receiving written notice to cure such failure, the Subcontract may be terminated for default.

When termination for default of a Supplier/Subcontractor is exercised by the Company, the Company has the right to repurchase or otherwise secure the material or services called for in the contract, and the Supplier/Subcontractor may be liable to the Company for any reasonable procurement costs.

If the Company determines, after proper notice of termination for default has been given, that the Supplier's/Subcontractor's failure is excusable for causes beyond his/her control and not due to his/her negligence nor due to the fault or negligence of Supplier/Subcontractor, termination can be deemed to be for the convenience of the Company, unless the Company determines that the Supplier/Subcontractor could have met his obligations by acquisition from others.

If the Supplier/Subcontractor is delayed in the work, and it is the opinion of the Company that the delay is due to causes beyond the control and without fault or negligence of the Supplier/Subcontractor, the Company may, if promptly requested by the Supplier/Subcontractor in writing, also grant a written extension in the time for performance of the Subcontract.

If the Supplier/Subcontractor is delinquent and the requirement for the supplies or services specified in the subcontract no longer exists and the Supplier/Subcontractor is not liable to the Company for damages, a No-Cost Termination Agreement may then be negotiated.

4. The Company may choose to terminate a PO or Subcontract for its convenience.

In the event of a termination for convenience, the Buyer should advise the Supplier/Subcontractor by written notice, which includes a stop work order, states the desire to terminate, and the effective date of termination.

Unless the termination is negotiated at no-cost, the Company could be committed to pay the Supplier/Subcontractor full compensation for performance up to the termination. The payment following a termination for convenience can be determined according to the following guidelines:

1. The unit or pro rata Subcontract price for the delivered and accepted portion, and
2. A reasonable amount, not otherwise recoverable from other sources by the Supplier/Subcontractor, as approved by the Company with respect to the undelivered or unaccepted portion of the Subcontract.

NOTE: The total compensation shall in no event exceed the total Subcontract price.

PROCEDURE 2.01

REQUISITIONS

I. Purpose/Objective

The purpose of this document is to establish procedures for utilizing requisitions, the authorizing document for procurements, and source document for POs.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to utilize requisitions to properly control and authorize procurement actions.

V. Definitions

The following terms are used in this procedure and are defined in Appendix A, Definitions.

- After-the-Fact Purchase Orders (POs).
- Amendment
- Capital Assets
- Capital Purchases
- Capital Purchasing Requisitions
- Chart of Accounts
- Division
- Emergency
- Federal Acquisition Regulation (FAR)

- Government
- Lease-Purchase Agreement
- Non-Government
- Non-Project Expenditures
- Non-Revenue Producing Assets
- OHM Employee Manual
- Program/Project Manager
- Project Work Breakdown Structure
- Purchasing Function
- Research and Development (R&D)
- Regional Buyer
- Regional Manager
- Requisition
- Requisitioner
- Revenue-producing assets
- Specification
- Statement of Work (SOW)
- Supplier/Subcontractor

VI. Procedure

1. Applicability

A properly approved requisition is required for any procurement which is greater than \$1,000.

Requisitions are required to initiate Amendments. The dollar value threshold requirements which apply to the Amendment itself and the Purchase Order (PO) aggregate amount for approval and documentation purposes.

2. Requirements

A properly completed and approved purchase requisition from the user is required to begin the procurement cycle. The requisition identifies the material(s) or service(s) to be purchased and authorizes the procurement. Requisitions must be completed accurately and thoroughly by the requisitioner and must contain the following information:

- Job number, department, asset, Research and Development (R&D), or proposal number
- Cost account number (see the Company's Chart of Accounts listing and Project Work Breakdown Structure.)
- A complete specification in sufficient detail describing the required goods or service without restricting competition
- Delivery requirements and/or period of performance
- The shipping address
- Special instructions
- Appropriate approvals

Upon receipt of a correctly prepared requisition, the Purchasing Function is responsible for filling the requirements. Any incomplete purchasing requisitions should be returned immediately to the Requisitioner for additions or corrections.

3. Responsibilities

1. It is the Requisitioner's responsibility to personally prepare and submit Requisitions to the Project Accountant or the Purchasing Function.
2. It is Purchasing Function's responsibility to fill the requirement as indicated by the Requisitioner, select vendors, and issue the PO.
3. It is Purchasing Function's responsibility to clarify omissions, ambiguous specifications, or requirements with the Requisitioner. This can be accomplished in several ways including return of the Requisition to the Requisitioner.

4. Approvals (Requisition Approval Authority)

Purchases of goods and services can be classified into three types: Supplier/Subcontractor services, capital expenditures, and all other purchases of goods and services. Each category has discreet approval requirements and the Requisitioner must obtain the necessary approval and indicate the employee number prior to submitting a Requisition(s) to Purchasing Function.

All Government Requisitions must be approved by Program/Project Management. All purchase Requisitions must have approval signatures from a minimum of two authorized employees prior to the solicitation of Suppliers/Subcontractors to fulfill the requirements. The following approvals are necessary; however, a second signature of a Regional Manager would eliminate the need for more than two signatures:

A. Project Expenditures - Requisition Approvals or Authority

1. Project expenditures (non-capital): Requisition Approval Authority

	Project Accountant	Site Supervisor	Program Manager/ Project Manager	Regional Project Manager	Regional ^o Manager
\$1,000 to \$4,999					
First signature	X (or)	X			
Second signature		X (or)	X		
\$5,000 to \$49,999					
First signature	X (or)	X			
Second signature			X		
\$50,000 to \$100,000					
First signature	X (or)	X			
Second signature			X		
Third signature				X (or)	X
Greater than \$100,000					
First signature	X (or)	X			
Second signature			X		
Third signature				X	
Fourth signature					X

* A Regional Manager can designate, in writing to their Regional Purchasing Function, a Division Manager as an authorized signer instead of or in addition to a Project Manager.

2. Non-Project Expenditures (non-capital):

Less than \$500 Requisitioner and Department Manager

\$500 to \$5,000 Department Manager and their Supervisor

Greater than \$5,000 Vice President (VP) responsible for department

B. Areas Requiring Additional Approvals

1. Inventory Items

If the items are defined to be inventory items, additional approvals must be obtained by Regional Resource Management.

Inventory items are defined as all items that are assigned OHM computerized part numbers. The Project Accountant or Divisional personnel are to submit all requisitions for inventory items to their appropriate Regional Resource Management group. Resource Management will review requisitions and determine what can be filled with existing stock and what must be bought by the Purchasing Function. Resource Management will submit a requisition to the Purchasing Function or otherwise approve Purchasing Function's replenishment activity.

2. Rental Equipment

In order to assure proper utilization of Company-owned equipment, no rental procurements should be undertaken unless initiated or approved by Regional Resource Management.

The definition of equipment is limited to items that OHM owns and provides for use in the performance of Company operations. Project Accountant or Divisional Personnel are to submit all requisitions for equipment to their appropriate Regional Resource Management group. Resource Management will review Requisitions and determine whether or not the need can be filled internally. All requirements requiring external procurement will be directed to the Purchasing Function.

3. Emergency Incidents and After-the-Fact POs

The Purchasing Function will require the additional signature of the Requisitioner's supervisor for Requisitions issued excessively on an Emergency basis, when those emergency incidents are due to a lack of preplanning and for After-the-Fact POs and Amendments.

C. Capital Assets

Purchases of goods or services are considered Capital Assets if they meet all of the following criteria: (1) the purchase price must be greater than \$1,000, (2) the item has a useful life greater than 1 year, (3) the item becomes the property of the Company after the purchase.

- All Lease-Purchase Agreements, regardless of the amount of the payments, are considered Capital Asset purchases. A Lease Purchase Agreement is defined as any rental agreement which contains provisions for the Company to own or purchase the rented asset during or at the end of the lease term.
- Revenue Producing Assets are defined as any asset used directly in the performance of an project.
- Non-Revenue Producing Assets are defined as any asset other than Revenue Producing Assets. These include telephones, computers, hardware and software, fax machines or similar equipment, as well as any other equipment to be located in Corporate, Regional, or Divisional Offices.

The following employees are authorized to approve and must provide the signatures required for capital purchases. All required signatures must appear on the purchasing requisition before it is submitted to the Purchasing Function and approved Capital Expenditure Requisition information must accompany the Requisition.

Revenue Producing Assets (Requisition Approval Authority)

	Requisitioner	Div. Dist. Mgr. Reg. Resource Mgr or Dept Head	Controllor		Regional Manager	Corporate Resource Manager	Corporate Controllor
<u>Less than \$5,000</u> First Signature Second Signature Third Signature	X	X	Regional	or	X		
<u>\$5,000 to \$50,000</u> First Signature Second Signature Third Signature Fourth Signature Fifth Signature	X	X	Regional Corporate	or	X	X	
<u>Over \$50,000</u> First Signature Second Signature Third Signature Fourth Signature Fifth Signature Sixth Signature	X	X	Regional Corporate	or	X	X	X

Non-Revenue Producing Assets (Requisition Approval Authority)

	Requisitioner	Div, Dist. Mgr. Reg. Resource Mgr. or Dept. Head	Controller		Regional Manager	Corporate Controller
<u>Up to \$5,000</u> First Signature Second Signature Third Signature Fourth Signature	X	X	Regional Corporate	or	X	
<u>Over \$5,000</u> First Signature Second Signature Third Signature Fourth Signature Fifth Signature	X	X	Regional Corporate	or	X	X

5. Coding

All requisitions must be properly coded by the requisitioner so the Accounting Department may recognize revenue and expense in an accurate and timely manner.

6. Forms

The following forms are used in this Procedure and are contained in Appendix B, Forms.

- Requisition
- Purchase Order

Procurement Policies and Procedure Manual
Addendum No. 1 to Procedure 2.02

CITY OF BIRMINGHAM SERVICES CORP.
COMMUNICATIONS SERVICES

Dated: 10/10/95

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Period of Performance

The Period of Performance (PP) advises the supplier/subcontractor the acceptable date range for delivery of the ordered goods or services. The PP is also used to specify the rental period for rented items. This field is required on all purchase orders and subcontracts. When necessary, periods of performance may be assigned to individual items on the purchase order or subcontract through the use of line notes. The purchase order or subcontract period of performance will start with the earliest negotiated delivery and extend through the latest negotiated delivery.

Purchase Order Date

The approval date of the purchase order will be the date the order is approved and signed by the buyer. Therefore, the buyer must manually insert the date of approval when signing the purchase order or subcontract. The approval date will be the primary date of the order for measuring performance and compliance. Required supplier/subcontractor certifications and representations must be received on or before the purchase order approval date.

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PROCEDURE 2.02

PURCHASE ORDERS AND AMENDMENTS

I. Purpose/Objective

The purpose of this document is to establish procedures for the utilization of POs and Amendments for the Purchasing Function.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is Company policy to utilize the Purchase Order (PO) process to fulfill its Purchasing Function requirements and to effectively control Amendments.

V. Definitions

The following terms are used in this procedure and are defined in Appendix A, Definitions.

- Amendment
- Automated Purchasing System
- Blanket Purchase Orders (POs)
- Buyer
- Capital Assets
- Commodities
- Commodities PO
- Contract
- Federal Acquisition Regulation (FAR)
- Flowdown

- Government
- Low-Dollar Purchases
- Master Agreement
- Non-Government
- Non-Government Commodities
- Open Purchase Orders (POs)
- Overhead Purchase Orders (POs)
- Purchase Orders (POs)
- Purchase Order (PO) File
- Project Purchases
- Requisition
- Services Purchase Order (PO)
- Special Approval Purchases
- Subcontract Agreement
- Supplier/Subcontractor
- Statement of Work (SOW)

VI. Procedures

1. Introduction

POs and PO Amendments are the contractual documents which bind the Company and establish the terms of the Contract between OHM and the entity to whom the PO is issued. POs and Amendments should be clear and complete and should clearly identify what is required, when it is required, what terms and conditions apply, and what is included in the final agreed to price particularly when the price is the sum of several line items or adders.

2. When a PO Must Be Used

A properly completed and approved Requisition is the basis for the issuance of a PO.

POs must be used for purchases exceeding \$1,000. Provided is a summary of when the Requisition/PO process must be utilized and when other methods of purchase are acceptable.

PO NOT REQUIRED

Type of Purchase

Purchasing Method

Project/Overhead Expenditures < \$100

Cash, Traveler's Checks,
Business Advances

Project/Overhead Expenditures \$100-\$1,000

Drafts

PO REQUIRED

Capital Expenditures

All project and overhead expenses > \$1,000

3. PO Forms and Types of Purchases

a. Service Purchase Order, Form 0038A

This is known as the "Services Purchase Order" and is used for services as defined below.

The Services PO is used for the purchase of services.

The appropriate Subcontract Agreement (Non-Government or Government-contract specific) is used with the Services PO to communicate the terms and conditions (requirements and flowdowns); and to establish a contractual agreement thereof. If there is a Master Agreement with the Supplier/Subcontractor, and it is incorporated into the PO, the Subcontract Agreement will not be necessary on: (1) Non-Government contracts, and: (2) Government Contracts if the Master Agreement includes the Government flowdowns.

The purpose of the Services PO is to identify services purchases and provide a separate document that can be controlled to the extent that it will identify those purchases for services for which a Contract/PO-specific Subcontract Agreement is required.

The Master and Subcontract Agreements contain these terms and conditions and are included in PROCEDURE 2.05, TERMS AND CONDITIONS.

b. PO, Form 0039

This is known as the "Commodities Purchase Order" and is used for all other purchases as defined below.

The PO is used for the purchase of Commodities. (The PO may be used for purchasing those items purchased with the field PO.)

On the following types of purchases (d-i), the Services PO will be used for services and the Commodities PO will be used for commodities.

c. Low-Dollar Purchases (Non-Project)

If the buyer determines that the purchase will remain under the Low Dollar Purchase threshold (\$1,000), a PO number from the Low-Dollar PO category shall be assigned to the Requisition.

The buyer will review the Requisition to ensure that it is properly approved and that the pricing is fair and reasonable. This Requisition will not be entered into the Automated Purchasing System. This Requisition with PO number assigned to it will serve as the PO document (it need not be mailed to the Supplier/Subcontractor). The PO number is provided to the Supplier/Subcontractor for tracking and payment purposes. This document or a copy will be made available to Accounts Payable Department to allow payment.

d. Blanket POs and Open POs

See PROCEDURE 2.04, BLANKET PURCHASE ORDERS AND OPEN PURCHASE ORDERS.

e. Project Purchases

These are purchases of goods or services that are being purchased for use on a project and will be charged to that project.

f. Overhead POs

These are purchases of goods and services that are being purchased for an administrative purpose and will be charged to an overhead account.

g. Capital Purchases

These are purchases of goods and services which meet all of the following criteria:

- The purchase price must be greater than \$1,000
- The item has a useful life greater than 1 year
- The item becomes the property of the Company after the purchase

4. PO Approvals

For Regional orders, the Regional Buyer or his/her delegatee is the sole individual who is authorized to sign POs, Amendments and Subcontract Agreements. For Corporate orders, the Corporate Buyer or his/her delegatee is the sole individual authorized to sign PO, Amendment, or Subcontract Agreement.

5. Amendments

An Amendment is a change to a PO. A properly completed and approved Requisition is required as a source document for the issuance of the Amendment. This should properly and adequately detail what has changed to necessitate an Amendment. Any work outside the original PO's SOW must be recompleted as a separate procurement action. Amendments increasing volumes of supplies, services, or rentals only, performance periods should be re-evaluated for improved pricing.

All Amendments must be consecutive, starting with "01", correctly reflect the changes and the progression of those changes, and be included in the PO file with the supporting Amendment Requisition.

To ensure contractual continuity and sufficiency of POs when Amendments are issued, all Amendments will include the following verbage:

"This is an Amendment to the original POs. Unless agreed to between the parties and indicated otherwise, all original Terms, Conditions, and other material items remain unchanged and in effect."

Amendments should specifically define what the change is and include the price and delivery. When Amendments add to, or extend performance, the particular prices and deliveries, or periods of performance should be on the Amendment. If possible, on rentals, leases, or lodging, the Amendment should include the agreed to rental rate of room and the period of rental or dates over which the rates are to be honored.

Amendments that add work outside the SOW originally bid are subject to competition as new purchases and must be justified and documented accordingly. Amendments adding supplies, services, or extending rental periods only, increasing the value of the order should be re-evaluated for better volume pricing.

The Use of Amendments

The use of Amendments should be minimized. This can be achieved if the SOW or requirements are fairly certain or can be determined with a degree of specificity at the time the original requisition and POs are issued. Amendments may be appropriate when the SOW or requirements have changed.

If at the time the original Requisition/PO is issued, the SOW is uncertain, and it is anticipated that there will be an increase in the requirements, documentation should be obtained in anticipation of the higher purchase threshold value.

Requisitions/POs shall never be issued at a low-dollar value threshold with the known intent of amending the order later so as to avoid the dollar value thresholds requirements.

Amendments must be issued on a timely basis, at the time the need for additional requirements is identified and conveyed to Supplier/ Subcontractor and before the Supplier/Subcontractor begins the amended work. The Purchasing Function is the only function within the Company who can authorize the Supplier/Subcontractor to complete the amended work.

Supporting Documentation

All other Purchasing procedure requirements, or as modified below, are applicable to amendments by reviewing: (1) the cumulative dollar value of the PO if the change has added more of the same service or goods at the same or lower price, and (2) both the dollar amount of the Amendment and the cumulative dollar value of the PO if the change has added additional goods or services not included in the original order.

If a PO was originally below the dollar value threshold requiring competitive bids and an Amendment causes the PO to exceed that threshold, price reasonableness must be established and documented in the PO file.

This may be achieved through competitive bids or a cost/price analysis. If an Amendment causes the PO to reach the threshold for written bids, written bids must be obtained from the original bidders, or a confirming bid from the Supplier/Subcontractor being used must be received along with an analysis establishing price reasonableness.

Invoice Issues

The Accounts Payable Department may pay an invoice, without an Amendment, if the cost of goods or services exceeds no more than 10 percent of the PO value, or never exceeding \$1,000, (whichever is lower) with the approval of the Requisitioner.

6. PO Numbering Series

All PO number series are specifically assigned and controlled by Corporate Purchasing. The numbering series is based upon the following types of purchases:

100,000	Government Commodities	600,000	Canada
200,000	Government Services	700,000	Low Dollar Purchases
300,000	Non-Government Commodities	800,000	Blanket Orders
400,000	Non-Government Services		
500,000	Capital Assets		

Other numbering series may be assigned to various categories as is deemed necessary by Corporate Purchasing Function.

Amendments are numbered by adding a suffix to the PO which reflects the number of the Amendment.

All PO numbers and Amendments are kept in a manual log by each individual buyer. In addition, Amendments are automatically and sequentially assigned and tracked in the Automated Purchasing System.

7. Form Distribution

Requisitions will be distributed as follows:

Original Copy -- Purchasing/PO File
Extra Copy -- Issuing Purchasing Office
One Copy -- Requisitioner

Purchase Orders will be distributed as follows:

Commodity POs

Original -- Supplier/Subcontractor
One Copy -- Accounts Payable Department
One Copy -- Requisitioner
One Copy -- Responsible Purchasing Office
One Copy -- Project or OHM Office receiving commodity

Services POs

Two Copies -- Supplier/Subcontractor
One Copy -- Account Payable Department
One Copy -- Purchasing
One Copy -- Requisitioner
One Copy -- Project or OHM Office receiving commodity

8. PO Files

All purchase orders are filed and maintained in accordance With PROCEDURE 1.05, PURCHASE ORDER FILE MAINTENANCE, RETENTION, AND CLOSEOUT, Retention and Closeout.

9. PO Review and Approval/Signature

Purchase Order review and approval is in accordance with the requirements on page 10 of this procedure, "Approvals Required for Purchase Orders."

10. Forms

The following forms are used in this Procedure and are contained in Appendix B, Forms.

- Form 0039, Purchase Order
- Form 0038A, Purchase Order Services
- Master Agreement
- Subcontract Agreement

APPROVALS REQUIRED FOR PURCHASE ORDERS

The aggregate amount of the Purchase Order (PO) determines the appropriate level required.
 The aggregate amount is the total value of the original PO and any amendments to the PO.
 One signature at the appropriate level required.

All Project Purchase Orders								
Approval Limits	Buyer	Regional Purchasing Manager	Regional Controller	Corporate Director of Purchasing	Corporate Controller	Region Manager	Chief Financial Officer	Chief Executive Officer
< \$50,000	X							
< \$500,000		X						
< \$1,000,000			X	X	X		X	
> \$1,000,000						X	X	X

All Non-Project / Non-Capital Purchase Orders								
Approval Limits	Buyer	Regional Purchasing Manager	Regional Controller	Corporate Director of Purchasing	Corporate Controller	Region Manager	Chief Financial Officer	Chief Executive Officer
< \$50,000	X							
< \$500,000		X	X	X				
< \$1,000,000					X			
> \$1,000,000						X	X	X

All Capital Purchase Orders								
Approval Limits	Buyer	Regional Purchasing Manager	Regional Controller	Corporate Director of Purchasing	Corporate Controller	Region Manager	Chief Financial Officer	Chief Executive Officer
< \$50,000	X							
< \$500,000		X	X	X				
< \$1,000,000					X			
> \$1,000,000						X	X	X

PROCEDURE 2.03

SELECTING THE TYPE OF CONTRACT FOR PURCHASE ORDERS

I. Purpose/Objective

The purpose of this document is to establish procedures for selecting the type of contract for Purchase Orders (POs).

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to make PO awards based upon Firm Fixed Pricing (FFP) to the maximum extent possible.

V. Definitions

The following terms are used in this procedure and are defined in Appendix A, Definitions.

- Amendment
- Consent to Subcontractor
- Contract Type
- Cost-Reimbursements Contracts
- Federal Acquisition Regulation (FAR)
- FFP Contract
- Government
- Indefinite Quantity Contracts
- Labor Hour Contracts
- Lump Sum

- Non-Government
- PO Contract
- Purchase Orders (POs)
- Time-and-Material Contracts

VI. Procedure

1. Introduction

FFP POs are preferred in all cases and should be utilized to the maximum extent possible.

2. FFP

POs must be issued based upon a total FFP to the maximum extent possible and may be lump sum or fixed unit rates as defined in FAR 36.207. All unit rates and other costs should be fixed and indicated as such within the body of the PO.

3. Utilization of Indefinite Quantity Purchase Orders

Indefinite Quantity Purchase Orders (IQPO) may be appropriate for purchases when the exact times and/or precise quantity of supplies or services that will be required during the contract period cannot be predetermined at the time of PO award. When IQPO is used, the FFP unit and estimated quantity will be included on PO.

4. Specificity of PO Terms

All POs must be as specific as possible regarding the terms of the PO. Terms, as used in this particular procedure, include pricing, quantity, delivery, and period of performance.

POs should include the rates for all work, plus any applicable special pricing or discount terms. All charges which may occur should be itemized and indicated as such on the PO. If minimum or maximum unit or dollar amounts apply it should be so stated in the body of the PO.

The quantities of all items should be stated. If there are minimum and maximum quantities, this should also be indicated. If the quantities are uncertain, a reasonable estimate should be included and indicated as such.

POs should contain the period of performance during which the Contract is effective, including beginning and ending dates when known.

The Contract Type should be stated in the body of the PO.

Caveats:

- Indefinite Quantity POs

When it is necessary to utilize an IQPO, a maximum dollar limitation and an Early Termination for Convenience Clause per PROCEDURE 1.09, TERMINATIONS, must be inserted.

5. Amendments

This Procedure is fully applicable to Amendments.

6. The Utilization of Other Than FFP

The utilization of other than FFP on PO Contracts is discouraged and should be avoided.

Cost-reimbursement, Labor Hour, and, Time-and-Materials are examples of other types of contracts. If it is ever necessary to issue a PO other than FFP, the following is applicable:

- (1) Review the terms with the Regional Purchasing Function and the Legal Department prior to issuance
- (2) If it is a Government PO, ensure that the Consent to Subcontracts requirements of FAR 44.2 and the Prime Contract are satisfied.

Supersedes 2.04
Dated 4/94
Effective Date 6/01/94

PROCEDURE 2.04

BLANKET PURCHASE ORDERS AND OPEN PURCHASE ORDERS

I. Purpose/Objective

This purpose of this document is to establish the procedures for the use of Blanket and Open Purchase Orders (POs) for repetitively purchased items.

II. Scope

This Procedure is applicable to all OHM employees and all Blanket and Open POs.

III. Authority

This Procedure is consistent with prudent business procedures, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to practice prudent business standards in the purchasing of repetitively used and low unit value items. This is accomplished through the use of Blanket and Open POs to obtain quantity discounts, promote standardization, and to reduce paperwork and administrative effort. All Blanket POs and Open POs should be based on competitive bidding.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A, Definitions.

- Blanket Purchase Orders (POs)
- Open Purchase Orders (POs)

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VI. Procedure

1. Blanket POs

The use of a Blanket PO provides a simplified method of filling anticipated repetitive needs for supplies or services. This is accomplished by establishing a Blanket PO which is used continuously for a specified period of time for the purchase of various items at firm prices and terms based upon the estimated total quantity usages.

a. When to Consider Blanket Purchase Orders

- If there is a wide variety of items in a broad class of goods (e.g. safety, hardware) that are generally purchased but the exact quantities, items, and delivery requirements are not known in advance and may vary considerably;
- If there are items that are purchased repetitively and continuously and the total volume of the purchases is significant to the extent that it offers purchased savings through quantity terms and discounts;
- If there are long lead items which could be required immediately and if these items could be stocked by suppliers;
- In the case where writing numerous low-value POs could be avoided through the use of a Blanket PO.

b. Advantages

- Standardization
- Cost reduction through reduced paperwork and administrative effort
- Quantity discounts and terms
- Supplier stocking for guaranteed delivery on long lead items

c. Precautions

The following are some precautions which should be considered when developing, establishing, and utilizing Blanket POs.

1. The Blanket PO must never allow unauthorized purchases.
2. The Blanket PO must not restrict competition or the purchase of items at fair and reasonable prices.
3. The Blanket PO must be properly controlled so as not to allow or encourage the purchase of unnecessary items or quantities in excess of what is needed.
4. The Blanket PO must not obligate the Company for items in excess of its needs.

Specifically in regards to three (3) and four (4) above, it is extremely critical that controls be pre-established and included in the terms of the Blanket POs to ensure that excess and unnecessary items are not procured. These controls include, but are not limited to:

- (1) Identifying and specifying in writing a limited number of persons who may utilize the Blanket PO release;
- (2) A check-and-balance system, such as control numbers, to ensure that those authorized persons check inventory prior to ordering; and,
- (3) Provisions in the Blanket POs for backcharging suppliers for making unauthorized shipments and for returning excess materials to suppliers at minimum or no cost to the Company.

d. Who Issues Blanket Purchase Orders

Corporate Purchasing Function

The Corporate Purchasing Function will issue Blanket POs for usage by the Corporate office, for national usage by the regions and sites, and to procure standard products and services for the company.

The Corporate Purchasing Function will keep track and publish information on Blanket POs established by the Corporate Purchasing Function so that information and pricing advantages can be utilized to the maximum extent possible between and among all the regions. The Regional Purchasing Function has the responsibility to provide periodic forecasts of potential usage to the Corporate Purchasing Function to achieve volume discounts from Suppliers/Subcontractors.

Regional Purchasing Function

The Regional Purchasing Function may issue additional Blanket POs for their own regions. However, copies of all Blanket POs must be furnished to the Corporate Purchasing Function.

Shop, Analytical Services, Other Areas

Blanket POs may be established for departments within the Company such as the Shop and Analytical Services. Blanket POs must be established, monitored and audited by Purchasing Function.

e. How To Set Up Blanket Purchase Orders

When it is determined that a Blanket PO is necessary there are certain basic steps that should be considered during the process.

- Specifically define the items that are candidates for the blanket purchase order (available from a particular type of supplier). Include the item description, manufacturer, Company part number, and required specification.
- Accurately estimate the projected total yearly usage of each item. Take into account: previous usages and trends, projected business for the upcoming period, obsolescence and replacements, input on usage from all utilizing departments and personnel, and any other information which will help to forecast accurate usage.
- Write a request for quotation. Include in the request for quotation the estimated quantity usages for each item, specific description for each item, the period of the usage the blanket will cover, delivery destinations and requirements, request delivered prices and discount payment terms. Set a deadline for the responses. It is best to tell the Supplier/Subcontractor what is wanted and require that all quote the same way so that when the responses are received, an equal comparison can be made.

- It is preferable to select at least three qualified suppliers/subcontractors. Consider the Suppliers'/Subcontractors' past performance as to pricing, quality, service, delivery performance, effective management and economic stability, stocking capabilities, integrity, reputation, and other factors. Obtain information from other customers of the supplier/subcontractor, as well as other persons within the company, to see how suppliers/subcontractors performed in the past.
- Send a request for quotation to these qualified suppliers.
- After all responses are received, review them. If there are numerous items priced, a spreadsheet may be necessary so that total estimated cost can be determined. Resolve all questions and discrepancies so that all costs can be normalized and a comparison made.

In addition to evaluating the price and total cost, evaluate service, stocking capabilities, quality and other factors. A weighed rating system may be developed to score and rate each Supplier/ Subcontractor in order to make the best selection for overall needs.

- Negotiate with the best Supplier/Subcontractor. Anything of value to the Company should be negotiated in order to provide an agreement which is favorable and fair to both the Company and the Supplier/Subcontractor.
- The agreement should include specific terms for price decreases, cancellation, and return of excess material.
- Issue the Blanket PO with all specified agreed to terms and conditions, unit prices, whether delivery charges are included, method of release, billing and charge, authorized persons to release, authorized items on blanket, and a specific not-to-exceed amount.

The amount on the Blanket PO should be established through accurate estimates and approved by the region to be charged. A maximum dollar limitation must also be stated on the Blanket orders.

- Distribute copies of Blanket PO to; Supplier/Subcontractor, Regions, and Corporate.

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- Blanket POs against Master Agreement for specific projects must include all applicable Prime Contract Flowdowns and Prime Contract number.

In Addition

- All Blanket POs with maximum order limitations over \$100,000 require Corporate approval, prior to placement.

f. Buying Under Blanket PO

- Releases under Blanket POs will be controlled by the Purchasing Function.
- It is incumbent in the Purchasing Function to indicate release procedures on each Blanket PO, including personnel who are authorized to release against such orders.

2. Open POs

The use on an Open PO is a simplified method of procuring the anticipated needs for a particular site (job) from one source. These needs are numerous, and of relatively small value per item. Fixed prices should be established for such items.

Open POs should be used under the following circumstances:

- (1) There is insufficient time to conduct competitive bidding
- (2) At initial project startup
- (3) When ultimate orders are expected to amount to \$1,000 or less

All procedures, including PROCEDURE 2.07, COMPETITIVE BIDDING, are applicable. However, due to the nature of Open POs, a quotation of a representative sample, (see paragraph 3.), may be used to support the competitive bid requirement. While open POs should only be written when ultimate orders are not expected to exceed \$1,000, there may be instances when circumstances cause a project to exceed \$1,000. In those cases, the total value of the open PO should not exceed \$5,000.

3. Quotation of a Representative Sample

The quotation of a representative sample is a method of obtaining price quotations to establish price reasonableness through competition when the specific quantities and items to be obtained are not known at the time of the bid, and, the actual purchases are determined on an "as needed basis". This is then used as a basis for an award. This will satisfy the competitive bid requirement.

4. Documentation

All blanket and Open PO Files should be documented in accordance with all Purchasing procedures.

5. Forms

The following forms are used in this Procedure contained in Appendix B, Forms.

- Request for Quotation
- Requisition
- Purchase Order

Supersedes 2.05
Dated 4/94
Effective Date 6/01/94

PROCEDURE 2.05

TERMS AND CONDITIONS; STANDARD, FOR HAZARDOUS WASTE TRANSPORTERS, SUBCONTRACT AGREEMENTS, MASTER AGREEMENTS, FLOWDOWNS, CONSULTANT AGREEMENTS

I. Purpose/Objective

The purpose for this document is to establish procedures for determining and incorporating the necessary contractual terms and conditions into the Company's Purchase Order (PO) agreements.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to establish and incorporate terms and conditions into their POs which are fair and reasonable, protect the Company interest, flowdown contractual and legal requirements, and ensure that there is a clear understanding of the contract which is established.

V. Definitions

The following terms are used in this procedure and are defined in Appendix A, Definitions.

- Commodity
- Contract-specific Subcontract Agreement
- Consultant
- Consultant Agreement
- Drafts

- Federal Acquisition Regulation (FAR)
- Flowdown
- General Services Subcontract Agreement
- Government
- Listing of Transportation/Disposal and Miscellaneous Agreements
- Master Agreement
- Non-Government
- Purchase Orders (POs)
- Purchasing Function
- Service
- Service Work Order
- Statement of Work (SOW)
- Standard Commercial Contractual Terms and Conditions
- Subcontract Agreement
- Subcontract Agreement Attachment
- Suppliers/Subcontractors
- Transportation and Disposal (T&D)

VI. Procedure

1. Introduction

This procedure addresses the additional terms and conditions which are standardized for a type of purchase or POs resulting from particular Company Contracts. This procedure does not address those terms of a PO which are individually added to the face of the PO and established for that particular buy (i.e., pricing, delivery and terms of payment, delivery charges and transfer of title).

All terms and conditions of Subcontract agreements are developed or changed by the Legal Department.

The following describes these standardized terms and conditions.

2. Standard Commercial Contractual Terms and Conditions

The Company's Standard Commercial Contractual Terms and Conditions are part of all POs and the Services Work Order and hence are incorporated into all PO Contracts and services procured with drafts and an executed Services Work Order. (Services valued at \$1,000 or less may be procured with a bank Draft and an properly executed Services Work Order.)

3. Standard Commercial Contractual Terms and Conditions For Hazardous Waste Transporters

The Standard Terms and Conditions For Hazardous Waste Transporters are included with and incorporated into POs for the transportation of hazardous wastes. This is not necessary if these terms and conditions are part of a Master Agreement with the transporter, in which case it is incorporated via the Master Agreement.

4. Subcontract Agreements

Subcontract Agreements are used to add specific additional terms and conditions to POs and are included as an attachment, in whole or part, and incorporated therein.

Subcontract Agreements are used to:

- Communicate detailed specifications, Statement of Work (SOW), schedules, cost and approval requirements.
- Communicate required insurance coverage and ensure that Suppliers/Subcontractors are meeting those requirements.
- Communicate the "flowdown" requirements that Suppliers/ Subcontractors are contractually required to meet.
- Establish a contractual relationship as to the terms and conditions and one which protects the Company and the customer's interests.

Types of Subcontract Agreements

There are two general categories of Subcontract Agreements: (1) General Services, Non-Government, and (2) Contract-Specific, Government.

The general services subcontract is required for Non-Government Services POs exceeding \$5,000.

A Contract-specific Subcontract Agreement is generally used for all Government services and Transportation and Disposal (T&D).

Other Subcontract Agreements are developed as deemed necessary.

Effect of a Master Agreement

If there is a Master Agreement in effect with the Supplier/Subcontractor which covers the work being performed and the necessary terms of the Customer, the Master Agreement may be incorporated into the PO and a Subcontract Agreement is not necessary.

Implementation and Incorporation

The Purchasing Function and Project Accountant are required to inform all prospective bidders during the solicitation process that the Subcontract Agreement is part of the initial bid and is a requirement for any resulting PO awards.

Suppliers and subcontractors who will not or can not satisfy the terms and conditions of the subcontract agreement will be disqualified and not eligible for a purchase order award.

Subcontracts are implemented by requiring Supplier/Subcontractors to sign the services purchase order acknowledgement copies and the Subcontract Agreement. Subcontracts should be finalized before vendors begin work. Signed copies must be returned to the Purchasing Function and the Purchasing Function is charged with maintaining files showing both open transactions and signed copies.

5. Master Agreements

Master Agreements may be in effect with major Suppliers/Subcontractors. The updated Listing of T&D and Miscellaneous Agreements indicates the Suppliers/Subcontractors who have Master Agreements, the type of services covered, and the terms which are included. If a Master Agreement covers the required service and includes the flowdowns of the Customer's Contract, the Master Agreement may be incorporated into the specific PO and a Subcontract Agreement will not be required.

6. Government Flowdowns

Certain contractual flowdowns contained in the Company's contract with the Government must be flowed down and become part of POs. The Corporate Purchasing Function is responsible to provide guidance to the Regional Purchasing Function and Project Accountants on flowdown requirements under nationwide Government Contracts. The Regional Purchasing Function is responsible to provide guidance to Project Accountants on Flowdown requirement under Regional U.S. Government Contracts. This may be accomplished by incorporating the flowdowns directly into the PO, or through the use of the Subcontract Agreement or a Master Agreement which includes those flowdowns.

7. Consulting Agreements

The consultant agreement must be executed by all consultants employed by the Company. The Purchasing Department is responsible for ensuring that the consultant executes the consultant agreement and it is included in the PO File.

8. Forms

The following forms are used in this Procedure. Copies are included in Appendix B, Forms.

- Purchase Order Forms
- Services Work Order
- Standard Terms and Conditions
- Standard Terms and Conditions for Hazardous Waste Transporters

PROCEDURE 2.06

REQUESTS FOR QUOTATION

I. Purpose/Objective

The purpose of this document is to establish procedures for requesting quotations from Suppliers/Subcontractors.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to request quotations from Suppliers/Subcontractors in a fair manner which accurately conveys the Company's requirements. This policy ensures that final Purchase Order (PO) awards are competitive, fair, and reasonable, ultimately yielding successful performance.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A, Definitions.

- Bidders/Offerors
- Certifications and Representations
- Department of State Travel Per Diem Schedule
- Federal Acquisition Regulation (FAR)
- Flowdown
- Freight-on-Board (F.O.B)
- Federal Travel Regulations (FTR)
- Government

- Non-Government
- Potential Bidders
- Proposal
- Quotations
- Request for Quotation (RFQ)
- Specifications
- Statement of Work (SOW)
- Suppliers/Subcontractors

VI. Procedure

1. Introduction

A Request for Quotation (RFQ) may be required to support a Proposal when in contemplation of issuing a PO because there is a firm requirement or to obtain pricing as a basis for some future buy, market sampling, or other purpose.

A RFQ may be written or oral. Oral requests should be restricted to efforts that are simple and for which the requirements are clearly defined and generally known by potential Suppliers/Subcontractors. Written RFQs are required when the requirements and specifications are complicated and extensive, not clearly defined, or can not be clearly and consistently conveyed orally. It is critical that all Suppliers/Subcontractors receive the same information so that they may quote on an equal basis. In addition, offerors or potential offerors are not to be used to solicit quotes from their competition for the Company.

2. Written RFQs are required for all Purchases for Government projects over \$25,000.

3. Company RFQ Requirements

The following items must be conveyed in the RFQ:

- Due date, telephone number and contact
- Complete description of the supplies or services, or data sufficient to identify the requirement (see Specification, SOW, and purchase description)
- Quantity and unit of measures
- Packaging and marking instructions, if necessary

- Terms and Conditions including prime contract flowdowns, wage requirements, licenses, special requirements (i.e., applicable bonding, insurance)
- Inspection and acceptance, quality assurance, reliability, insurance requirements
- Place of delivery, performance and delivery dates, period of performance, Freight-on-Board (FOB) point, payment terms and discounts requested, normal lead time
- List of documents and attachments to the Request (if written)
- Certifications and Representations required
- Notification that the Solicitation is in support of a Government Contract and notification of that Prime Contract number
- Standard Form 1411 -- Contract Pricing Proposal Cover Sheet, or Standard Form 1412 -- Claim For Exemption From The Submission of Certified Cost or Pricing Data if in support of Government Contract and required by FAR or Contract Specifications
- Other documentation that may be required
- Evaluation factors for award, including technical evaluation information as required
- Instructions, applicable terms, conditions, agreements that will be required
- Contractor Prequalification Safety Questionnaire (if required for on-site provision of services)

The following are additional items that can be very advantageous if used in a RFQ:

- Request options, option pricing or not-to-exceed pricing for future years.
- Request price/cost saving suggestions and/or alternatives.
- Request that the quotation be submitted exactly as requested.

- State that all quotes are final and that they should submit their best prices and indicate that the Company reserves the right to request best and final offers, if necessary. This will allow negotiation with the lowest offeror and force Suppliers/Subcontractors to quote their best price up front. It will also help to alleviate the unacceptable practice of Suppliers/Subcontractors asking about other prices received.
- State basis for disqualification or nonresponsiveness.
- Request that all questions be in writing by a certain date and provide copies of all questions and answer to all Bidders.

3. Time for Offerors to Submit Proposals

A reasonable time for prospective offerors to prepare and submit proposed bids shall be allowed, consistent with what is needed. Not allowing reasonable time may force offerors to include amounts for contingencies that, with additional time, could be eliminated.

To avoid unduly restricting competition or paying higher-than-necessary prices, consideration shall be given to such factors as the following in establishing a reasonable bidding time: (1) degree of urgency; (2) complexity of requirement; (3) anticipated extent of subcontracting; (4) whether use was made of preinvitation notices; (5) geographic distribution of Bidders; and (6) normal mailing time for both solicitations and proposed bids.

Quotations received after the due date are nonresponsive, unless extensions are granted to all Bidders.

4. Representative Samples

When quantities are unknown, a reasonable estimate of the required quantities shall be made. This estimated quantity is the representative sample to be used to solicit quotations. See PROCEDURE 2.04, BLANKET PURCHASE ORDERS AND OPEN PURCHASE ORDERS.

5. Documentation

When oral proposals are permitted and received, a documented record should be included in the PO File to document both the RFQ and the quotation itself.

Copies of the written RFQ must be included in the PO File.

6. Forms

The following forms are used in this Procedure and are contained in Appendix B, Forms.

- Contractor Prequalification Safety Questionnaire
- RFQ (Request For Quotation)
- Standard Form 1411 - Contract Pricing Proposal Cover Sheet
- Standard Form 1412 - Claim For Exemption From Submission of Certified Cost or Pricing Data

PROCEDURE 2.07

COMPETITIVE BIDDING

I. Purpose/Objective

The purpose of this document is to establish the procedures for competitive bidding in the Purchasing Function.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to competitively bid purchases to the maximum extent practical. Competitive bidding is required to the maximum extent practical for purchases of \$2,500 or greater.

V. Definitions

The following terms are used in this procedure and are defined in Appendix A, Definitions.

- Adequate Price Competition
- Amendments
- Best and Final Offer (BAFO)
- Bidder
- Bids
- Blanket Purchase Order (PO)
- Bulk Quantity Commodities
- Company-owned Affiliates
- Competitive Bidding

- Emergency
- Federal Acquisition Regulation (FAR)
- Government
- Independent Bids
- Joint Travel Regulations (JTR)
- No Bids
- Noncompetitive
- Non-Government
- Oral Bids
- Potential Bidder
- Purchase Order (PO)
- PO Files
- Purchasing Function
- Quotations
- Quotation Summary
- Regional Purchasing Function
- Request for Quotation (RFQ)
- Supplier/Subcontractor
- Written Bids

VI. Procedure

Competitive bidding is required to the maximum extent possible for all purchases of \$2,500 or greater.

It is the responsibility of the Purchasing Function to solicit, obtain, and evaluate independent bids and quotations. It is not acceptable, nor is it a competitive situation, for OHM to utilize a offerors or potential offerors, to solicit, obtain, or evaluate quotes from competing offerors.

1. RFQ

The RFQ shall be written for Government projects greater than \$25,000. The RFQ Form, or an equivalent document in another format, should be used.

2. Receipt of Bids/Quotation

Oral Quotations

The receipt of Oral quotes from Suppliers/Subcontractors is acceptable for sums of less than \$10,000 in the aggregate.

Written Quotations

All sums of over \$10,000 require the receipt of written quotes from Suppliers/Subcontractors.

3. Best and Final Offers

If Best and Final Offers (BAFO) are possible, notification in the Solicitation that BAFOs may be requested is required. All responsive Bidders must be given an opportunity to submit a BAFO.

4. Documentation of Bid(s)/Quotation(s)

Oral Bids/Quotes

All oral bids, including No bids, must be documented and become a part of the PO File. The documentation should include the date, the company names, phone numbers, and contact persons of the Suppliers/ Subcontractors, prices, lead times, and other terms and conditions.

Written Bids/Quotes

All written bids, including written no bids, must be obtained and become a part of the PO File.

5. Quotation Summary

PO Files should include a clear and concise Quotation Summary.

The Quotation Summary should include total costs, payment and delivery terms, and other special terms and lead times of each Suppliers/ Subcontractors. Additional details such as unit prices, other costs, and conversions may be required if the Bids are complex. Sufficient detail should be included to illustrate and explain the total costs of each Supplier/Subcontractor.

The Quotation Summary should reflect an evaluation of the bids which demonstrates a comparison on an equal basis to determine which is the most fair and reasonable.

The RFQ, "Government Quotation Request", "Purchase Order Award Justification", or any other format which summarizes the Supplier/ Subcontractor total costs and terms for comparison purposes, may be used for a Quotation Summary.

6. Exceptions

The procedure for emergencies and noncompetitive situations is in PROCEDURE 2.11, NONCOMPETITIVE PURCHASES AND JUSTIFICATIONS.

Awards to the Company-owned affiliates for Non-Government projects do not require competitive bidding.

7. Adequate Price Competition

The solicitation of bids from multiple sources, preferably three or more, and the receipt of more than one responsive bid from the responsible Supplier/Subcontractor establishes adequate price competition. A PO Award based upon adequate price competition normally establishes price reasonableness.

If an award is based upon the receipt of only one responsive bid, adequate price competition does not exist and price reasonableness must be established by another method (see PROCEDURE 3.16, ESTABLISHING PRICE REASONABLENESS).

Travel Rates-Lodging

The cost principle at FAR 31.205-46 defines the allowable costs for transportation, lodging, meals, and incidental expenses. The cost reasonableness for lodging, meals, and incidental expenses should not exceed, on a daily basis, the rates set forth in:

- (1) The Federal Travel Regulations (FTR) prescribed by the General Services Administration for the 48 conterminous states.
- (2) The Joint Travel Regulations (JTR), DoD Civilian Personnel, Appendix A, prescribed by DoD for travel in Alaska, Hawaii, Puerto Rico, and the territories and possessions of the United States; and/or
- (3) The Standardized Regulations (SRs) (Government Civilians, Foreign Areas), Section 925, "Maximum Travel Per Diem Allowances for Foreign Areas," prescribed by the Department of State.

8. Bulk Quantity Commodities and Extended Equipment Rentals

The purchase of bulk quantity commodities, such as: soils, sands, cement, stone, chemical lumber, and carbon and the rental of equipment, are frequently required for jobs. Often, the amounts of the bulk quantities and the rental period for the equipment is somewhat uncertain and undeterminable when the requirement first arises. Therefore, to ensure that these purchases are cost-effective, such purchases and amendments thereto require extra scrutiny.

It is responsibility of the Regional Purchasing Function to evaluate requirements for bulk quantity commodities and extended equipment rentals for jobs to determine if it is likely that the quantities or periods of rental are likely to increase and plan accordingly. In order to plan accordingly, the Regional Buyer will determine if the quantities and/or rental periods will likely increase, and obtain competitive, negotiated, pricing ranges at the onset of the contract with the Supplier/ Subcontractor. By doing this, if there is a quantity increase or rental period extension, favorable pricing will have been negotiated and can be incorporated into any Amendments to ensure price reasonableness, and as a basis for Blanket PO Agreements.

9. Forms

The following forms are used in this Procedure and copies are contained in Appendix B, Forms.

- Request For Quotation
- Government Quotation Request
- Purchase Order Award Justification

Supersedes 2.08
Dated 4/94
Effective Date 6/01/94

PROCEDURE 2.08

NEGOTIATIONS AND NEGOTIATION MEMORANDUMS

I. Purpose/Objective

The purpose of this document is to establish the procedures for negotiations and the documentation of negotiations for purchases.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to obtain prudent prices and terms to the maximum extent possible on all purchases. The negotiation process is a method used to ensure the best price and terms.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A, Definitions.

- Adequate Price Competition
- Agreement
- Certificate of Current Cost or Pricing Data
- Certified Cost or Pricing Data
- Cost or Price Analysis
- Federal Acquisition Regulation (FAR)
- Government
- Negotiation
- Negotiation Memorandum

- Noncompetitive Purchase
- Noncompetitive Government Purchase
- Non-Government
- Purchase Order (PO)
- Purchase Order (PO) File
- Proposal
- Quotation
- Requisitioners
- Retainage
- SF1411
- Suppliers/Subcontractors

VI. Procedure

1. Introduction

It is the Company's policy and a purchasing objective to make each purchase in a manner that the requisitioner's requirements are satisfied and the price and terms are fair and reasonable. Negotiations with Suppliers/Subcontractors are a method of arriving at a common understanding of the requirement and obtaining lower prices and better terms for a purchase in order to ensure the lowest overall costs.

In order to ensure that the best price and terms are obtained, the need to negotiate must be considered for each purchase. Negotiation is used when (1) Adequate Price Competition does not exist, (2) when cost or price analysis is inconclusive, and (3) when the purchase is for a complex item to ensure the best Purchasing action. Negotiation may also be conducted for extremely high dollar purchases or when the price exceeds independent cost estimates.

2. What is Negotiation and What to Negotiate

Negotiation is the process of arranging or settling through dialog, an agreement which is mutually acceptable and favorable to both parties. The Subcontract Agreement which is directly applicable to the Purchase Order (PO) which is the Contract between OHM and its' Suppliers/Subcontractors.

Everything is negotiable; however, when negotiating a PO, the objectives of the negotiation would be those items which accommodate OHM's short- and long-term business goals and what is important and necessary in each particular case. The following, although not totally inclusive, are items which may be negotiated:

- Price, including quantity and increased discounts
- Payment terms and discounts
- Delivery charges, methods, guarantees
- Future pricing agreements
- Warranties, extended or more extensive
- Guarantees
- Quality, upgrades
- Options
- Delivery Schedule
- Retainage

3. When To Negotiate

Generally, every purchase is negotiable and should be negotiated for the lowest/best price and overall costs. However it may be time prohibitive to negotiate every purchase.

Specifically, all purchases should be fair and reasonable and the lowest possible price should be obtained. Fair and reasonable can be defined as what is competitive in the market. The lowest possible price is the lowest fair and reasonable price that ensures the lowest overall cost.

Below are instructions as to when to negotiate a purchase and some guidelines for establishing negotiation objectives.

All Purchases

1. Any purchase may be negotiated.
2. If it is determined that a purchase price or the terms of the purchase are not fair and reasonable, the purchase should be negotiated to obtain what is fair and reasonable.
3. If there is an award to other than the lowest bidder (for a valid reason), and the award exceeds \$2,500, negotiations should be conducted.

The negotiation objective may be established by considering the pricing and terms on the other quotes, and other budget constraints.

Caveat:

All Suppliers'/Subcontractors' prices and technical approaches are confidential and should not be revealed to their competitors.

4. For all Noncompetitive Purchases exceeding \$2,500, Negotiations should be conducted.

The Negotiation objective may be established by considering previous competitive prices, prices for similar items, independent estimates, or using cost analysis, and other budget constraints.

5. All purchases exceeding \$100,000 must be negotiated.

The Negotiation objective may be established by considering the terms or service of the competitors, previous pricing for the same or similar items, current pricing for similar items, independent estimates, or using cost analysis, and other budget constraints.

6. The following must not be done during the negotiation process:

- (a) Technical leveling;
- (b) Assisting a source to improve the relative ranking of their proposal through successive rounds of discussion and auction techniques;
- (c) Indicating what cost or price must be met to obtain further consideration, advising an offeror of their standing relative to other proposals or otherwise furnishing information about other offeror's prices; or
- (d) Suppliers'/Subcontractors' rates and technical approaches are always confidential.

Noncompetitive Government Purchases Exceeding \$100,000

All Noncompetitive Government Purchases which exceed \$100,000 (unless the Contract establishes another dollar value threshold) require:

- (1) The Supplier/Subcontractor to submit cost details supporting their proposal using an SF1411 or claiming a waiver, the Supplier/ Subcontractor must submit a SF1412.

When using a SF1411, his data must be structured so that individual cost elements are clearly defined and readily reviewable.

- (2) An analysis of SF1411 cost data should be performed and used as a basis for establishing the negotiation objective. Other methods may be used in conjunction with this cost analysis.

The scope and depth of the analysis should be directly related to the dollar value and complexity of the purchase. This analysis should address the pertinent issues to be negotiated, the cost objectives, and a profit, fee objective.

This analysis must be in a documented report that is included in the PO File.

- (3) The Negotiations of the proposal to obtain the most favorable price and terms in accordance with the negotiation objectives.
- (4) The receipt of a completed Certificate of Current Cost or Pricing Data from the Supplier/Subcontractor, executed after the final price is definitized. This document must be included in the PO File.
- (5) At the conclusion of the negotiation a negotiation memorandum must be prepared and included in the PO File.

4. Documentation

PO Files should be documented to reflect the results of negotiations. When the Company attempts to negotiate and there are no concessions from the Supplier/Subcontractor, that is, there is no change in the pricing or terms of the Supplier's/Subcontractor's quotation/proposal, the PO File should be documented as such.

5. Forms

The following forms are used in this procedure and copies are contained Appendix B, Forms.

- Certificate of Current Cost or Pricing Data
- SF1411-Contract Pricing Proposal Cover Sheet
- SF1412-Claim for Exemption from Submission of Certified Cost or Pricing Data

PROCEDURE 2.09

UTILIZATION OF COMPANY-OWNED AFFILIATES

I. Purpose/Objective

The purpose of this document is to establish the procedures for the utilization of Company-owned affiliates as Suppliers/Subcontractors in the procurement process.

II. Scope

This Procedure is applicable to all OHM employees, OHM Corporation, and Company-owned Affiliates. The related procedures are applicable to purchases for Non-Government and Government projects.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to afford all capable Suppliers/Subcontractors including Company-owned Affiliates, an opportunity to fulfill OHM requirements. Further, it is the Company's policy to make Purchase Order (PO) awards based upon value, capability, price and total cost, and delivery, and to satisfy the customer's requirements.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A, Definitions.

- Affiliates
- Bidder
- Bidder's List
- Contracting Officer (CO)
- Conflict of Interest (COI)

- Company-owned Affiliates
- Competitive Bids
- Department of Defense (DOD) Contracts
- Federal Acquisition Regulations (FAR)
- Government
- Government Contracts
- Government Purchases
- Purchase Order (PO)
- Specifications
- Subcontractor
- Supplier/Subcontractor
- Transportation and Disposal (T&D)

VI. Procedure

1. Non-Government Purchases

Unless required by the customer or contract, on Non-Government purchases, awards to Company-owned Affiliates do not require competitive bids from other Suppliers/Subcontractors.

2. Government Purchases

If Company-owned Affiliates are involved in the procurement process for Government Purchases, they are to be treated as any other company Supplier/Subcontractor. They will be afforded a fair and equal opportunity, with no preferential treatment. All other procedures are equally applicable to these procurements.

In accordance with competitive bidding, (PROCEDURE 2.07, COMPETITIVE BIDDING), bidder's lists are to be developed, and include Company-owned affiliates, or exclude them, based upon their ability to meet the specifications. Upon receipt all responsive bids, a PO award will be made to the bidder demonstrating the best value, capability, price and total cost, and delivery.

The PO File must be documented in accordance with PROCEDURE 2.10, PURCHASE ORDER FILE CHECK LIST AND DOCUMENTATION; and, in accordance with PROCEDURE 2.14, PURCHASE ORDER AWARD JUSTIFICATION. Special attention and subsequent monitoring must be performed on those awards based upon other than lower bidder to ensure that the commitments upon which the basis of the award was made are fulfilled.

On purchases for Government projects, the utilization of Company-owned affiliates is not permissible if there is a situation where a Conflict Of Interest

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(COI) or quality concerns may arise. This could arise when the bidder's efforts go directly to determining the scope and volume of the job. This situation may arise if the bidder has developed or assisted in the development of specifications, documentation, or related information.

The following, based upon previous experience with specific Government Contracts, provides some guidelines as to when the utilization of an Company-owned Affiliate may not be acceptable. However, each Government contract should be reviewed to determine Contract-specific requirements and restrictions; and, where there is any doubt, the Contracting Officer (CO) should be consulted. The Government may allow utilization of Company-owned affiliates in certain situations if they determine that it is in the best interest of the Government to do so.

a. Company-owned Laboratories

United States Environmental Protection Agency (USEPA) Contracts

USEPA Contracts have generally restricted the utilization of Company-owned laboratories; however, it is permissible in the following situations:

1. Emergency response actions and situations involving materials handling concerns for site safety.
2. To verify the operations of on-site equipment.
3. Conducting waste characterization, analysis for purposes of waste identification, and/or bulking options for off-site disposal-qualitative analysis.

b. Company-owned T&D and treatment facilities

USEPA Contracts

The USEPA has not permitted the utilization of Company-owned T&D facilities. They have restricted the utilization of Company-owned Treatment Facilities in certain situations and allowed it in others.

PROCEDURE 2.10

PURCHASE ORDER DOCUMENTATION

I. Purpose/Objective

The purpose of this document is to establish the procedures for ensuring that appropriate and compliant documentation is included in Purchase Order (PO) Files.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

With respect to all purchases, it is the Company's policy to comply with prudent business practices, contractual requirements, and regulations. The documentation of that compliance is required to be included in PO Files.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A, Definitions.

- Adequate Price Competition
- Amendments
- Audit Report
- Cost Accounting Standards (CAS)
- Certification
- Commodity
- Corporate Purchasing Function
- Cost Analysis
- Equal Employment Opportunity (EEO)

- Evaluation of Quotation
- Flowdown
- Government
- Labor Surplus Area (LSA)
- Master Agreement
- Noncompetitive Purchase
- Non-Government
- Purchase Order (PO)
- Purchase Order (PO) File
- Quotation Summary
- Regional Purchasing Function
- Representation
- Requisition
- Request for Quotation (RFQ)
- Services
- Subcontract Agreement
- Subcontracting Plan
- Supplier/Subcontractor
- Transportation and Disposal (T&D)

VI. Procedure

1. Applicability and Responsibility

This Procedure is applicable to all POs. The Purchasing Function is responsible for ensuring that all PO Files are documented appropriately.

2. PO File Documentation Check List

The PO File Documentation Check List can be used to make sure the PO File is documented properly and to keep the file organized. Page 1 of the PO File Documentation Check List provides a numeric listing of required documentation. Tabs 1-7 require documentation for all POs. Tabs 8 and up, list the additional requirements for purchases in support of Government projects.

Page 2 of the P.O. File Documentation Check List summarizes the documentation requirements in a table format by stratified PO dollar value for all POs.

3. Documentation

The specific documentation required for each PO depends upon whether the PO is in support of a Government or private Contract, competitive or noncompetitive, awarded to a SB/SDB or large business, Company Policies and Procedures, the terms of the prime contract, and the dollar value of the PO in the aggregate.

Each PO File should include the necessary documentation and other pertinent information related to the purchase. However, if for a practical reason, required information or documentation is located outside the PO File, the location should be specified in the file and the information must be readily obtainable. Complete PO Files should reside at the appropriate Corporate, Regional, and Divisional Offices, or as approved by designated job sites or the Regional Purchasing Function.

The following section of this Procedure: (1) details the documentation that must be included in each PO File and when the requirement applies; and, (2) follows the format of the PO File Documentation Check List.

All POs

- (1) POs and Amendments -- A copy of completed and properly approved PO and amendments must be included in every PO File.

Amendments -- Each PO File must include copies of all consecutive amendments which correctly reflect the changes and the progression of those changes. *The value of each amendment and the resulting PO value must be considered to determine if there are additional requirements.*

- (2) Requisition -- A properly completed and approved requisition, including all attachments, must be included in every PO File. This also applies to all requisitions for POs and amendments.
- (3) Subcontract Agreement -- An executed Subcontract Agreement must be included in the PO File for all services, including Transportation and Disposal (T&D) for purchases exceeding \$5,000, unless there is a Master Agreement in effect and incorporated into the terms of the PO.
- (4) RFO(s) -- A written or oral record per PROCEDURE 2.06, REQUEST FOR QUOTATIONS.

- (5) Quotation(s)/Bid(s) -- Written or oral quotations/bids per PROCEDURE 2.07, COMPETITIVE BIDDING.
- (6) Evaluation/Analysis/Summary
 - (a) When applicable, PO Files must contain evidence of, or a reference to the location of evaluations of Supplier's/ Subcontractor's technical abilities. These files may also require evidence of a responsibility determination. See PROCEDURE 1.04, SUPPLIER/SUBCONTRACTOR CAPABILITY and PROCEDURE 3.13, ARCHITECT-ENGINEERING SERVICES SOURCE SELECTION FOR GOVERNMENT PURCHASES.-
 - (b) When applicable, PO Files must contain evidence that the Supplier/Subcontractor is eligible for the award. See PROCEDURE 3.05, SUPPLIERS/SUBCONTRACTORS DEBARRED, SUSPENDED, AND PROPOSED FOR DEBARMENT.
 - (c) When applicable, PO Files must include a Quotation Summary.
- (7) Noncompetitive Purchase Justification -- Per PROCEDURE 2.11, NONCOMPETITIVE SOURCE PURCHASES.

POs for Government Projects

The following additional documentation is required to be in the PO File on POs in support of Government projects.

- (8) Supplier/Subcontractor Basic Certifications, Representations, and Related Information -- various certifications and representations are required from Suppliers/Subcontractors when they receive POs that are in support of a Government contract. The PO File should be documented to show that the applicable certifications and representations are on file or are included in the PO File. See PROCEDURE 3.04 CERTIFICATIONS AND REPRESENTATIONS.
- (9a) Flowdowns -- Required per PROCEDURE 3.02, SUBCONTRACT AND PURCHASE ORDER FLOWDOWNS.

- (9b) Wage Requirements -- The contract may include the requirement that certain minimum wages must be paid for designated job descriptions in certain locations. The Service Contract Act designates that certain minimum wages be paid for certain services performed in particular localities. The Davis-Bacon Act designates that certain minimum wages be paid for certain construction performed on the job site in a particular locality and that those wages be certified.

If the contract includes any of these wage requirements, those requirements must be included in the terms of POs issued for the applicable services of construction work, and those Suppliers/ Subcontractors must pay at least those wages to the personnel performing to support the PO. Required per PROCEDURE 3.03, WAGE REQUIREMENTS.

- (10) PO Award Justification -- Required for POs equal to or exceeding \$2,500.
- (11) Advanced Notification/Written Justification/Prior Consent -- Requirements for applicability are in the Prime Contract and FAR 44.301. If the requirement applies, the appropriate executed documentation must be in the PO File. (See PROCEDURE 3.01, CONSENT TO SUBCONTRACTS)
- (12) Procurement Integrity Certification (Required for each Purchase > \$ 100,000) -- (See PROCEDURE 3.04, CERTIFICATIONS AND REPRESENTATIONS.)
- (13) Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions -- (Required for each Purchase > \$ 100,000) -- (See PROCEDURE 3.04, CERTIFICATIONS AND REPRESENTATIONS)
- (14) Certification or Disclosure of Ownership of Control by Foreign Government that Supports Terrorism -- (Required for each Purchase > \$100,000) (See PROCEDURE 3.04, CERTIFICATIONS AND REPRESENTATIONS)
- (15) Clean Air and Water Certification (Yearly when purchase > \$100,000) -- (See Procedure 3.04 CERTIFICATIONS AND REPRESENTATIONS)

- (16) SB/SDB Solicitations – A documented record of SB/SDB solicitation for bids, and if applicable, an explanation of why an award was not made, is required for POs in support of Government projects exceeding \$100,000. Section 16 of the Purchase Order File Documentation Check List should be completed for this documentation.
- (17) SF1412-Claim For Exemption From Certified Cost or Pricing Data -- A completed SF1412 is required when the PO in support of a Government project which exceed the threshold established in the Prime Contract. These thresholds are in the Prime Contract and generally are \$100,000 for Civilian Contracts (EPA); and \$500,000 for DOD Contracts (Army, Navy, Airforce, etc.) awarded after December 5, 1990 which include this \$500,000 threshold. The PO must also be noncompetitive and based upon catalog/market pricing. The SF1412 must be completed by the Supplier/Subcontractor and included in the PO File, (an SF1411 and supporting cost and pricing data and the certification thereof is not required if a SF1412 is applicable and is obtained). Required per PROCEDURE 3.08, CERTIFIED COST OR PRICING DATA AND EXEMPTIONS.
- (18) SF1411-Contract Pricing and Proposal Cover Sheet and Cost and Pricing Data -- A completed SF1411 with supporting cost and pricing data must be submitted by the Supplier/Subcontractor and included in the PO File if the PO is noncompetitive and exceeds the threshold established in the Prime Contract. These thresholds are generally \$100,000 for Civilian Contracts (EPA); and \$500,000 for DOD Contracts (Army, Navy, Airforce, etc.) awarded after December 5, 1990 which include this \$500,000 threshold. Required per PROCEDURE 3.08, CERTIFIED COST OR PRICING DATA AND EXEMPTIONS.
- (19) Audit Report/Cost Analysis – If cost and pricing data are required, an analysis and any necessary audit that is verification, of the cost elements in the Supplier's/ Subcontractor's cost and pricing data must be performed, documented, and included in the PO File. Required per PROCEDURE 3.09, COST ANALYSIS.
- (20) Negotiation Memorandum – If cost and pricing data are required, a documented record of the negotiations of the PO must be included in the PO File. Required per PROCEDURE 2.08, NEGOTIATIONS AND NEGOTIATION MEMORANDUMS.

- (21) Certificate of Current Cost or Pricing Data -- If cost or pricing data are required, the certificate of current cost or pricing data must be executed by the Supplier/Subcontractor after the price negotiations are concluded and a price agreement has been reached, and must be included in the PO File. Required per PROCEDURE 3.08, CERTIFIED COST OR PRICING DATA AND EXEMPTIONS.
- (22) Cost Accounting Standards Certificate and Administration of Cost Accounting Standards -- Noncompetitive POs in support of Government projects exceeding \$500,000 which are issued to large businesses require that: the Supplier/Subcontractor complete the Cost Accounting Standards Certificate; the Government receive notification of the certification (administration of the Cost Accounting Standards Certification); and the PO File to be documented with a copy of the certificate and Government notification. Required per PROCEDURE 3.07, COST ACCOUNTING STANDARDS CERTIFICATION AND ADMINISTRATION.
- (23) Subcontracting Plan - A subcontracting plan is required on POs in support of Government projects that exceed \$500,000 when the Supplier/Subcontractor is a large business concern. The Supplier/Subcontractor must provide this and it must be included in the PO file. Required per PROCEDURE 3.10, SUBCONTRACTING PLANS.
- (24) Notification to Suppliers/Subcontractors of Labor Surplus Area (LSA) Subcontracting Program Requirements -- If a PO for a Government project exceeds \$500,000, it is a requirement that Suppliers/Subcontractors be encouraged to take affirmative action to subcontract with LSA concerns and to establish a LSA subcontracting program. This should be done by written notification and a copy of the notification should be included in the PO File. The Notification of Labor Surplus Area Subcontracting Program Requirements form, or equivalent information in a similar format, may be used to achieve this. Required per PROCEDURE 3.11, UTILIZATION OF LABOR SURPLUS AREA CONCERNS AND FLOWDOWN OF REQUIREMENTS FOR LABOR SURPLUS SUBCONTRACTING.

- (25) Equal Employment Opportunity (EEO) Pre-Award Clearance -- When a PO in support of a Government project equals or exceeds \$1,000,000, the Government must be notified that an award of this value is anticipated with the particular Supplier/Subcontractor and the Government must grant permission to place the order in regards to the EEO status of the Supplier/Subcontractor, i.e., EEO pre-award clearance. The PO File must be documented to reflect that the EEO pre-award clearance has been obtained. Required per PROCEDURE 3.12, PRE-AWARD EQUAL EMPLOYMENT OPPORTUNITY CLEARANCE AND EQUAL EMPLOYMENT OPPORTUNITY FLOWDOWNS.
- (26) Other certifications or representations as may be required by specific U.S. Government activities pursuant to the Government contract or solicitation.

4. Forms

The following forms are used in this Procedure and are contained in Appendix B, Forms.

- Purchase Order File Documentation Checklist
- Requisition
- Noncompetitive Purchase Justification
- Purchase Order Award Justification
- General Representations, Certifications and Related Information
- Procurement Integrity Certification
- Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
- Cost Accounting Standards Certificate
- SF-1412-Claim For Exemption From Certified Cost or Pricing Data
- SF-1411-Contract Pricing and Proposal Cover Sheet
- Certificate of Current Cost or Pricing Data
- Request For Subcontracting Plan
- Notification Of Labor Surplus Area Subcontracting Program Requirements
- Certification or Disclosure of Ownership of Control by Foreign Governments That Support Terrorism

PROCEDURE 2.11

NONCOMPETITIVE PURCHASES AND JUSTIFICATION

I. Purpose/Objective

The purpose of this document is to establish the procedures for sole- and single-source purchases and the required justification.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to award purchases on a competitive basis to the maximum extent practical. Competitive bidding is required for purchases exceeding \$2,500. However, it is recognized that this is not always possible in cases of emergencies situations and where adequate price competition does not exist. In those cases, a noncompetitive purchase is required.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A, Definitions.

- Adequate Price Competition
- Bids
- Competitive Bidding
- Emergency Situation
- Government
- No Bid
- Noncompetitive Purchase
- Noncompetitive Purchase Justification
- Non-Government
- Non-Project Purchase
- Purchase Order (PO) File
- Proposals
- Quotations
- Requisition

VI. Procedure

1. Noncompetitive Purchase

In cases where the PO exceeds \$2,500 and the requirements for competition can not be met because of an emergency and/or a noncompetitive situation, the Noncompetitive Purchase Justification Form must be completed and included in the PO File. It is mandatory that the Noncompetitive Purchase Justification Form have the same approval level as the requisition and that the proper signatures are obtained. If oral authority is given to expedite a requirement, written confirmation of the noncompetitive purchase must subsequently be obtained and included in the PO. For purchases in support of Government projects, a justification for price reasonableness is required.

When the source is directed by the customer, Engineering, or Health and Safety, independent documentation is required in the form of a written justification from the directing source.

2. Amendments

A PO amendment of a noncompetitive PO raises the total value of a PO exceeding \$2,500 threshold and requires a Noncompetitive Purchase Justification Form, if applicable, to be completed with that amendment and included in the PO File.

3. Forms

The following form is used in this Procedure and is contained in Appendix B, Forms.

Noncompetitive Purchase Justification Form

PROCEDURE 2.12

LIMITED PURCHASE ORDER

I. Purpose

The purpose of this document is to establish procedures for issuing Limited Purchase Orders (LPO) for low dollar (<\$1,500) procurements.

II. Scope

This procedure is applicable to all OHM employees and all low dollar, non-capital, non-service purchases.

III. Authority

This procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to issue a purchase order to obtain goods and services. The LPO is the administrative vehicle which provides evidence to a vendor of the authority of the individual ordering materials on the Company's behalf.

V. Definitions

Limited Purchase Order
Requisition
Non-Service Purchase

VI. Procedure

1. The LPO serves as the requisition and purchase order. It is used whenever a low dollar non-service, non-capital requirement is identified and the normal purchasing order form is not required to protect the interest of the Company. Typically it will be used for the purchase of goods or rental of equipment.

2. LPOs should be used in lieu of field drafts whenever possible.
3. Multiple LPOs may not be issued for the same purchase to avoid the LPO limits. Purchases in excess of \$1,500 must be requisitioned and processed through the Purchasing department.
4. The LPO requires two signatures of employees with requisition approval authority (See Procedure 2.01, Requisitions).
5. It is encouraged that three (3) bids be obtained and documented for LPO purchases. The bids may be documented on the reverse side of the LPO.
6. The data fields of the LPO are self explanatory. All data fields must be completed legibly. The LPO may be typed or printed.
7. The LPO is for a single purchase and may not be amended. If it is anticipated that the quantity or rental period will be exceeded beyond the original value, a LPO should not be used. The LPO should be written for the exact amount of the purchase including applicable taxes. Items such as freight, which require an estimate, should be as accurate as possible.
8. The Company's standard payment terms for these type of purchases are Net 30. Less favorable terms must be approved by the region or district controller.
9. Distribution of the LPO is:

Original	⇒	Mailed or faxed to vendor
Green	⇒	Purchasing office responsible for project or department
Yellow	⇒	Attached to delivery ticket or packing list and forwarded to the Accounts Payable office responsible for the project or department. The LPO and approved delivery document will provide the authority to AP to pay the vendor for the goods when matched with the vendor's invoice.
Pink	⇒	Project or department copy
10. The region Purchasing departments are responsible for issuing LPO forms. LPO forms may be issued to selected project personnel for use in obtaining low dollar project materials or equipment. LPO forms may also be issued to region, district or division managers for low dollar purchases of materials or equipment. Purchasing personnel are expressly prohibited from issuing LPOs to place orders. The issuing Purchasing

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department must maintain a record of the LPO forms issued. The Purchasing department is also responsible for collecting unused LPOs from employees whose job assignment no longer requires issuing LPOs. Purchasing will provide Human Resources with a list of employees issued LPOs. Whenever an employee on the list has a status change, HR will notify Purchasing of the change so that a determination may be made concerning the employee's LPO stock.

11. Employees issued LPOs must maintain a log of the LPOs issued. The LPO Log must contain at a minimum the following information:

LPO Issue Date, LPO Number, Department or Job Number, Vendor Name, Issuers Names and Total Dollar Value of the LPO

The LPO Log must be updated whenever a LPO is issued. The LPO Log must be checked periodically by Purchasing. A completed LPO must be presented to Purchasing prior to issuing additional LPO forms to an employee.

VII. Forms

Limited Purchase Order (LPO) *Front*
Limited Purchase Order (LPO) *Back*
Limited Purchase Order Log

Supersedes: _____
Date: June 19, 1995
Effective Date: June 19, 1995

PROCEDURE 2.13

CASH DISCOUNTS

I. Purpose/Objective

The purpose of this document is to establish the procedures for soliciting and earning cash discounts from suppliers/subcontractors.

II. This Policy is applicable to all OHM employees and all OHM purchases.

III. Authority

This Policy is consistent with prudent business practices, public law and relevant Federal Acquisition Regulations (FAR).

IV. Policy

It is the Company's policy to solicit, earn and monitor cash discounts from suppliers/subcontractors in accordance with FAR 31.205-25(b) and when in the Company's best interest.

V. Definitions

The following terms are used in this procedure and are defined in Appendix A, Definitions.

- Negotiations
- Request for Quotation (RFQ)
- Subcontractor/Supplier

VI. Procedure

1. Applicability

Cash discounts offered by supplier/subcontractor will be evaluated and negotiated, if necessary, to solicit the best financing for the Company. Cash discounts are not considered in determining best value.

2. Requirements

- Cash discount offered will be evaluated using OHM's Cash Discount Matrix.
- OHM's normal payment terms are Net 60. Cash discounts that appear in the non-shaded areas of the cash discount matrix are acceptable to take in lieu of Net 60.
- To read the matrix, locate the cash discount that the vendor is offering across the top of the discount matrix. Any percentages that appear in the column below the discount amount in the non-shaded areas are acceptable. The column on the far left of the matrix titled Discount Days will show the number of days OHM will pay after receipt of invoice for the correlating cash discount.
- The agreed upon cash discount/payment terms shall be noted on the purchase order after the word "Terms", and will be used by Accounts Payable to determine payment dates.

3. Responsibilities

- It is the responsibility of purchasing to solicit, evaluate and utilize cash discounts that are in the best interest of the Company.
- Revisions to the Vendor Cash Discount Matrix may be made only by the Corporate Director of Cash Management. Revisions to the decision matrix will be forwarded to the Corporate and Regional Purchasing Managers from the Corporate Director of Purchasing.
- The Corporate and Regional Purchasing Managers will be responsible for notifying and distributing updates of the Vendor Cash Discount Matrix to all buying staff upon receipt.
- Corporate Accounts Payables will monitor cash discounts taken and lost and report monthly to the Director of Purchasing/Cash Management utilizing the 'Discounts Taken and Lost Report' in Oracle.

**OHM Remediation Services Corp.
Vendor Cash Discount Decision Matrix**

4-Jun-85

OHM Cost of Fund: 15% Do Not Take Discount with Rates Below OHM Cost of Funds

Discount Days	Net Days	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%
10	60	1.83%	3.67%	5.52%	7.37%	9.24%	11.12%	13.00%	14.90%	16.80%	18.72%
15	60	2.03%	4.08%	6.13%	8.18%	10.27%	12.35%	14.45%	16.55%	18.67%	20.80%
20	60	2.29%	4.59%	6.90%	9.22%	11.55%	13.90%	16.25%	18.62%	21.00%	23.40%
25	60	2.61%	5.24%	7.88%	10.53%	13.20%	15.88%	18.58%	21.28%	24.00%	26.74%
30	60	3.03%	6.11%	9.19%	12.29%	15.40%	18.53%	21.67%	24.83%	28.01%	31.20%
35	60	3.55%	7.14%	11.03%	14.75%	18.48%	22.23%	26.01%	29.80%	33.61%	37.44%
40	60	4.17%	8.37%	13.78%	18.43%	23.10%	27.79%	32.51%	37.24%	42.01%	46.79%
45	60	4.89%	9.78%	16.39%	21.58%	26.80%	32.06%	37.34%	42.66%	48.01%	53.39%

Discount Days	Net Days	2.75%	3.00%	3.25%	3.50%	3.75%	4.00%	4.25%	4.50%	4.75%	5.00%
10	60	20.64%	22.58%	24.52%	26.48%	28.44%	30.42%	32.40%	34.40%	36.40%	38.42%
15	60	22.94%	25.09%	27.25%	29.42%	31.60%	33.80%	36.00%	38.22%	40.45%	42.69%
20	60	25.80%	28.22%	30.65%	33.10%	35.55%	38.02%	40.50%	43.00%	45.51%	48.03%
25	60	29.49%	32.25%	35.03%	37.82%	40.63%	43.45%	46.29%	49.14%	52.01%	54.89%
30	60	34.40%	37.63%	40.87%	44.13%	47.40%	50.69%	54.00%	57.33%	60.67%	64.04%
35	60	41.29%	45.15%	49.04%	52.95%	56.88%	60.83%	64.80%	68.80%	72.81%	76.84%
40	60	51.61%	56.44%	61.30%	66.19%	71.10%	76.04%	81.01%	85.99%	91.01%	96.05%
45	60	68.81%	75.26%	81.74%	88.26%	94.81%	101.39%	108.01%	114.66%	121.35%	128.07%

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PROCEDURE 2.14

RECEIVING PROCEDURES

I. Purpose/Objective

The purpose of this document is to establish the procedures required to document the receipt of goods and/or services and provide the approval mechanism for payment of the received goods and/or services.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to comply with prudent business practices, contractual requirements, and regulations for all purchases. Receiving documentation will be maintained in Accounts Payable (AP) files.

V. Definitions

The following terms used in this Procedure are defined in Appendix A, Definitions.

Amendments
Bulk Receipts
Federal Acquisition Regulations (FAR)
Issuing Purchasing Office
Procurement
Project Accountant
Purchase Order File
Purchasing Function
Requisitioner
Site Supervisor
Specification
Subcontractor/Supplier

VI. Procedure

1. Applicability

This Procedure is applicable to the receipt of all goods and services.

2. Responsibility

The Project Manager is responsible for documenting the receipt of goods and/or services to a project. The department head is responsible for documenting receipt of goods and/or services for non-project use. Resource management is responsible for documenting receipt of capital equipment. Responsibility for receipt documentation may be delegated by the responsible party to a member of the project or department staff. Typically receipt documentation will be performed by project accountants for project receipts and by clerical or shop personnel for non-project receipts. The project manager will designate the appropriate, qualified site personnel to inspect goods or equipment received at the project.

Whenever it is necessary for goods or services to be delivered at locations not operated by the Company, the employee responsible for documenting the receipt will ensure that the documentation is properly prepared and forwarded to the appropriate offices.

Corporate AP will maintain original receiving documentation for all invoices paid. Region AP offices will maintain copies of receiving documentation for all invoices processed. Project offices will maintain copies of all invoices processed. Project offices will maintain copies of all receiving documents for project receipts.

3. Receiving Procedures Checklist

Receiving procedures include:

- a.) Verifications that delivered goods conform to purchase requirements, e.g., specifications, quantity ordered
- b.) Acceptance of the delivery and sign off on each delivery form.
- c.) Technical inspection will be performed by the appropriate, qualified personnel. Any defects detected will be noted on the delivery ticket. The person responsible for documenting the receipt will immediately notify Purchasing of the defects. Purchasing will assist project or department personnel in obtaining corrective action by the supplier/subcontractor.
- d.) The person responsible for documenting receipts will stamp the delivery ticket

or packing list with the Company's standard receiving stamp. The stamp will be placed so as not to obscure any information contained on the delivery ticket. If necessary, the stamp may be affixed to the back of the delivery ticket or to a separate blank sheet and stapled to the delivery ticket. If a delivery ticket does not accompany the delivery, a copy of the purchase order may be substituted. When a PO copy is used, the receiver must clearly indicate on the copy the items and quantities received.

OHM Remediation Services Corp.

Receiving Stamp

PO No: _____ Date Rec'd: _____

Rec'd By: _____ Emp. No. _____

Location Rec'd: _____
City, County, State

Rental Period: Begin _____ End _____

Payment Approval

Full Partial Amount \$ _____

Approved: _____ Emp. No. _____

Comments

- e.) Detailed comments must be supplied by the PA for all deliveries which do not conform to the Purchase Order. Required information includes:

- Delivery Schedule
- Quantity Variances
- Technical Inspector
- Damaged goods: Freight or Subcontractor/supplier caused.
- Subcontractor/supplier returned goods authorization number.

- f.) Partial Shipments: The designated receiver will immediately notify the requisitioner when a partial shipment is received. For the purposes of this procedure, partial shipment is defined as a shipment of less quantity than expected or required. Partial shipment does not include shipment of only a portion of the materials ordered when multiple deliveries will be required, e.g., ; 20 tons of lime out of a 2,000 ton order is not a partial shipment if delivered in accordance with the purchase order delivery schedule. If there

is any schedule or cost impact, as determined by the Requisitioner, the receiver will contact the buyer with details of the partial shipment and the related consequences. The buyer is responsible for notifying the supplier/subcontractor of the potential cost and arranging for completing the shipment or backcharging the cost related to the partial shipment to the supplier/subcontract. The project manager or department head is responsible for accurately tracking the cost associated with the partial shipment. Payment for the partial shipment should only be authorized for the goods received less any anticipated value of backcharges accruing as result of the shortage.

- g.) **Damaged Goods:** The designated receiver will document the extent and type of damage, e.g., damaged in transit, subcontractor/supplier caused or hidden damages identified by the technical inspection.

Required information includes project schedule delays; to what extent the damaged goods are usable on the project and the extra costs associated with their use or correcting the damages. The designated receiver will notify the OHM buyer of the damages and expected cost impact. The buyer will immediately notify the subcontractor/supplier and/or transit company in writing to obtain claims filing information or an authorization code for returning or repairing the goods. Approval for payment of the damaged goods will be placed on "Hold" through Accounts Payable by the designated receiver. The quantity of undamaged goods will be noted and approved for payment on the packing slip and forwarded to Accounts Payable. The amount approved for payment should consider any amounts in excess of the value of damaged goods necessary to repair the damage or cover the cost of schedule impact. A copy of the annotated delivery receipt will be sent to the OHM buyer that issued the purchase order.

- h.) **Off Spec Goods.** The Receiver will notify the Project Accountant as soon as the noncomplying goods are identified. Information required by Purchasing and Accounts Payable include:

Suitability for project work

Schedule and cost impact of using the off-spec goods.

The subcontract/supplier will be notified in writing that the goods are off-spec. Approval for payment of off-spec good will be placed on "Hold." The quantity of on-spec goods should be noted and approved for payment on the packing slip or purchase order and forwarded to Accounts Payable.

- i.) **Late Deliveries:** Subcontract/supplier delivery performance will be tracked and recorded against scheduled delivery times as a part of the subcontract/supplier performance evaluation, (Procedure 2.15). The

delivery person will also sign the receiving document for late deliveries.

When a delivery is late, schedule delays and extra costs will be documented and provided to Purchasing for backcharge to the subcontractor/supplier. A payment "Hold" will be noted and forwarded to Accounts payable and Purchasing.

- j.) Rejected deliveries: An immediate payment "Hold" will be sent to Accounts Payable and Purchasing on the receiving document. The reason for rejecting the shipment must be clearly stated in detail on the receiving document. Information regarding a rejected shipment will be communicated by phone or fax to the responsible buyer within 12 hours of rejecting the shipment. The buyer must immediately notify the supplier/subcontractor of the rejected shipment in writing. Since a rejected shipment may have an effect on the project schedule or performance, the Project Manager should be consulted concerning potential backcharges to the supplier/subcontractor.
- k.) The Receiver must forward the receiving document to Accounts Payable within three days of receipt to match with the subcontract/supplier invoice (copy will be forwarded to the jobsite by Accounts Payable). If a packing slip is not received with the delivery, a copy of the purchase order may be substituted. A copy of the receiving document will remain with the project files.

Accounts Payable will use the approved receiving document as approval for payment, the vendor invoice will not be sent to management for approval. Accounts Payable will forward a copy of the invoice to the jobsite with the voucher number after recording the invoice in Accounts Payable system. The jobsite will use this copy of the invoice for cost tracking.

- l.) If the purchase order, invoice and receiving documentation do not match, Accounts Payable will return the invoice to the subcontract/supplier for correction.
- m.) For purchases made with a DRAFT or company credit card, documentation sent to Accounting will include (1) a statement that the goods were picked by the purchaser; or (2) for deliveries to the site, the packing slip will be stamped and completed as in the case of a standard purchase order delivery. The delivery documentation is attached to the vendor's invoice and the white copy of the draft.
- n.) Receipt of goods purchased with limited dollar purchase orders will be documented as follows: (1) a statement that the goods were picked by the purchaser; or (2) for deliveries to the site, the packing slip will be stamped and completed as in the case of a standard purchase order receipt. The

Project Accountant will forward Limited Purchase Order documentation to the issuing Purchasing Function and to Accounts Payable with the receiving documentation.

4.) Commodities, Equipment Rentals, Subcontracted Services Receiving Procedures

- a.) **BULK RECEIPTS:** A daily summary log of bulk receipts will be prepared and forwarded to Accounts Payable daily by the Receiver. The log should match the vendor's invoice period, i.e., by delivery, day, or time period.
- b.) **EQUIPMENT RENTALS:** The receiving document will be stamped on the date equipment is received and accepted for use. On each month's anniversary for the equipment, the receiving document will be re-stamped and signed and returned to Accounts Payable. A returned equipment ticket will be prepared and forwarded to Accounts Payable and Purchasing on the day that equipment is removed from the site or rental discontinued.
- c.) **SUBCONTRACTED SERVICES:** The subcontractor should complete OHM's Subcontractor Application for Payment (SAP) form in accordance with the terms and conditions of the subcontract agreement and forward to the assigned OHM Subcontract Administrator (SA). The SA is responsible for verifying the mathematical accuracy of the SAP, previous payments, and the current status of required submittals (certified payrolls, work plans), insurance, and backcharges. The Project Manager must approve payment based on work performed.

According to the subcontract type, copies of the appropriate documents must be attached to the SAP form. These documents include:

- **Firm Fixed Price Subcontract:** Approved Schedule of Values (SOV) updated to reflect progress (percent complete). The SOV will include the original tasks of work with original pricing, modifications (if any), units or percentage completed, value earned to date, previous amounts earned and the net amount earned for the period.
- **Time & Materials Subcontract:** Recap schedule detailing labor hours, rates, materials, equipment, etc. Invoices and time sheets supporting all subcontractor expenditures must be provided.
- **Cost Reimbursable:** Recap schedule detailing labor hours, rates, materials, equipment, etc. Invoices supporting all subcontractor purchases must be provided. Burden rates, overhead and margins will be detailed in accordance with the subcontract.

Completed Subcontractor Application for Payment Forms will be forwarded to the Subcontract Administrator for review and approval by the Project Manager. Any discrepancies will be noted on the form. Prior to approval of the SAP, the Project Manager and Subcontract Administrator must verify that the subcontractor's insurance certificates are adequate and up to date, all required submissions are current, e.g.; certified payrolls, and any backcharged cost are recorded and deducted from the SAP. The Project Manager and Subcontract Administrator are responsible for notifying and resolving any discrepancies with the subcontractor.

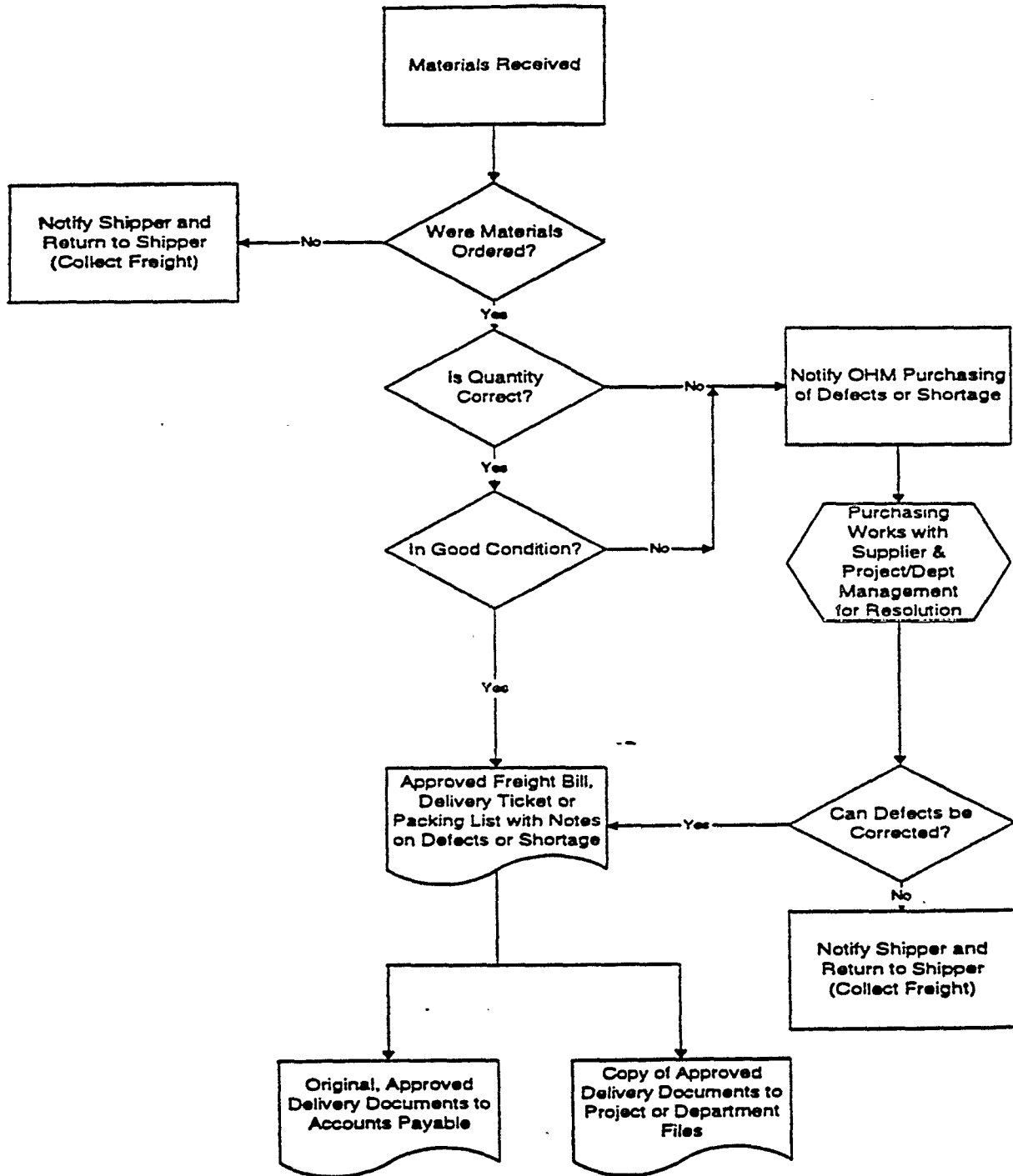
A copy of the approved form will be mailed to the site.

5.) Forms

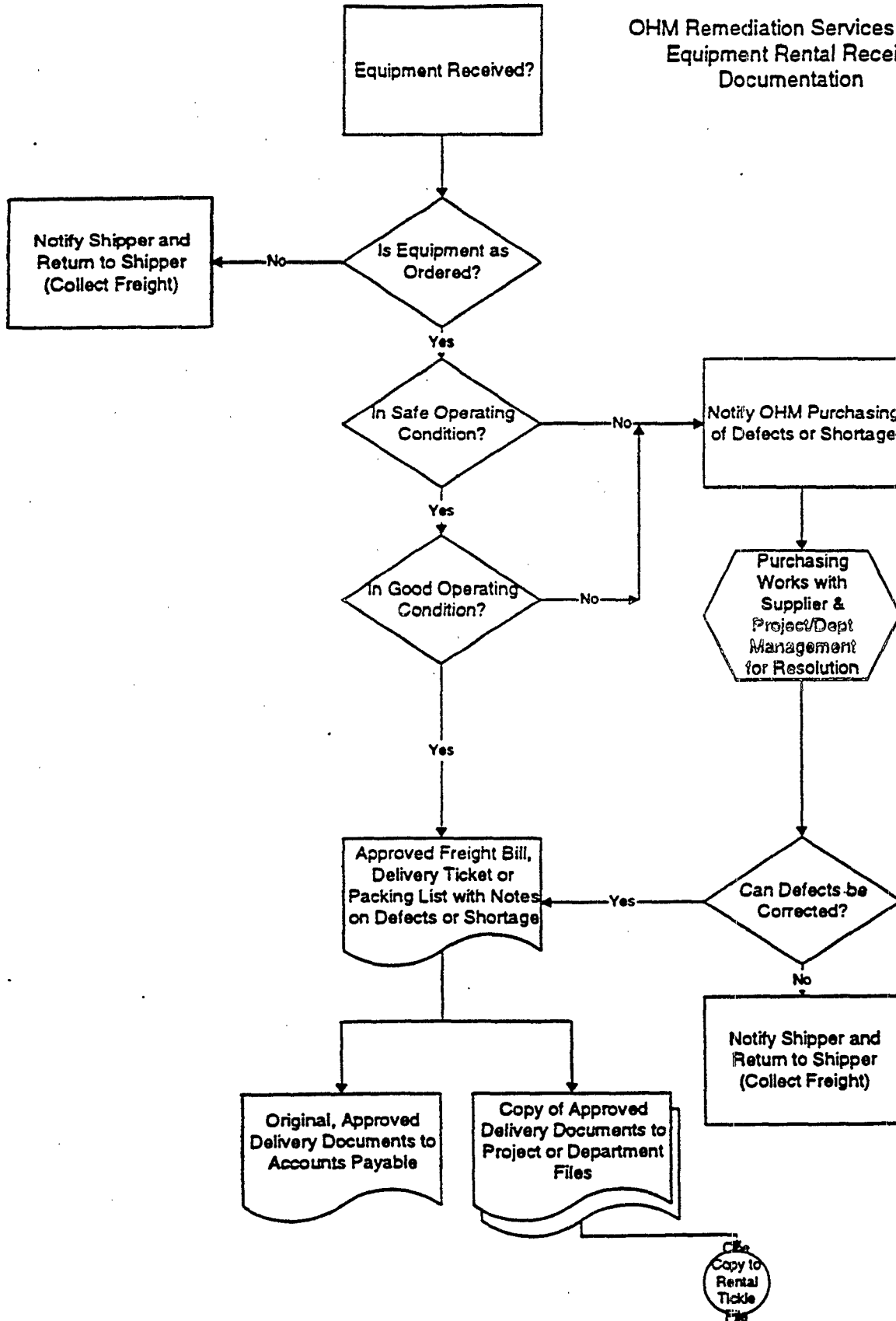
The following form is used in this procedure and is contained in Appendix B, Forms.

- Subcontractor Application for Payment

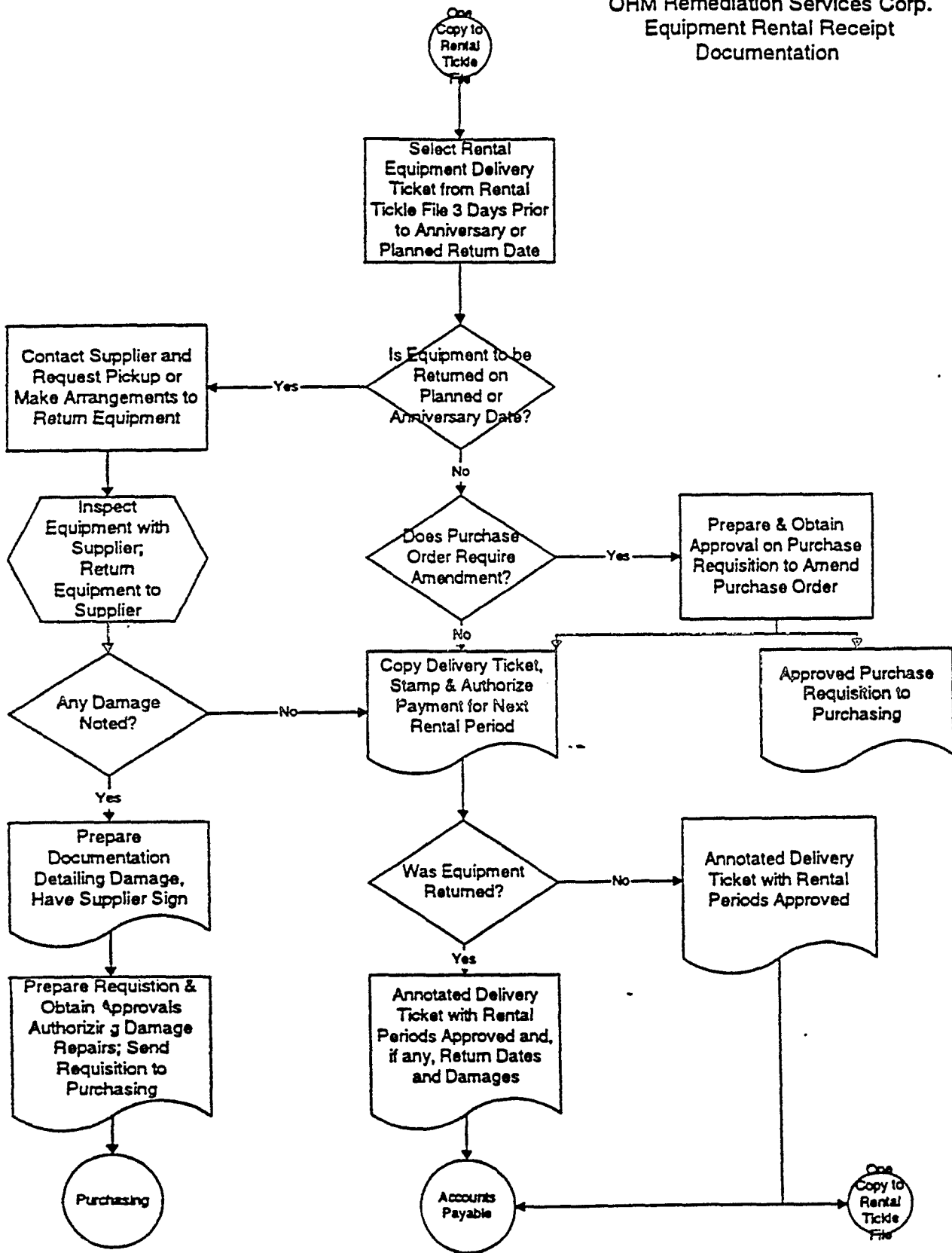
6.) Receipts Documentation Flow



OHM Remediation Services Corp.
Equipment Rental Receipt
Documentation



OHM Remediation Services Corp.
Equipment Rental Receipt
Documentation



PROCEDURE 2.15

VENDOR SURVEY AND PERFORMANCE EVALUATION PROCEDURE

I. Purpose/Objective

The purpose of this document is to establish a procedure for surveying and evaluating performance of subcontractors furnishing goods and services deemed critical by OHM.

II. Scope

This procedure is applicable to all OHM employees and all OHM purchases.

III. Authority

This procedure is consistent with prudent business practices, public law and relevant Federal Acquisition Regulations (FAR).

IV. Policy

It is Company policy to review qualifications and monitor performance of suppliers of goods and services.

V. Definitions

The following terms are used in this procedure and are defined in Appendix A - Definitions:

- Corrective action plan
- Critical supplies/services
- Debarred vendor
- Presurveyed vendor
- Suspended vendor
- Vendor performance rating

VI. PROCEDURE

1. Applicability and Responsibility

All vendors of critical goods or services as defined below shall be required to be surveyed when utilizing them in support of an OHM project.

Types of supplies/services identified as requiring pre-award survey and evaluation are:

- a. Analytical Services
- b. Transportation and Disposal of Hazardous Wastes
- c. Engineering and Consulting
- d. Subcontractors Required to have a QA/QC Program in place
- e. Special Testing and Inspection services
- f. Personal Protection Equipment
- g. Liner installations with QA/QC requirements

Note: Categories may be added or deleted from time to time as deemed appropriate by Corporate Purchasing

-It is the responsibility of the requisitioner or technical personnel to provide information pertaining to evaluation of vendor performance.

-It is the responsibility of the Regional or Corporate Purchasing Manager to delegate the Purchasing representative responsible for surveying vendors.

-It is the responsibility of the Regional QA/QC Director to delegate the QA/QC representative responsible for reviewing vendor qualifications and performing vendor evaluations, when appropriate.

-It is the responsibility of the Regional Technical Director to delegate the technical representative (incl. T & D and Lab) for reviewing vendor technical qualifications, when appropriate.

-It is the responsibility of Corporate Purchasing to distribute reports and maintain central files pertaining to this procedure.

-It is the Buyers' responsibility to properly code purchase orders as "critical" when applicable.

2. Requirements

A. Vendor Pre-Award Survey

1. Any vendor supplying the types of goods or services identified as "critical" must complete a OHM Subcontractor Profile Form.

Additionally, providers of T & D services must complete the Waste Management Facility Report Form and providers of Analytical services must complete the Laboratory Prequalification Form. Vendors providing on-site services shall complete and submit the Health & Safety Section of the Subcontractor Profile Form.

2. Review of the data provided by vendors must be conducted by the appropriate Purchasing, Technical, Safety and QA/QC personnel.

Review of T & D vendors, at a minimum, must be made by Purchasing, T & D and Health & Safety.

Review of Analytical vendors, at a minimum, must be made by Purchasing, Lab Coordinator and/or QA/QC.

Qualifications reviewed shall include such things as vendors' prior experience, personnel, special training (ie OSHA), insurance coverage, bonding ability, safety record, QA/QC program, financial responsibility, material resources, SF254's & 255's. Additionally, vendors anticipated to perform under federal government projects must submit applicable certifications and representations, including debarment status.

References provided by vendors shall be checked by Purchasing or Technical reviewer when deemed appropriate and documented in the vendor's file. When necessary in order to determine a vendor's capabilities or to verify resources, a physical inspection of that vendor may be required. Physical inspections may be required in cases where timely delivery of critical goods or services is directly dependent upon a vendors physical resources in-house or on hand. Inspection teams shall be determined by Purchasing on a per occurrence basis and such inspections shall be documented in the vendors file.

B. Vendor Performance Evaluation

Vendors furnishing "critical" goods or services shall be evaluated on a purchase order basis for all purchase orders greater than \$25,000 upon receipt of all deliverables and prior to final payment. Requisitioners (such as Project Managers), Purchasing Personnel and QA/QC personnel may provide vendor performance feedback.

1. A Vendor Performance Evaluation form shall be submitted by the Project Manager or OHM technical representative responsible for overseeing vendor performance for each purchase order issued covering critical supplies or

services. The Buyer or Subcontract Administrator issuing the PO shall be responsible for ensuring that the data from the forms are input into ORACLE database. Corporate Purchasing shall distribute a report on a monthly basis all those Purchase Orders greater than \$25,000 (and 75% complete) which will require evaluation.

2. The evaluating party is responsible for submitting a completed vendor evaluation form upon final receipt of goods or services for each purchase order issued over \$25,000 (for critical supplies/services) The buyer or Subcontract Administrator issuing the PO shall be responsible for reviewing and inputting the vendor's performance rating (1 thru 5) for an individual PO into the ORACLE system.
3. ORACLE shall automatically re-calculate and update the new average (and cumulative) performance rating for a vendor each time a new rating for an individual PO is input into the system. A monthly report of all evaluated vendors shall be distributed monthly by Corporate Purchasing.
4. When a vendor's performance rating falls below a 3, that vendor shall be put on a "Quality Alert" (QA) status. Vendors put on a QA status shall be required to submit a corrective action plan which will include an explanation for poor performance as well as specific steps which will be taken to improve future performance. The Vendor Corrective Action Form shall be utilized to obtain this information from vendors.

A Quality Alert report shall be generated monthly by Corporate Purchasing. Corporate Purchasing shall be responsible for distributing corrective action plan requests to vendors. Regional Purchasing will assist in distribution and follow-up.

Vendors maintaining a Quality Alert status for six (6) consecutive months shall be given a "Suspended" status. Vendors put on a suspended status may not be utilized for critical supplies/services until such time as they have provided satisfactory assurances to OHM, in writing, that the cause(s) of previous performance problems have been eliminated.

Note: A "Suspended" vendor may be utilized on a limited basis if no other qualified vendor is readily available, or if a lack of the suspended vendor's services could cause serious harm, financial or otherwise, to OHM. When a suspended supplier/subcontractor is utilized, Purchasing shall notify the appropriate Project Manager of the vendor's status and obtain his or her approval prior to awarding the purchase order. Vendors which are known to be debarred by the Federal Government shall be given a "Suspended" status and may not be used in support of government work.

VII. Forms

The following forms are used in this procedure and contained in Appendix B - Forms.

- Subcontractor Profile Form
- Waste Management Facility Report Form
- Laboratory Prequalification Form
- Vendor Corrective Action Form
- Vendor Performance Evaluation Form

**OHM REMEDIATION SERVICES CORP.
SUBCONTRACTOR PROFILE**

A. ORGANIZATION

1. Company Name
Address

2. Telephone (____) _____ Fax (____) _____

3. Principal's name _____

4. Type(s) of Services or Products

5. SIC Codes _____

6. Classification of Firm - please check the appropriate box(s):

Large _____ SDB _____ Woman owned _____ HBCU/MI _____

Small _____ 8(a) _____ Labor Surplus _____

7. Number of employees _____ 8. Date Business established _____

9. Federal Identification # _____ State License # _____

State sales tax # _____ County Lic.# _____

S.S # (if sole proprietor) _____

A. ORGANIZATION

10. List states where licensed and types of licenses/certificates

<u>STATE</u>	<u>TYPE OF LICENSE</u>	<u>LIMIT</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

11. List areas of operation (see OHM map attached, list states or regions of U.S.)

12. Union Affiliation(s) (if any). This is for information purposes only and not a prerequisite to performing work.

Building & Trade Union(s)

Other Union(s)

B. FINANCIAL

1. Submit annual financial reports and profit & loss statements (audit preferred) for the past year.

2. Size of project capable of handling:

() under \$100,000

() \$100M - \$500M

() \$500M-\$2.0MM

() \$2.0 MM - \$5.0MM

3. Banking Reference

Name _____

Address _____

Contact Name _____ Telephone #(_____) _____

4. Can firm obtain bonding?

() yes () no

Name of bonding company _____

If yes, single limit line _____, Aggregate limit _____

5. Is there any litigation now in progress with clients, subcontractors, or suppliers?

() yes () no

If yes, please provide details

6. Is your company listed with

Dun & Bradstreet?

() yes () no

If yes, what is your D & B Number and current rating?

D&B # _____ Rating _____

7. Name of Cognizant Audit Agency _____

8. Date of last Audit _____

C. PREVIOUS WORK HISTORY

1. List three (3) major government projects performed within the last five years. If firm has not performed government projects, list three other major jobs:

a. Client or Company name _____

Address _____

Contract#/Title _____

Dates of Contract performance _____ to _____

Contract Amount \$ _____ **Telephone #** _____

Description of Work _____

b. Client or Company name _____

Address _____

Contract #/Title _____

Dates of Contract performance _____ to _____

Contract Amount \$ _____ **Telephone #** _____

Description of Work _____

C. PREVIOUS WORK HISTORY

c. Client or Company name _____

Address _____

Contract #/Title _____

Dates of Contract performance _____ to _____

Contract Amount \$ _____ Telephone # _____

Description of Work _____

2. Has firm previously performed work for OHM? Yes or No _____

If yes, complete the following information :

DATE	PO#	OHM REGION WHERE WORK PERFORMED	OHM CONTACT NAME
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

D. INSURANCE

1. Person to be contacted for matters pertaining to insurance:

Name _____

Title _____ Phone #(_____) _____

2. Names/addresses of firm's insurers and limits of coverage:

Workman's Compensation insurer: _____

insurer's name

address

city

state

Limits of Coverage _____ Expiration Date _____

General Liability insurer: _____

insurer's name

address

city

state

Limits of coverage _____ Expiration Date _____

Auto Liability insurer: _____

insurer's name

address

city

state

Limits of Coverage _____ Expiration Date _____

Other available coverage (e.g. pollution, professional etc.) _____

3. Can you arrange for OHM Remediation Services Corp. and its client to be named as additional insured, on your policies?

() yes

() no

If yes, which policies _____

E. HEALTH & SAFETY

1. Do you have written safety policy? () yes () no
2. Do you have written safety procedures? () yes () no
 Would copies of your policy/procedures be available upon request? () yes () no

3. Do you hold site safety meetings for:

Field Supervisor?	() yes	() no	Frequency	_____
Employees?	() yes	() no	Frequency	_____
New Hires?	() yes	() no	Frequency	_____
Subcontractors?	() yes	() no	Frequency	_____

4. Do you have an orientation program () yes () no
 for new hires? If yes, does it include instructions on the following?

	Yes	No		Yes	No
a. Head Protection	()	()	l. Fire protection	()	()
b. Eye protection	()	()	j. First aid facilities	()	()
c. Hearing protection	()	()	k. Emergency procedures	()	()
d. Respiratory protection	()	()	l. Toxic substances	()	()
e. Fall Protection	()	()	m. Trenching & excavation	()	()
f. Scaffolding	()	()	n. Signs, barricades, flagging	()	()
g. Hazard Communication	()	()	o. Electrical safety	()	()
h. House keeping	()	()	p. Rigging, crane safety	()	()

5. Do you hold toolbox or tailgate safety meetings?
 How often? Weekly _____ Bi-weekly _____ Monthly _____
 Other, explain _____

6. Do you have Safety Awareness program for newly hired or promoted foreman? () yes () no
 If yes, does it include instruction on the following?

a. Safe Work practices	() yes	() no
b. Safety Supervision	() yes	() no
c. Toolbox Meetings	() yes	() no
d. Emergency procedures	() yes	() no
e. First Aid procedures	() yes	() no
f. Accident Investigation	() yes	() no
g. Fire Protection and Prevention	() yes	() no
h. New Worker Orientation	() yes	() no

B. FINANCIAL

1. Submit annual financial reports and profit & loss statements (audit preferred) for the past year.

2. Size of project capable of handling:

under \$100,000

\$100M - \$500M

\$500M-\$2.0MM

\$2.0 MM - \$5.0MM

3. Banking Reference
Name _____

Address _____

Contact Name _____ Telephone # (____) _____

4. Can firm obtain bonding? yes no

Name of bonding company _____

If yes, single limit line _____, Aggregate limit _____

5. Is there any litigation now in progress with clients, subcontractors, or suppliers?

yes no

If yes, please provide details

6. Is your company listed with
Dun & Bradstreet?

yes no

If yes, what is your D & B Number and current rating?

D&B # _____ Rating _____

7. Name of Cognizant Audit Agency _____

8. Date of last Audit _____

C. PREVIOUS WORK HISTORY

1. List three (3) major government projects performed within the last five years. If firm has not performed government projects, list three other major jobs:

a. Client or Company name _____

Address _____

Contract#/Title _____

Dates of Contract performance _____ **to** _____

Contract Amount \$ _____ **Telephone #** _____

Description of Work _____

b. Client or Company name _____

Address _____

Contract #/Title _____

Dates of Contract performance _____ **to** _____

Contract Amount \$ _____ **Telephone #** _____

Description of Work _____

C. PREVIOUS WORK HISTORY

c. Client or Company name _____

Address _____

Contract #/Title _____

Dates of Contract performance _____ to _____

Contract Amount \$ _____ Telephone # _____

Description of Work _____

2. Has firm previously performed work for OHM? Yes or No _____

If yes, complete the following information :

DATE	PO#	OHM REGION WHERE WORK PERFORMED	OHM CONTACT NAME
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

D. INSURANCE

1. Person to be contacted for matters pertaining to insurance:

Name _____

Title _____ Phone # (____) _____

2. Names/addresses of firm's insurers and limits of coverage:

Workman's Compensation insurer: _____

insurer's name

address

city

state

Limits of Coverage _____ Expiration Date _____

General Liability insurer: _____

insurer's name

address

city

state

Limits of coverage _____ Expiration Date _____

Auto Liability insurer: _____

insurer's name

address

city

state

Limits of Coverage _____ Expiration Date _____

Other available coverage (e.g. pollution, professional etc.) _____

3. Can you arrange for OHM Remediation Services Corp. and its client to be named as additional insured, on your policies?

() yes

() no

If yes, which policies _____

E. HEALTH & SAFETY

1. Do you have written safety policy? () yes () no
2. Do you have written safety procedures? () yes () no
 Would copies of your policy/procedures be available upon request? () yes () no

3. Do you hold site safety meetings for:

Field Supervisor?	() yes	() no	Frequency	_____
Employees?	() yes	() no	Frequency	_____
New Hires?	() yes	() no	Frequency	_____
Subcontractors?	() yes	() no	Frequency	_____

4. Do you have an orientation program () yes () no for new hires? If yes, does it include instructions on the following?

	Yes	No		Yes	No
a. Head Protection	()	()	l. Fire protection	()	()
b. Eye protection	()	()	j. First aid facilities	()	()
c. Hearing protection	()	()	k. Emergency procedures	()	()
d. Respiratory protection	()	()	l. Toxic substances	()	()
e. Fall Protection	()	()	m. Trenching & excavation	()	()
f. Scaffolding	()	()	n. Signs, barricades, flagging	()	()
g. Hazard Communication	()	()	o. Electrical safety	()	()
h. House keeping	()	()	p. Rigging, crane safety	()	()

5. Do you hold toolbox or tailgate safety meetings?
 How often? Weekly _____ Bi-weekly _____ Monthly _____
 Other, explain _____

6. Do you have Safety Awareness program for newly hired or promoted foreman? () yes () no
 If yes, does it include instruction on the following?
- a. Safe Work practices () yes () no
 - b. Safety Supervision () yes () no
 - c. Toolbox Meetings () yes () no
 - d. Emergency procedures () yes () no
 - e. First Aid procedures () yes () no
 - f. Accident Investigation () yes () no
 - g. Fire Protection and Prevention () yes () no
 - h. New Worker Orientation () yes () no

E. HEALTH & SAFETY

7. Do you conduct project safety inspections? () yes () no
If yes, who conducts this inspection?

_____ How often? _____
name title

8. Do you have a full-time Safety Director? () yes () no
Name: _____

Qualifications: _____

Training: _____

Certifications: _____

List the highest ranking safety professional in your organization.

Name: _____

Title: _____

Address: _____

9. Are your employees currently trained in accordance with OSHA HAZWOPER Standard 29 CFR 1910.120/1926.65? () yes () no

How many employees are trained as: _____
Hazardous waste workers? 120 (e) (3) _____
Hazardous waste workers' supervisors? 120(e) (4) _____
Emergency response personnel? 120 (q) _____

Would a copy of your Hazardous Waste Operations and Emergency Response (HAZWOPER) training, what is the name of the primary training provider?

10. Do you have an 8 hour refresher training program which complies with 29 CFR 1910.120/1926.65? () yes () no

How often do employees receive refresher training? Every _____ months

11. Are records kept of all training? () yes () no

E. HEALTH & SAFETY

12. Where are records maintained and by whom? _____

13. Are you required to complete the OSHA 200 log? () yes () no

If you do not complete such log, is it because your firm has too few employees?

() yes () no

14. Using last year's OSHA No. 200 logs, provide the following information:
If the figures used are not from last year's OSHA log, state the year from which the
figures are taken _____

No. of Fatalities _____ [from Column (1)]

No. of Lost Work Day Cases _____ [Column (2)]

No. of Injuries with Days Away from Work _____ [from Column (3)]

No. of Injuries Without Lost Workdays _____ [from Column (6)]

No. Of Illness Fatalities _____

No. of Illness Lost Work Day Cases _____ [from Column (9)]

No. of Illness with days away from work _____ [from Column (10)]

No. of Illness without lost workdays _____ [from Column (13)]

Employees Hours worked last year: Field _____ Office _____

Total _____

Will a copy of your previous year's of the OSHA No. 200 log used for the above
figures be available upon request? () yes () no

15. Please list your past 3 years OSHA Recordable Incident (IR)* and Lost Work Day
Incident Rate (LWIR)**

19____ IR _____ 19____ IR _____ 19____ IR _____

LWIR _____ LWIR _____ LWIR _____

* IR Formula using OSHA 200 form $IR = \frac{\text{total } \{Col (1) + (2) + (6) + (8) + (9) + (13)\} \times 200,000}{\text{Total Employee Hours Worked}}$

** LWIR Formula Using OSHA 200 form $LWIR = \frac{\text{total } \{Col (3) + (10)\} \times 200,000}{\text{Total Employee Hours Worked}}$

E. HEALTH & SAFETY

16. List your Overall Worker's Compensation Experience Modification Rate (EMR) for the past three years. Indicate whether this is an intrastate or interstate rating. This information must be certifiable in writing from your workers' compensation insurance carrier.

Ratings listed below are INTRASTATE OR INTERSTATE

Please circle one of the above. If an intrastate rating, list state(s) below:

EMR _____ 19____ EMR _____ 19____ EMR _____ 19____

17. Are your employees in a medical surveillance program?

() yes () no

If yes, under which OSHA standard? _____

Have your personnel been medically approved and fit-tested for Respiratory Protection equipment use [29 CFR 1910.134]? () yes () no

Are your personnel currently enrolled in a medical surveillance program in accordance with the OSHA HAZPOWER standard 29 CFR 1910.120 (f)/1926.65(f)?
() yes () no

Are your personnel approved for asbestos work in accordance with the standard [29 CFR 1926.1101]? () yes () no

E. HEALTH & SAFETY

Complete questions #18 and #19 if you do not comply with OSHA HAZWOPER of asbestos medical surveillance requirements.

18. Do you provide pre-employment medical exams? yes no
Briefly describe content and pass/fail criteria _____

19. Do you conduct periodic/update medical exams? yes no
If yes, how often? _____

Describe content and pass/fail criteria _____

20. Do you conduct post-employment/termination medical exams? yes no
If yes, describe content _____

21. Describe how you will provide first aid and other medical services for your employees. Specify who will provide this service.

22. Are your employees currently enrolled in a drug and alcohol testing program complying with OHM requirements (see attachment 3)? yes no

How many employees are enrolled in the drug and alcohol testing program? _____

- Can you provide a copy of your firm's drug and alcohol testing procedure upon request? yes no

23. If you answer no to question #22, do you intend to implement a substance abuse policy prior to performance of any subcontractor service for OHM?
() yes () no

If assistance is required to develop and implement a policy call Mr. Mark Harber, 800-537-9540

(Note: By marking "NO" to question #22, your company may be precluded from performing work for OHM or bidding on future work for OHM)

24. Have you been assessed any fines from OSHA (state or federal) in the past two (2) years?
() yes () no

If yes, please give details (attach separate sheet if additional space needed)

Name of preparer (print) _____

Signature _____

Title _____

Telephone# () _____

Date _____

RETURN THIS INFORMATION TO:
OHM Remediation Services Corp.

Attn: _____

WASTE MANAGEMENT FACILITY REPORT FORM
(Attach extra pages as required)

I. Facility History

Facility Name: _____
Phone Number: _____
Manifest (Facility) Address: _____
Mailing Address: _____
EPA I.D. Number: _____
State I.D. #: _____
Years in Operation Total: _____ Current Ownership: _____
Previous Owners and Dates Of Ownership: _____
Person Completing Form and Title: _____
Facility Phone #: _____
Owner (if not Operator): _____

II. Processing Capabilities

A. Services available on site

1. (A) Landfill
2. (B) Reclamation of: Oil Solvents Other _____
3. (B) Fuel blending for use: On Site Off Site
4. (C) Incineration
5. (D) Fixation / Solidification
6. (D) Treatment: Chemical Biological
7. (E) Deep well injection
8. (F) Transfer station
9. (G) Drum reclamation
10. (H) Transportation Capabilities
11. () Other (Specify) _____

NOTE: Services offered at a non-contiguous site require a separate inspection for that site and should be listed in Section VIII.

Describe technology of service: _____

B. Waste types previously but no longer accepted by this facility. (e.g., PCB's, liquids, highly chlorinated wastes, etc. For landfill number of cells out of service or closed).

C. Indicate weekly processing capacity for each available process and the number of hours per week the process operates.

D. Indicate the hours and the days in which wastes are received and exception procedures.

E. Certificates of disposal? _____
To Whom? _____

F. How is information managed? _____

III. Storage Practices and Capacities

A. Permitted Waste Storage Capacity.

- Total: _____
1. In tanks: _____
 2. In lagoons: _____
 3. In drums: _____
 4. In waste piles: _____

B. Weekly Storage-Processing Ratio (i.e., waste storage/weekly capacity for total facility and by process). _____

C. Indicate how fugitive vapors are controlled:

- Storage tanks have floating roofs
- Storage tank vents are carbon absorption filtered
- Drum storage and handling is in a building under negative pressure with exhaust air carbon absorption filtered. _____
- Not controlled
- Other _____

IV. Laboratory Capabilities and Waste Stream Qualification

A. Does the facility have a laboratory. YES NO
1. Is it on site? YES NO

C. Indicate individually by waste stream, all wastes or by-products transported from site for off-site disposal or use as a fuel. (Specify receiving location for each waste stream.)

- BLENDED FUEL _____
- EMPTIED DRUMS _____
- LEACHATE _____
- RAIN WATER RUNOFF-ACTIVE AREAS _____
- RAIN WATER RUNOFF-OTHER AREAS _____
- FILTERINGS _____
- STILL & TANK BOTTOMS _____
- AIR POLLUTION CONTROL DEVICE COLLECTIONS _____
- OTHERS _____

VII. Regulatory Compliance

A. Federal, State, County, or Local Permits and Licenses held by facility.

PERMIT	ISSUING AGENCY	PERMIT NO. & EXPIRATION DATE
1. HAZARDOUS WASTE TSDF		
2. SOLID WASTE TSDF		
3. LIQUID OF SPECIAL WASTE TSDF		
4. WATER DISCHARGE		
5. AIR EMISSION		
6. OTHERS (SPECIFY)		

7. Has the RCRA part B been called? YES NO Date Due? _____
 Date filed? _____ Application Status? _____
 Has Part B status been verified with government? YES NO

B. Inspections (RCRA - by or for EPA)

1. When was the last RCRA Inspection? (Date and agency making inspection) _____
2. Indicate any violations cited. _____
3. Describe any corrective action taken. _____

C. Inspections (State, County, and Local agencies under their own regulations)

1. When was last inspection? (Date and agency) _____
2. Indicate any violations cited. Indicate any compliance schedule set.

3. Describe any corrective actions taken. Was compliance schedule met?

D. Required plans.

PLANS	LAST REVISION DATE
1. WASTE ANALYSIS	
2. CLOSURE AND POST CLOSURE	
3. CONTINGENCY & EMERGENCY	

E. Is the Employee Training Program ongoing with all employees trained and with new employees prior to their involvement with hazardous waste?

F. Indicate facility's demonstrated financial responsibility to handle Environmental Impairment Liability. IRREVOCABLE LETTER OF CREDIT
ASSET TEST BOND INSURANCE
OTHER _____
(Indicate coverages if different than below and EXPIRATION dates.)
Insurance (company)

DESCRIPTION	AMOUNT/OCCURRENCE	AMOUNT/YEAR	EX. DATE
SUDDEN RCRA MINIMUM	\$1 MILLION	\$2 MILLION	
NON-SUDDEN RCRA MINIMUM	\$3 MILLION	\$6 MILLION	

G. Detail any additional information on Financial Resources or limitations of facility, operator or operational expertise of site. Is there a "deep pocket".

AR312308

H. Indicate facility's security system: PERIMETER FENCE TV
24 HOUR ATTENDANT WARNING SIGNS ELECTRIC GATE
GUARD DOGS OTHER _____

I. Indicate surrounding area: RESIDENTIAL INDUSTRIAL
COMMERCIAL WOODED NEIGHBORING LAKE OR STREAM
WELLS OTHER _____

J. Estimate remaining life of facility. (For multiple process facilities estimate expectancy for the various processes.)
o Hazardous Waste _____
o Non-Hazardous _____

K. Describe the Ground Water Monitoring System and Leachate Control System.

L. Records.
1. Length in years that monitor records are kept _____
2. Length in years that operating records are kept _____

M. Attach part A permit, Waste Profile Form, Copy of Insurance Certificate, Packet of Licenses, Waste Analysis Plan, Closure and Post Closure Plans, and Contingency and Emergency Plans.

VIII. Other Facilities Owned or Operated by this Company

OHM Remediation Services Corporation (OHM)
VENDOR CORRECTIVE ACTION PLAN FORM

TO: _____ FROM: _____

ATTN: _____ Phone: _____

The following deficiencies were noted during performance of your subcontracted duties required under OHM's Purchase Order/Subcontract Number _____ issued to you company on _____.

- ___ Timeliness of deliverables
- ___ Health & Safety deficiencies
- ___ Failure to meet scope of work / specifications
- ___ Failure to communicate or submit required reports
- ___ Failure to submit or complete required contractual documentation
- ___ Other _____

Comments: _____

In order to meet your contractual requirements as required under the above noted purchase order or subcontract agreement, and to avoid the same or similar problems in the future, please indicate below the steps your company intends to take to remedy the noted shortcomings.

CORRECTIVE ACTION PLAN (To be completed by vendor - attach page if required)

signature (vendor's authorized representative)

date

RETURN THIS FORM TO THE ABOVE BY: _____

AR312310

PROCEDURE 3.01

CONSENT TO SUBCONTRACTS, ADVANCED NOTIFICATION, WRITTEN JUSTIFICATION, AND PRIOR CONSENT

I. Purpose/Objective

The purpose of this document is to establish the procedures for ensuring that the requirements of advanced notification, written justification, and prior consent are satisfied.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases in support of Government projects.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Requirement (FAR).

IV. Policy

It is the Company policy's that the consent requirements on all applicable POs in support of Government projects be satisfied in accordance with the requirements of the FAR and the terms and conditions of the contract.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A, Definitions.

- Administrative Contracting Officer (ACO)
- Consent to Subcontracts
- Contract
- Cost or Pricing Data
- Certificate of Current Cost or Pricing Data

- Federal Acquisition Regulation (FAR)
- Firm Fixed Price (FFP)
- Government
- Negotiation Memorandum
- Purchase Order (PO)
- Prime Contract/Prime Contractor
- Purchasing System
- Sole/Single Source Justification
- Subcontract
- Supplier/Subcontractor

VI. Procedure

1. Introduction

The requirements of advanced notification, written justification, and prior consent are collectively referred to as "Consent to Subcontracts". "Consent to Subcontracts" may be required under FAR 44.201 when the Subcontract work is complex, the dollar value is substantial, the Government's interest is not protected by competition, and/or the prime contract or subcontract type is not Firm Fixed Price (FFP). These requirements may be waived or lessened when the prime contractor's Purchasing System has been approved as allowed in FAR 52.244-1 through 4.

2. Applicability

These requirements are applicable to POs in support of Government projects when:

1. OHM is the prime contractor, and
2. The requirement is in that prime contract, and/or
3. The criteria set forth in FAR 44.201 exists

The prime contract and FAR 44.201 will specifically indicate which elements (advanced notification, written justification, and prior consent) of "Consent to Subcontracts" will be required.

3. Satisfying The Requirements

The "Consent to Subcontract" clause requires the prime contractor (OHM) to give advanced notification and/or written justification for procurements to the Government's Administrator Contractor Officer(ACO). Before awarding the PO, the ACO must provide written consent.

Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer (CO) to any subcontract nor approval of the Supplier's/Subcontractor's purchasing system shall constitute a determination (1) of the acceptability of any subcontract terms or conditions, (2) of the acceptability of any subcontract price or of any amount paid under any subcontract, or (3) to relieve the Supplier/ Subcontractor of any responsibility for performing the contract.

The specific items that constitute advanced notification include the following:

- (1) A description of the supplies/services to be purchased.
- (2) Identification of the proposed Supplier/Subcontractor.
- (3) An abstract of the bidder's price quotations.
- (4) The proposed Supplier's/Subcontractor's price and justification of that price.
- (5) The proposed Supplier's/Subcontractor's cost or pricing data and certification thereof, if applicable.
- (6) Identification of the type of PO proposed.
- (7) A Negotiation Memorandum, if applicable.
- (8) The basis for Supplier/Subcontractor selection, including sole/single source justification, if applicable. The Subcontract Consent Forms, or equivalent information in a different format, should be used for transmitting the advanced notification data and obtaining the consent. Additional written justification, as necessary, should be attached to substantiate the items of the advanced notification.
- (9) Other information as required by the Contract or ACO.

4. Documentation

An executed Subcontract Consent Form must be included in the PO File.
There may be Contract-specific requirements which would require a Contract-specific form.

5. Forms

The following forms are used in this Procedure and are contained in Appendix B, Forms.

- Subcontract Consent Form

Supersedes 3.02
Dated 4/94
Effective Date 6/01/94

PROCEDURE 3.02

SUBCONTRACT AND PURCHASE ORDER FLOWDOWNS

I. Purpose/Objective

The purpose of this document is to establish the procedures to ensure that flowdowns are properly imposed upon Suppliers/Subcontractors through acknowledgement of the PO and/or signature to the Subcontract Agreement.

II. Scope

This Procedure is applicable to all OHM employees and all OHM purchases in support of Government projects.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

On Government contracts it is the Company's policy to comply with the Government requirements which are in the FAR and the specific contract requirements. This compliance includes the flowdown of mandatory and other necessary requirements to OHM Suppliers/Subcontractors.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix A, Definitions.

- Amendments
- Cost or Pricing Data
- Federal Acquisition Regulation (FAR)
- Flowdowns
- Government
- Master Agreement

AR312315

Master Agreement, sent under separate cover, or other.

To ensure contractual continuity and sufficiency of POs when Amendments are issued, all amendments will include the following verbage:

"This is an amendment to the original purchase order. Unless agreed to between the parties and indicated otherwise, all original terms, conditions, and other material items remain unchanged and in effect."

The Regional Purchasing Function will ensure that mandatory terms and conditions are flowed down to Suppliers/Subcontractors. The Corporate Purchasing Function, in conjunction with the Corporate Purchasing Function will review all nationwide Government contracts and the Regional Purchasing Function will review all Regional Government contracts to determine which terms and clauses must be flowed down.

Typical clauses which are not mandatory for use in Subcontracts/POs, but should be flowed down to protect the Company and Government interests are:

- Changes
- Terminations
- Disputes
- File Retention
- Price Reduction for Defective Cost or Pricing Data
- Order of Precedence
- Limitation of Cost

In their work, the Corporate and Regional Purchasing Functions will rewrite or restate the applicable clauses from the prime contract to ensure the proper context and references are included.

3. Documentation

Government PO Files must be documented to show that the flowdowns have been incorporated and that applicable certifications and representations are on file or are included in that PO File.

4. Forms

The following form is used in this Procedure and is contained in Appendix B, Forms:

- Purchase Order

PROCEDURE 3.03

WAGE REQUIREMENTS

I. Purpose/Objective

The purpose of this document is to establish the procedure for the flowdown and implementation of wage requirements when it is required by the contract.

II. Scope

This is applicable to all OHM employees and all purchases in support of Government projects.

III. Authority

This Procedure is consistent with prudent business practices, public law, and relevant Federal Acquisition Regulation (FAR).

IV. Policy

It is the Company's policy to comply with the wage requirements that are part of the Company's contract.

V. Definitions

The following terms are used in this Procedure and are defined in Appendix, A, Definitions.

- Certified Payroll
- Contract
- Davis-Bacon Act (DBA)
- Federal Acquisition Regulation (FAR)
- Flowdown
- Government
- Purchase Orders (POs)
- Program Manager
- Quotation

- Service Contract Act (SCA)
- Solicitation

VI. Procedure

1. Applicability

The wage requirement applies to POs in support of Government projects if the Government's contract includes the requirements that certain minimum wages be paid for designated job descriptions in certain locations.

The contract will include the specific wage rates which will be applicable to those persons who will be performing the work. These wage rates will flowdown to all Suppliers/Subcontractors and subtier Suppliers/Subcontractors. This Procedure addresses the wage requirements as they apply to Suppliers/Subcontractors.

2. Davis-Bacon Act (DBA) and Service Contract Act (SCA)

The DBA requires that certain minimum wages be paid for certain construction activities performed on the job site in a particular locality and that those wages be certified. Normally the localities are states and counties.

The SCA requires that certain minimum wages be paid for certain services performed in particular localities. Normally the localities are by site specified or by Region of the country.

3. Requirements and Implementation

When the wage requirements apply, the requirements must be conveyed to the Suppliers/Subcontractors in the quotation or solicitation stage so that the requirements are taken into consideration when the Supplier/ Subcontractor quotes.

These requirements must be incorporated into the terms of the POs issued for the applicable services or construction effort, and the Suppliers/Subcontractors must commit to pay those applicable wages.

These requirements may be incorporated into the PO directly or with the Subcontract Agreement. The wage rates in the prime contract must be sent to the Supplier/Subcontractor. If any updated wage rates are supplied by the Government, these must be immediately incorporated into the agreement with Supplier/Subcontractor.

Additionally, DBA requires that the certified payroll be submitted in accordance with the pay period with information as contained in WH-347, Certified Payroll Form.

The following information, or equivalent information in another format, should be incorporated into the PO either directly on the face or indirectly as an amendment, attachment, or Subcontract Agreement.

"The following applies to this PO and all directly resulting Subtier Subcontracts. These statutes have wage rate and Certified Payroll requirements that may apply to the work you will be performing.

1. _____ Service Contract Act (SCA) wage rates apply
2. _____ Davis-Bacon Act (DBA) wage rates and the Submission of certified payroll apply (Under the Davis- Bacon Act, certified payrolls for all applicable employees, including all subtier levels, must be submitted each pay period by completing Form WH-347. Owner/operators may take an exception to the wage requirements, but must complete the form, including part (c), exceptions.)

All completed Forms, WH-347 (certified payroll), must be completed for each pay period and submitted directly to:

Your invoices will not be paid without receipt of certified payroll; therefore, delays in submission of certified payroll will result in a delay of your payments.

All wage rates which apply are either:

_____ included with this PO, or,
_____ included in the Subcontract Agreement, or,
_____ sent under separate cover dated _____."

Normally the certified payroll is sent directly to the Program/Project Manager for the particular contract. The Program/Project Manager monitors the receipt of certified payroll in accordance with a job schedule.

4. Documentation

The PO File should reflect that the wage requirements and wage rates sheets were flowed down on purchase orders where required.

5. Forms

The following form is used in this Procedure and contained in Appendix B, Forms.

Certified Payroll WH-347