

\*AA. Supplied Air Premium Pay

When it is necessary for a salaried employee to wear a supplied air suit for at least one hour in the performance of his assigned duties, the employee may be paid, in addition to his base pay, at the rate of one-half his hourly base pay or one-half the hourly base pay of the highest paid hourly employee, including Crew Leader, whichever is less, for time worked in a supplied air suit.

BB. Cooperative Employment Program

The Contractor has a program for part-time employment of disadvantaged college students on a work-study plan during their academic careers.

1. Employees under this program shall be hired in accordance with the following schedule applied to the Contractor's current U.S.A. Employment Rates for Professional Personnel:

<u>Schooling Status</u>	<u>Percent of Applicable Monthly Base Rate Rounded to the Nearest \$5</u>
Less than 1 year toward Bachelor's degree	55% of Bachelor's base
1 year toward Bachelor's degree	65% of Bachelor's base
2 years toward Bachelor's degree	75% of Bachelor's base
3 years toward Bachelor's degree	85% of Bachelor's base
4 years without degree	90% of Bachelor's base
Bachelor	95% of Bachelor's base
1 year graduate study	88% of Master's base
2 years graduate study or Master's	92% of Master's base
PhD minus 1 year	Individual consideration



\*Employees in this program will be paid a pro-rata portion of the monthly base rate based upon the ratio of actual hours worked to the normal working hours of full time employees.

A person who obtains his academic degree and is offered full time employment will receive a starting offer in accordance with Section D. of this Part II.

Annually, the Contractor will furnish the Contracting Officer the applicable base rates established by the Contractor for Company-wide application.

2. In lieu of salary increases under Section F. of this Part II, rates for persons in this program will be adjusted as a result of changes in the applicable base rate or by the advancement of schooling status as defined in Paragraph 1 of this Section BB.

In addition, at the time that the schooling status changes, the employee's performance will be reviewed. Depending upon the employee's job performance his new salary will be established within a range defined by adding 2.5% to and subtracting 2.5% from the applicable percentage for his schooling status shown in Paragraph 1 of this Section BB.

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These rate changes shall not be deducted from the salary increase funds.

3. Employees hired into this program shall be eligible for benefits for part-time employees provided under this Part II.

\*CC. Paid Lunch Periods

An employee working on a 24-hour platoon schedule will be given one paid lunch period of twenty minutes during the full-duty hours of his regularly scheduled workday.

PART III - ALL OTHER EMPLOYEES

A. Labor Relations

1. Prior to any negotiation of any collective bargaining contract (including amendments) the Contractor shall review with the Contracting Officer:
  - a. Wage and fringe benefits currently in effect at the Rocky Flats Plant in comparison with those in effect in the Denver-Boulder labor market and in other markets in which the Contractor competes for labor.
  - b. Recent union settlements in the Denver-Boulder labor market and in other markets in which the Contractor competes for labor.
  - c. Potential union demands.
  - d. The objectives for contract settlement.
  - \*e. The annual and total cost perimeter over the proposed contract term within which the Contractor proposes to negotiate.
2. The annual and total cost perimeters over the proposed contract term within which the Contractor proposes to negotiate shall be subject to the prior approval of the Contracting Officer and

shall not be exceeded without the prior approval of the Contracting Officer. The Contractor shall keep the Contracting Officer advised of significant developments during any negotiation defined in Paragraph 1. of this Section A.

3. The Contractor shall promptly advise the Contracting Officer in writing of:
  - a. Any matter which involves, or appears likely to involve,
    - (i) employees at the Rocky Flats Plant in a strike situation;
    - (ii) the NLRB at any level;
    - (iii) referral to the Atomic Energy Labor-Management Relations Panel;
    - (iv) actions or proceedings under the Labor Management Relations Act of 1947, as amended, or any other federal or any state labor law.
  - \*b. The subject matter of any grievance or other action when the procedure for selection of an arbitrator is instituted.
4. Initiation of any action by the Contractor under the Labor-Management Relations Act of 1947, as amended, and/or involving the NLRB, shall have the prior written approval of the Contracting Officer.

\*B. Hourly-Paid Production and Maintenance Employees

Hourly-Paid Production and Maintenance employees shall be covered by this Part III. Payments of wages not in excess of those provided for in the agreement dated June 30, 1968, as amended by the agreement dated September 5, 1970 and effective 11:45 p.m. September 7, 1970, between The Dow Chemical Company, Rocky Flats Division, and International Union of District 50, Allied and Technical Workers of the U.S. and Canada, Local 15440, and as further amended effective April 4, 1971, January 3, 1972, February 7, 1972, March 10, 1972, June 18, 1972, and August 11, 1972 will be allowable. Such agreement, as amended, is attached as Schedule II and by this reference is hereby made a part of this Appendix. All other costs, such as grievance processing, arbitration, dues deduction, leave provisions, and other fringe benefits, incurred pursuant to the provisions of said agreement of June 30, 1968, as amended, will be allowable.

C. Hourly-Paid Plant Protection Employees

- \*1. Hourly-Paid Plant Protection employees shall be covered by this Part III. Payment of wages not in excess of those provided for in the agreement dated January 4, 1972, and the amendment

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dated September 20, 1972, effective May 15, 1972, between The Dow Chemical Company, Rocky Flats Division and The International Guards Union of America, Local No. 64, and as provided for in Paragraph 2. below, will be allowable. Such agreement, as amended, is attached as Schedule V and by this reference is hereby made a part of this Appendix. All other costs, such as grievance processing, arbitration, dues deduction, leave provisions and other fringe benefits, incurred pursuant to the provision of said agreement of January 4, 1972, as amended, will be allowable.

2. When it is necessary for a member of the IGUA Bargaining Unit to wear a supplied air suit or self-contained breathing apparatus, the employee may be paid, in addition to his base pay, premium pay at the rate of one-half his hourly base rate for the time worked in a supplied air suit or self-contained breathing apparatus.

D. Requirements for Contracting Officer Approval Respecting Overtime  
Requirements of Contracting Officer Approval respecting overtime shall be as heretofore provided under Part II, Section L. of this Appendix.

Voluntary Layoff

When the contractor schedules a reduction in the work force in any hourly classification, any employee in that classification who volunteers to take layoff from the plant out of seniority order may be paid severance pay as though he had been involuntarily laid off. The contractor may make the full payment in a lump sum. Such employee shall lose all recall rights. No employee who retires from active work under any retirement program of the contractor shall be afforded an opportunity to volunteer to accept layoff. For all other purposes and in all other respects, including any entitlement pursuant to Section G, Part V of Appendix A to reimbursement of expenses of returning the individual, his dependents and household goods to his former home or to a location of equivalent distance, said employee shall be deemed to have voluntarily resigned.

**B. Hourly-Paid Production and Maintenance Employees**

Hourly-paid Production and Maintenance employees shall be covered by this Part III. Payments of wages not in excess of those provided for in the agreement effective 11:45 p.m. July 1, 1973, between The Dow Chemical Company, Rocky Flats Division, and the United Steelworkers of America AFL-CIO-CLC, Local Union No. 8031, will be allowable. Such agreement is attached as Schedule II and by this reference is hereby made a part of this Appendix. All other costs, such as grievance processing, arbitration, dues deduction, leave provisions and other fringe benefits incurred pursuant to the provisions of said agreement effective July 1, 1973 will be allowable.

**C. Hourly-Paid Plant Protection Employees**

- \*1. Hourly-Paid Plant Protection Employees shall be covered by this Part III. Payment of wages not in excess of those provided for in the agreement effective November 11, 1974, as amended effective March 3, 1975 between The Dow Chemical Company, Rocky Flats Division and The International Guards Union of

America, Local No. 64, and as provided for in Paragraph 2. below, will be allowable. Such agreement is attached as Schedule V and by this reference is hereby made a part of this Appendix. All other costs, such as grievance processing, arbitration, dues deduction, leave provisions and other fringe benefits, incurred pursuant to the provision of said agreement effective November 11, 1974, as amended will be allowable.

2. When it is necessary for a member of the IGUA Bargaining Unit to wear a supplied air suit or self-contained breathing apparatus, the employee may be paid, in addition to his base pay, premium pay at the rate of one-half his hourly base rate for time worked in a supplied air suit or self-contained breathing apparatus.

D. Requirements for Contracting Officer Approval Respecting Overtime

Requirements of Contracting Officer approval respecting overtime shall be as heretofore provided under Part II, Section L. of this Appendix.

PART IV - MISCELLANEOUS BENEFITS - ALL EMPLOYEES

A. Coverage

This Part IV applies to all employees of the Contractor engaged in work under this Contract.

B. Recreation and Morale Benefits

- \* 1. A recreational program adapted to the requests and needs of employees is provided. Such a program will, to a large measure, depend upon the facilities available in the vicinity of the Rocky Flats Plant, will be subject to mutual agreement of the Supervising Representative and the Contracting Officer and will probably include among other activities, softball, bowling, basketball, and social activities such as dancing, picnics, and bridge. Unless approved by the Contracting Officer, the allowable cost of this program each fiscal year will not exceed \$4.00 multiplied by the number of people on the payroll on the first day of the fiscal year.
2. Flowers and other reasonable good will remembrances may be provided by the Contractor for any employee who is sick or has had a death in his immediate family or to the family of any deceased employee.

C. Medical Facilities

Medical facilities are provided for care of employees at the Rocky Flats Plant in the event of occupational injuries, to provide temporary relief for minor physical complaints of employees while at work and to provide medical examinations as set forth in Section D. below. In the case of temporary ailments which are not attributed to the employee's occupation, if the condition of the employee is such that recurrent treatment is required, such employee shall be advised to contact his own physician for whatever treatment may be required. Medical facilities at the Plant will be adequately staffed with registered nurses and physicians. Costs of equipment and operating supplies are allowable subject to any other applicable provisions of this contract.

D. Medical Examination

1. Routine industrial preemployment, mandatory periodic, voluntary periodic and termination medical examinations provided by the Contractor are allowable costs. The Rocky Flats Plant medical facilities will be utilized to the fullest extent possible to conduct such examinations.

2. Periodic medical examination of certain employees at off-site medical facilities in accordance with the Contractor's established Executive Health Examination Program described in the Contractor's letter dated March 15, 1967, shall be an allowable cost.

\*3. In the event that an employee shall become injured or contaminated in the performance of contract work and shall require treatment or diagnostic services not available within commuting distance of the Rocky Flats Plant, the Contractor shall arrange for such treatment or services at the nearest suitable medical facility. In such cases, the cost of transportation and subsistence and such treatment or services (to the extent not compensated by health insurance and/or Workman's Compensation payments provided under this contract) shall be allowable cost hereunder.

In the event it is determined to be in the best interest of the employee to be accompanied by one member of his immediate family to the place of such treatment or services (and with prior approval of the Contracting Officer) the cost of transportation and subsistence expenses incurred by such immediate family member shall be allowable costs hereunder. The

limitation and procedural requirements set forth in Paragraph A. of Part V of this Appendix A shall govern the reimbursement of such transportation and subsistence expenses.

E. Plant Newspaper

The cost of publishing a plant newspaper for the purpose of maintaining employee interest and morale will be allowable. This newspaper will serve as a news gathering source and a means of distributing necessary information to employees.

F. Meetings and recognition Functions

There shall be allowable the costs of meals furnished without charge to employees and their guests authorized by the supervising representative or his designee(s) to attend luncheons and dinners held to give recognition to employees (i) graduating from an indentured apprenticeship program (the function to be held once each fiscal year); (ii) for contributions to safety programs, and (iii) for contributions to improvement or savings programs such as the Work

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Simplification Program; provided that costs incurred for meals furnished in connection with (iii) above shall not exceed \$2500 per fiscal year. Costs incurred for suitable awards given to employees in connection with safety programs shall be allowable. There shall be allowable also costs incurred for meals furnished without charge to employees authorized by the supervising representative to attend technical and management dinner meetings.

G. Business Luncheons

1. There shall be allowable the costs of lunches furnished to employees without charge in connection with business luncheons sponsored by the Contractor where the attendance of the employee at the luncheon is required by the supervising representative or his designee(s).
2. During the course of union contract negotiations and upon other special occasions involving relationships between the Contractor and unions, the costs of lunches furnished without charge to union representatives shall be allowable.
3. The Contractor will submit a year-end report to the Contracting Officer for each fiscal year listing the business luncheons held in

connection with which allowable costs were incurred in accordance with this Section G, showing the purpose and cost of each luncheon and the names of the individuals or groups attending.

\* H. Length of Service

The Contractor has a length of service award program pursuant to which (i) a pin, tie bar, brooch, bracelet or necklace, at the option of the employee, is given to employees after five years of service and for each additional five years of service thereafter; (ii) a watch or a desk clock, at the option of the employee, is given to employees after 30 years of service in addition to the award specified in (i), and to employees who retire at age 65 with 27, 28, and 29 years of service.

Early retirees will be given the next service award which they could have achieved if they had worked until age 65.

Costs incurred by the Contractor for such awards shall be allowable subject to the following limitations:

1. Costs to be allowed for the watch or desk clock, including any engraving, shall not exceed that portion of the cost of the watch or the desk clock, which is in the same ratio as the employee's years of service under the contract bear to his total years of service with the Contractor.

2. Awards are to individuals who at the time he or she became eligible for the award was a regularly assigned employee of the Rocky Flats Division.

I. Community Activities

The Contractor, with prior approval of the Contracting Officer, may make individuals available for work with other employees, established organizations, agencies, and community action groups to promote a favorable climate for achieving equal opportunity for all people. The salaries, wages, fringe benefits, travel and subsistence costs for these individuals while engaged in such approved activities shall be allowable costs to the extent approved by the Contracting Officer.

J. Open House Activities

The Contractor may, with the prior written approval of the Contracting Officer, sponsor open house activities for its employees and their families.

Costs incurred in connection with the open house activities shall be confined to manpower, printing and postage, refreshments, and transportation and such other costs as are approved by the Contracting Officer.

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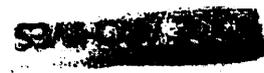
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PART V - TRAVEL AND SUBSISTENCE EXPENSES:  
RELOCATION EXPENSES

A. General Provisions Applicable to Each Section of this Part V

1. Definitions for purposes of this Part V:

- a. "Dependents" shall mean persons who regularly reside with the employee and are considered to be members of his immediate household.
- \*b. "Travel expenses" shall include expenses incurred for: transportation by common carrier; when approved by the Contractor, rental of cars (excluding the cost of collision damage waiver insurance but including any sum for which an employee shall become contractually obligated to pay as the result of damage to rental vehicle and which would have been covered by the purchase of such collision damage waiver insurance); taxis, public transportation; tolls, parking fees; and gratuities. When use of the employee's private car is approved the term shall mean: (i) an allowance of ten cents per mile; and (ii) shall include expenses incurred for tolls and parking fees.
- c. Except as otherwise provided, "subsistence expenses" shall mean lodging, meals, gratuities, laundry, dry cleaning and pressing, and charges for official telephone calls, telegrams and postage.

2. a. Costs allowable for expenses of transportation by rail may include first-class fare and expenses of Pullman accommodations.
- b. The Contractor may furnish travel insurance to employees traveling on official business at a cost not to exceed \$2.00 per trip.
3. All allowable expenses of the types covered by this Part V shall be supported by itemized accounts of the expenses submitted by the individuals who incurred them, documented by appropriate receipts such as stubs for transportation tickets, lodging and car rental receipts, etc. Full explanations will be furnished relative to receipts which are lost or are not available.
4. All travel outside the limits of the continental United States in connection with the performance of work under the contract shall have the prior approval of the Contracting Officer on a case-by-case basis.
5. Both the newly hired and transferred employee shall be informed that if they voluntarily terminate their employment within six (6) months after the move to the new location, the Contractor will demand return of all of the funds (in the gross amount) paid out for travel, moving costs, living expenses, and in the case of those transferred employees covered by Section E, the real estate broker's commission and other incidental expenses identified therein. Recovery of any such amounts shall be at the sole discretion of the Supervising Representative, to be exercised in the light of the circumstances that then exist.

5. Both the newly hired and transferred employee shall be informed that if they voluntarily terminate their employment within six (6) months after the move to the new location, the Contractor will demand return of all of the funds (in the gross amount) paid out for travel, moving costs, living expenses, and in the case of those transferred employees covered by Section E, the real estate broker's commission and other incidental expenses identified therein. Recovery of any such amounts shall be at the sole discretion of the Supervising Representative, to be exercised in the light of the circumstances that then exist.

B. Official Travel in Performance of the Contract Work

Reimbursement of reasonable travel and subsistence expenses incurred by employees regularly on the payroll of the Rocky Flats Division who are required to travel in connection with the performance of work under this contract shall be allowable costs.

C. Travel Performed in Connection With Employment Interviews

Reimbursement of reasonable travel and subsistence expenses incurred by individuals traveling at the request of the Contractor for the purpose of preemployment interviews shall be allowable costs. The Supervising Representative may authorize an individual performing such travel to be accompanied by his wife, in which case reimbursement of reasonable travel and subsistence expenses incurred by the individual for his wife also shall be allowable costs; provided that authorization for the wife to accompany shall be given only to those individuals being considered for exempt salaried position vacancies. It is expected that except in unusual circumstances the authorization for the wife to accompany the individual will be given on a selective basis to those to be interviewed for important managerial or important technical positions at the Rocky Flats Plant. Reasonable

costs incurred by the Contractor in furnishing meals to interviewees will be allowable.

D. Relocation Costs -- All Individuals Recruited for Work Under This Contract and All Employees Except Those Covered by Section E

This Section applies to all individuals first becoming employees of the Contractor as recruits for work under this contract and to all individuals who were employees of the Contractor prior to their transfer to the Rocky Flats Plant other than those covered by Section E. Reimbursement to such employees of the following expenses incurred by the employees shall be allowable costs:

1. Reasonable travel and subsistence expenses incurred by the employee in moving himself and his dependents to within commuting distance of the Rocky Flats Plant. Except where special circumstances exist dictating that the move of the employee and his dependents should be made by means of common carrier and the Supervising Representative or his designee(s) approves travel by such means, the move of the employee and his family shall be by way of his personal car. The mileage to be used in computing the amount to be paid the employee for use of his car in making the move shall not exceed the number of miles as

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shown by the latest edition of Household Goods Carriers Bureau Atlas, of the most direct, practical route of travel at the time of the move from the employee's previous location to his new location.

2. Reasonable expenses, including packing and unpacking, of shipping household goods and personal effects by common or contract carrier to a location within commuting distance of the Rocky Flats Plant; provided that no reimbursement of expenses incurred for handling and shipping boats, livestock, firewood or other items not normally considered "household goods and personal effects" shall be allowable. Should it be necessary for the employee to store his household goods and personal effects because the housing he will occupy as his "permanent" residence at a location within commuting distance of the Rocky Flats Plant is not ready to receive the goods, reasonable expenses incurred by the employee for storage for a period not in excess of thirty days may be reimbursed. Premiums paid by the Contractor for blanket coverage insuring household goods and personal effects of employees against loss or damage in shipment or storage shall be allowable; provided

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the insurance applied to the household goods and personal effects of the individual employee is reasonably commensurate with the value of that property.

3. Reasonable expenses incurred by the employee for himself and his dependents for subsistence expenses for a maximum of thirty days while securing the housing he will occupy as his "permanent" residence within commuting distance of the Rocky Flats Plant; provided that the Supervising Representative authorizes the reimbursement; and provided further that, should the employee, through no fault of his own, be unable to secure such housing within the thirty-day period, such reasonable subsistence expenses may be reimbursed for such additional time as shall be authorized by the Supervising Representative with the written approval of the Contracting Officer.

E. Relocation Costs--Transferred Exempt Employees

This Section applies only to exempt employees of the Contractor selected with the prior approval of the Supervising Representative for transfer to the Rocky Flats Plant to fill managerial or technical

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positions. Reimbursement to such employees of the following expenses incurred by the employees shall be allowable costs:

1. Reasonable travel and subsistence expenses (except those covered by Paragraphs 8. e. and 8. j. of Section E) incurred by the employee for himself and his wife for one trip, not exceeding seven days in duration, to seek the housing he will occupy as his "permanent" residence within commuting distance of the Rocky Flats Plant; provided that such a trip is made prior to the move which is the subject of Paragraph 2 below.
2. Reasonable travel and subsistence expenses (except those covered by Paragraphs 8. e. and 8. j. of Section E) incurred by the employee in moving himself and his dependents to within commuting distance of the Rocky Flats Plant. Except where special circumstances exist dictating that the move of the employee and his dependents should be made by means of common carrier and the Supervising Representative or his designee(s) approves travel by such means, the move of the employee and his family shall be by way of his personal car. The mileage to be used in computing the amount to be paid the employee for use of his car in making the move

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shall not exceed the number of miles as shown by the latest edition of Household Goods Carriers Bureau Atlas, of the most direct, practical route of travel at the time of the move from the employee's previous location to his new location.

3. Reasonable subsistence expenses (except those covered by Paragraphs 8. e. and 8. j. of Section E) incurred by the employee for himself and his dependents for a maximum of thirty days while occupying temporary living quarters within commuting distance of the Rocky Flats Plant waiting to move into housing which he will occupy as his "permanent" residence within commuting distance of the Rocky Flats Plant; providing the unavailability of the housing is due to circumstances beyond the employee's control such as delay in delivery of furniture.
4. Reasonable expenses, including packing and unpacking, of shipping household goods and personal effects by common or contract carrier to a location within commuting distance of the Rocky Flats Plant; provided that no reimbursement of expenses incurred for handling and shipping boats, livestock, firewood or other items not normally considered "household goods and personal effects"

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shall be allowable. Should it be necessary for the employee to store his household goods and personal effects because the housing he will occupy as his "permanent" residence at a location within commuting distance of the Rocky Flats Plant is not ready to receive the goods, reasonable expense incurred by the employee for storage for a period not in excess of thirty days may be reimbursed.

Premiums paid by the Contractor for blanket coverage insuring household goods and personal effects of employees against loss or damage in shipment or storage shall be allowable; provided the insurance applied to the household goods and personal effects of the individual employee is reasonably commensurate with the value of that property.

5. Fee paid to a real estate broker in connection with the sale of the employee's house at the location from which transferred; provided that the cost allowable for the fee shall not exceed six percent of the sales price of the house, or \$3,000, whichever is less; and provided further that the house was put up for sale following notification to the employee that he was to be transferred to the Rocky Flats Division.

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In lieu of reimbursement of a fee to a real estate broker, the Contractor may pay the employee two and one-half per cent of the sales price of the employee's house at the location from which transferred, or \$1,500, whichever is less, if the employee sells his house himself within ninety days prior to, or thirty days after, the effective date of his transfer to the Rocky Flats Division.

6. Expenses incurred by the employee for cancellation of a lease for the housing he occupied as a residence at the location from which transferred; provided that the cost allowable shall not exceed that portion of the cancellation charge which is attributable to the period beginning with the date the employee occupies the housing (whether rented or purchased) which will be his "permanent" residence within commuting distance of the Rocky Flats Plant.
7. Reasonable expenses for utilities and fuel, nominal year care, property insurance, property taxes, mortgage interest and miscellaneous minor maintenance incurred by the employee in maintaining the house he owned and occupied as a residence at the location from which transferred, beginning with expenses incurred on and after the 61st day from the date he occupies (either as owner

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or renter) the housing which will be his "permanent" residence within commuting distance of the Rocky Flats Plant; provided that:

- a. During the period commencing with the aforesaid 61st day and ending with the 300th day from the date he occupies said housing within commuting distance of the Rocky Flats Plant, the employee offers his house at the location from which transferred for sale at a price not in excess of the average of two independent appraisals;
- b. During the period commencing with the 301st day from the date he occupies said housing within commuting distance of the Rocky Flats Plant, and ending with the 425th day from the date he occupies said housing or the date sold, whichever is sooner, the employee offers his house at the location from which transferred for sale at a price not in excess of 95 percent of the average of two independent appraisals;
- c. In local situations where it has been demonstrated that appraisal values are consistently and substantially higher than market saleability, the Contractor appropriately reduces the time periods, and the prices at which the employee must offer his house for sale, specified in a. and b. ;

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- d. The employee does not refuse during the respective periods any offer equal to or greater than the price referred to in a. and b. as modified pursuant to c.; and
  - e. Any expenses reimbursed the employee pursuant to this Paragraph 7 shall have been incurred by the employee during the period commencing with the aforesaid 61st day and ending the 425th day from the date he occupies said housing.
8. Reasonable and necessary miscellaneous legitimate expenses incurred by the employee as a direct result of the transfer, which either are not specifically covered elsewhere in this Section E, or which if of a type specifically covered, are incurred in amounts in excess of a limitation imposed by the paragraph dealing with the expense including, but not limited to such items as:
- a. Closing costs on sale of home (expense of abstract or title insurance, deed, prepayment penalties, documentary stamps, recording fees, notary costs, legal fees, discount points).
  - b. Preparation for shipment and installation of appliances.
  - c. Driver and auto licenses.

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- d. Shipping a car if move of employee and dependents is made by common carrier; shipping a second car.
- e. Telephone and telegraph charges (applies to all phases of move).
- f. Removal and installation of phones.
- g. Removal and installation of carpeting and draperies.
- h. Baby-sitting fees (applies to all phases of the move).
- i. Transportation and handling of household pets.
- j. Laundry, dry cleaning, and pressing (applies to all phases of the move).
- k. Appraisals required pursuant to Paragraph 7 above.
- l. Expenses of the type covered by Paragraph 7 above incurred during the period commencing with the date employee occupies (either as owner or renter) the housing which will be his "permanent" residence within commuting distance of the Rocky Flats Plant and ending with the 60th day thereafter.

For an employee who owned the premises he occupied as a residence at the location from which transferred at the time selected for transfer, the costs allowable for expenses reimbursed under this

Paragraph 8 shall not exceed one month's salary, or \$1,500, whichever is less. For all others, the costs allowable for reimbursement of such expenses shall not exceed one-third of a month's salary or \$500, whichever is less.

\*F. Temporary Assignment

If it becomes necessary in connection with the performance of work under the contract to make temporary assignments, the Contractor shall obtain the prior approval of the Contracting Officer for each assignment and for the arrangement proposed for reimbursing the employee for expenses incurred incident to the assignment. The Contractor will submit a written justification to the Contracting Officer in advance of the assignment and the proposed reimbursement arrangements.

The term "temporary assignment" means assignment of an employee for a period of not less than one month nor in excess of twenty-four months to perform work under the contract at a location other than the Rocky Flats Plant and not within reasonable commuting distance of the employee's usual residence. The term "employee" as used in

this Section F means a person regularly on the payroll of the Rocky Flats Division.

G. Relocation Costs--Terminated Employees

1. The following expenses, if incurred within ninety days (or such longer period as may be approved in writing by the Contracting Officer) subsequent to the date of termination by The Dow Chemical Company of the employment at the Rocky Flats Plant of an individual because of lack of work, may be reimbursed by the Contractor; provided that such items of cost shall not be allowable if (i) the individual was not employed at the Rocky Flats Plant prior to October 15, 1965; (ii) an express oral or written understanding that the employee would be reimbursed for such expenses was not made a condition of employment; or (iii) the Contractor transfers the employee to another facility, subsidiary or affiliate of the Contractor.
  - a. Reasonable travel, food and lodging expenses incurred by the employee in moving himself and his dependents back to the location from which he was recruited or transferred for

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work in the performance of this contract or to a location of lesser distance. If the move was made by way of car, the mileage to be used in computing the amounts to be paid the individual for use of his car shall not exceed the number of miles, as shown by the latest edition of Household Goods Carriers Bureau Atlas, of the most direct, practical route at the time of the move between the individual's place of residence within commuting distance of the Rocky Flats Plant and the location from which he was recruited or transferred. If the individual moves to some location which is a greater distance from his place of residence within commuting distance of the Rocky Flats Plant than is the place from which recruited or transferred, the aforesaid expenses may be reimbursed up to an amount which is in the same ratio as the distance of the most direct route, as shown by the latest edition of the Household Goods Carriers Bureau Atlas, between his place of residence within commuting distance of the Rocky Flats Plant and the location from which recruited or transferred bears to the distance actually traveled in the move.

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- b. Reasonable expenses, including packing and unpacking, of shipping the household goods and personal effects of the individual by common or contract carrier to a location from which he was recruited or transferred for work in the performance of this contract or to a location of lesser distance; provided that no reimbursement of expenses incurred in handling and shipping boats, livestock, firewood, automobile or other items not normally considered "household goods and personal effects" shall be allowable; and provided further that should the move be made to some location which is a greater distance from his place of residence within commuting distance of the Rocky Flats Plant than is the place from which recruited or transferred, the aforesaid expenses may be reimbursed up to an amount which is in the same ratio as the distance of the most direct route, as shown by the latest edition of the Household Goods Carriers Bureau Atlas, between his place of residence within commuting distance of the Rocky Flats Plant and the location from which recruited or transferred bears to the distance the household goods and personal effects were actually moved.

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2. Before making reimbursement of expenses covered by this Section the Contractor shall:
  - a. Obtain from the individual evidence establishing with reasonable certainty that the individual has completed the move; and
  - b. Secure from the individual a certification that (i) he has not and to the best of his knowledge will not receive reimbursement for expenses of the move from any other source; and (ii) agreement that, should the individual receive reimbursement for expenses of the move from some other source, he will return to the Contractor amounts paid him by the Contractor on account of expenses of the move.

PART VI - INSURANCE AND PENSIONS

A. Group Insurance

\*1. There shall be allowable costs incurred by the contractor in accordance with the terms of the following insurance agreements, approved in writing by the Commission for application to this contract, and in accordance with amendments of such insurance agreements as may later be approved in writing by the Commission for application to this contract:

- a. Policy No. 9668, issued by Colorado Hospital Service and Colorado Medical Service, Inc.
- b. Policy No. 16740-G, as amended, Part I (Salaried), Part II (Hourly) and Part IV (Albuquerque-Retired), issued by Metropolitan Life Insurance Company.

Premium costs allowable hereunder shall be limited to the cost of the total premiums required by the terms of the respective agreements less applicable credits and refunds, and less amounts contributed by participating employees in accordance with Schedule VI of this Appendix A.

Allowable costs for the contractor's share of the premiums for a retired employee who was employed at the Rocky Flats Plant for a period of less than five years shall be that portion of the contractor's share paid for such employee which the employee's years of service

with the Contractor at the Rocky Flats Plant bear to the total years of service as an employee of the Contractor.

2. Dividends, return premiums, and other credits and allowances accrued under the group insurance policies shall be applied in reduction of allowable costs under this contract to the extent permitted by law in that proportion which the allowable group insurance costs for each policy bears to total Contractor contributions under each policy for the periods during which such dividends, return premiums, or other credits and allowances accrued.
3. The Contractor will provide the Contracting Officer with such data and information as may be required by the Contracting Officer in order to determine the allowability of costs incurred for group insurance policies.

\*B. Pensions

\*1. Corporate Plan

- \*a. The Contractor maintains an Employees' Retirement Program, as set forth in the document entitled "The Dow Chemical Company Employees' Retirement Plan" and pamphlet entitled "Supplementary Retirement Plan" which are included under Schedule IV and hereby made a part of the Appendix A for all eligible transferred employees.

- \*b. Contractor employees transferred to work under this contract from other Divisions or Offices of the Contractor prior to July 1, 1970, who have attained eligibility for participation in this program, and those transferred on or after July 1, 1970, who have a profit-sharing account balance under the Contractor's former Profit-Sharing Plan may continue to accumulate benefit credits under the Program. Employees covered by this Subparagraph b. may not participate in any other pension plan, the cost of which is allowable under this Contract.
- c. The Contractor shall be reimbursed for those amounts which it provides for the individual accounts for such transferred employees in accordance with the document and pamphlet included in Subparagraph 1. a. of this Section B. This subparagraph will apply only to employees whose entire compensation is directly allowable under this contract.
- d. A copy of the annual actuarial valuation letter furnished by the Contractor's actuary relative to The Dow Chemical Company Employees' Retirement Program and sufficient information to support the cost of the Plan will be provided to the AEC.

\*2. Rocky Flats Division Pension Plans

- a. The Contractor maintains a Pension Program for hourly employees as defined in Subparagraph 11 of Article I of Group Annuity Contract Number 437, issued to the Contractor by the Metropolitan Life Insurance Company dated June 27, 1956, and effective July 1, 1954. The Pension Program, which is controlled by said Group Annuity Contract Number 437, is on file with and has been approved by the Commission for application to this contract and is incorporated herein by reference and made a part of this Appendix A. Amendments to such contract approved in writing by the Commission will automatically be deemed to be incorporated herein by reference without the issuance of a Reimbursement Authorization.
- b. The Contractor maintains a Pension Program for all salaried employees as defined in Paragraph 1, 11 of Section 1 of Group Annuity Contract Number 880, issued to the Contractor by the Metropolitan Life Insurance Company effective July 1, 1970. The Pension Program, which is controlled by said Group Annuity Contract Number 880, is on file with and has been approved by the Commission for application to this contract and

is incorporated herein by reference and made a part of this Appendix A. Amendments to such contract approved in writing by the Commission will automatically be deemed to be incorporated herein by reference without the issuance of a Reimbursement Authorization.

- c. The Contractor maintains a supplementary retirement program known as The Dow Chemical Company Rocky Flats Division Salaried Employees' Supplementary Retirement Plan which is on file with and has been approved by the Commission for application to this contract and is incorporated herein by reference and made a part of this Appendix A. Amendments to such contract approved in writing by the Commission will automatically be deemed to be incorporated herein by reference without the issuance of a Reimbursement Authorization.

All eligible salaried employees of the Rocky Flats Division, except those salaried employees covered under Paragraph 1 of this Section B shall be members of The Dow Chemical Company Rocky Flats Division Salaried Employees Supplementary Retirement Plan. The Contractor shall be reimbursed for those amounts, including amounts for the calendar year 1970,

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which it provides for the individual accounts for such eligible salaried employees in accordance with the provisions of the Plan on a calendar year basis. This subparagraph will apply only to those employees whose compensation is directly allowable under this contract.

3. SAW Reserved Section Plan

- \*a. The Contractor maintains a Pension Program for all bargaining unit employees defined as participants in Article I, Section 1 of Group Contract Number GA-8901, issued to The Dow Chemical Company Rocky Flats Division by Bankers Life Company dated December 1, 1970. The Pension Program, which is controlled by said Group Contract Number GA-8901, is on file with and has been approved by the Commission for application to this contract and is incorporated herein by reference and made a part of this Appendix A. Amendments to such contract approved in writing by the Commission will automatically be deemed to be incorporated herein by reference without the issuance of a Reimbursement Authorization.

\* PART VII - SUPPLEMENTAL ENGINEERING  
AND CONSTRUCTION SERVICES

A. Coverage

The purpose of this Part VII is to reflect the advance understanding of the parties concerning the allowable costs and expenses pertaining to employee compensation, travel and related benefits for employees participating in the engineering and construction services support for the Rocky Flats Division by the Contractor's Engineering and Construction Services Division, Houston, Texas. It is recognized that except in those instances in which an employee engaged in this support work shall be permanently assigned to the Rocky Flats Division (interdivisional transfer) employees afforded benefits hereunder shall not be considered employees of the Rocky Flats Division. In the event that an employee assigned to this support work shall later be permanently employed as an employee of the Rocky Flats Division, the provisions of this Part VII shall not be applicable to such employee from the effective date of such permanent employment.

B. General Provisions

1. No provision contained in Part I through Part VI of this Appendix A shall be applicable to this Part VII. No

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provisions contained in this Part VII shall be applicable to such Parts I through VI. The provisions of this Part VII are subject to all provisions of the contract other than Parts I through VI of Appendix A. In the event of conflict between the provisions of this Part VII and any such other provisions of the contract, the former shall control.

2. Allowable personnel costs shall be those salary and fringe costs incurred in accordance with the E&CS personnel policies and practices applied uniformly and consistently to all employees of E&CS, except to the extent that allowability of any such cost may be barred or limited by any other provision of this contract and except as otherwise provided in this Part VII.
3. The Contracting Officer's approval is required in each instance of total compensation to an individual employee at an annual rate of \$25,000 or more, when it is proposed that a total of 50 percent or more of such compensation be reimbursed by the Commission. "Total compensation", as used here, includes only the employee's basic salary and bonus and incentive compensation, if any. The effective date of such approval, if given, shall not be prior to the date of the request for such approval. The request for

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such approval shall be made on Form AEC-37 and shall contain all pertinent data justifying the proposed action.

4. No direct charges shall be made against this contract for premium pay for overtime work in excess of eight hours per week by any employee unless the Contracting Officer's approval for the incurring of such premium pay has been obtained.
5. The allowances provided hereunder for any particular employee shall be dependent upon the proposed duration of his assignment to this support work. Therefore, the Contractor shall determine the anticipated duration of each assignment at the inception thereof and shall advise the Contracting Officer thereof in writing. Thereafter, the Contractor shall periodically reexamine all assignments and shall advise the Contracting Officer of any changes in the anticipated duration thereof and shall adjust the benefits provided to such employees to conform to the respective benefits set forth below.

C. Field Assignments

1. Employees on Extended Assignment

- a. An employee shall be deemed on "extended assignment"

at the Rocky Flats Plant, or other assigned location, if his assignment is anticipated to be of a duration of no less than 12 months, unless the Contracting Officer's written approval is obtained on a case-by-case basis to considering such employee as one on temporary assignment within the meaning of Section C. 2. below.

- b. Allowable relocation costs in connection with employees on extended assignment shall be as set forth in Section E. 3., below.

2. Employees on Temporary Assignment

- a. An employee shall be deemed on "temporary assignment" if his assignment to perform work under this contract is anticipated to be of a duration of more than 90 days but less than 12 months.
- b. Subject to the prior written approval of the Contracting Officer, allowable relocation costs in connection with employees on temporary assignment shall be as set forth in Section E. 3. below, except that transported household effects shall not exceed a gross weight of 2,000 pounds and lease cancellation costs shall not be an allowable cost.

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- c. Employees on temporary assignment who have not been relocated under the provisions of Section C, 2. b., above, may be granted home visits to the location where temporary assignment originated, no more often than once each three weeks. The reimbursable amount of such visits shall be the travel expenses while en route only.
- d. Employees on temporary assignment may be allowed reasonable travel expenses of commuting from their place of temporary abode to the work site and return.

D. Field Allowances

- 1. Employees may be granted field allowance in accordance with the following:

- a. Employees on Extended Assignment and Employees on Temporary Assignment who have been Relocated under provisions of Section C. 2.

Such employees may be granted a field allowance to commence at the time permanent housing is occupied at the new location until their departure on completion of their assignment. The allowance for employees assigned to Rocky Flats shall not exceed \$10 per day and for employees assigned to Alhambra, California, the allowance shall not exceed \$14 per day. In addition to the field

allowance, such employees may be reimbursed costs incurred for license plates and/or drivers' licenses required by the State in which the work is performed.

b. Employees on Temporary Assignment Who Have Not Been Relocated under Provisions of Section C. 2.

Employees on temporary assignment who have not been relocated under the provisions of Section C. 2. above, may be granted a field allowance to commence at the time of their arrival at the place of work until their departure on completion of their assignment. Except for days on official travel status and home visits, the allowance for employees assigned to Rocky Flats shall not exceed \$12 per day and for employees assigned to Alhambra, California, the allowance shall not exceed \$16 per day.

E. Travel and Transportation

Travel and transportation costs incurred in connection with the travel of employees in the conduct of work performed under this contract are allowable as expressed herein.

1. General

- a. Except as provided in Sections C. 2. d. above, and E. 2. b. below, no expense for commuting between

place of abode and the place of work will be allowed to salaried employees in the normal pursuit of their work.

- b. All travel outside the limits of the continental United States in connection with the transfer of employees to or from work under this contract, and during the performance of work under this contract, shall have the prior written approval of the Contracting Officer on a case-by-case basis.
- c. All allowable expenses of the types covered by this Section E shall, except as provided in E. l. j. below, be supported by itemized accounts of the expenses submitted by the individuals who incurred them, documented by appropriate receipts such as stubs for transportation tickets, lodging and car rental receipts, etc. Full explanations will be furnished relative to receipts which are lost or are not available.
- d. The term "dependents" as used in this Section E shall mean persons who regularly reside with the employee and are considered to be members of his immediate household.

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- e. The term "local travel" as used in this Section E shall mean: (i) travel within a radius of 100 miles of the Rocky Flats Plant, (ii) travel in the vicinity of Houston, Texas, and (iii) travel in the vicinity of the place of work at Alhambra, California, to the extent customarily considered as such in accordance with E&CS practices and procedures.
- f. The term "travel expenses" as used in this Section E shall mean expenses incurred for: transportation by common carrier; when approved by the Contractor, rental of cars excluding the cost of collision damage waiver insurance but including any sum for which an employee shall become contractually obligated to pay as the result of damage to rental vehicle and which would have been covered by the purchase of such collision damage waiver insurance; taxis; public transportation; tolls; and parking fees and gratuities. When the use of the employee's private car is approved or required, the term shall mean (i) an allowance of ten cents per mile, and (ii) shall include expenses incurred for tolls and parking fees.

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- g. The term "subsistence expenses" as used in this Section E shall mean costs of lodging, meals, gratuities, laundry, dry cleaning and pressing, and charges for official telephone calls, telegrams and postage.
- h. Costs allowable for expenses of transportation by rail may include first-class fare and expenses of Pullman accommodations. When commercial air travel is utilized, the costs incurred will not be in excess of the cost of less than first-class accommodations except when less than first-class accommodations are not reasonably available to meet necessary mission requirements, such as, where less than first-class accommodations would:
- (1) Require circuitous routing;
  - (2) require travel during unreasonable hours;
  - (3) greatly increase the duration of the flight;
  - (4) result in additional costs which would offset the transportation savings;
  - (5) offer accommodations which are not reasonably adequate for the medical needs of the traveler.