ATTACHMENT J.7

APPENDIX G

PURCHASING SYSTEM REQUIREMENTS

Applicable to the Operation of
PPPL

Contract No. DE-AC02-09CH11466

Appendix G

Purchasing System Requirements

This Appendix and Clause I.146 "Contractor Purchasing System," sets forth DOE requirements applicable to the Purchasing System established under the Contract for the management of PPPL.

Subcontracts Not Binding on DOE

As used herein, the term "subcontracts" includes subcontracts, purchase orders, letter agreements, basic ordering agreements, consultant agreements, micro-purchases, Electronic Data Interchange (EDI) and FACNET transactions, and lower tier subcontracts under cost-type subcontracts (in an unbroken cost-type chain) that represent costs properly chargeable to the Prime Contract.

All applicable subcontracts shall be made in the name of the Contractor, shall not bind or purport to bind the Government, shall not relieve the Contractor of any obligation under the Prime Contract (including, among other things, the obligation to properly supervise and coordinate the work of subcontractors), and shall contain such provisions as are required by this Contract or as DOE may prescribe based on Federal statutes and regulations, or DOE Orders and Policies.

DOE Approval

Prior DOE written approval is required for the following actions:

1. Any solicitation issuance when the planned award will be $1,000,000. Exception: For ITER the thresholds will be $1,500,000.

2. Contractor award of any subcontract having a value of $1,000,000 or greater, or any subcontract modification which will cause the value to exceed $1,000,000. Exception: For ITER the thresholds will be $1,500,000.

3. Acquisition of Utility Services.

4. Acquisition of Real Property.

5. Purchases of patents or patent license rights, including the payment of royalties and permits or license fees.

6. Acquisitions which expressly recognize proprietary rights, including the recognition of technical data as trade secrets.

7. Acquisitions which impose restriction(s) of DOE's use of the supplies or data procured under a subcontract.

8. Inter-contractor purchases expected to exceed $1,000,000.

9. Any proposed modification of DOE-approved PPPL general provisions that require the waiver of a statutory or regulatory requirement.

10. Any proposed extension of a subcontract or purchase order more than one year beyond its initial performance period, including options.

11. All additions to, modifications or deletions of Laboratory Procurement policies and procedures prior to implementation, except for changes that are (1) strictly editorial in nature and do not affect approved policies or procedures; (2) occasioned by changes initiated by regulatory agencies external to PPPL, where Government-wide compliance is required; or (3) occasioned by specific written direction provided by DOE-PSO. The Contracting Officer will be given 48 hours' advance notice of any change made pursuant to the cited exceptions.

12. All promises to indemnify another party, except for Price-Anderson Nuclear Hazards Indemnity.

13. For Buy American Statute purposes, acquisitions of foreign-made end products valued in excess of $500,000. Exception: Items being acquired for use in a foreign country.

14. Acquisitions of special items as defined in the DEAR 908.71 when the proposed method of acquisition differs from the DEAR method.

15. Leasing of motor vehicles.

DOE Contracting Officer notification is required for the following action:

1. Any purchase of foreign supplies (including, without limitation, raw materials, components, and intermediate assemblies) in excess of $15,000 that are to be imported into the customs territory of the United States for delivery to the Government under this contract, either as end products or for incorporation into end products. The Contractor shall furnish the notice to the Contracting Officer at least 20 calendar days before the importation. The notice shall identify the

a. Foreign supplies;

b. Estimated amount of duty; and

c. Country of origin.

The above approval requirements do not eliminate any other requirement for review, concurrence, or approval of other proposed actions specified in the subject contract or DOE's right to require consent on any single or class of purchasing actions selected for special surveillance.