

Bonneville



Power Administration

PROJECT NO. _____

CONTRACT NO. _____ RELEASE NO. _____

With this contract amendment, BPA acknowledges the 12-month statement of work and budget submitted for this contract. The 12-month budget is \$ _____ for the period _____ through _____. Nevertheless, pursuant to this contract renewal, BPA's obligation extends only to funds authorized. BPA is authorizing funds by setting an initial contract accrual limit of \$ _____ (Initial Accrual Limitation). BPA expects the Contractor to perform the statement of work within the Initial Accrual Limitation through the period ending September 30, 2003. If the Contractor's total actual and forecasted expenditures are expected to exceed the Initial Accrual Limitation before September 30, 2003, the Contractor must give notice, in writing, to the Contracting Officer for authorization for additional funds in accordance with the attached Clause, 22.##, Accrual Ceiling Limitation. If the notice is given prior to September 30, 2003, BPA may, but is not obligated to, authorize additional funds by increasing the amount of the Initial Accrual Limitation. By October 1, 2003, BPA shall authorize additional funds by establishing a subsequent Accrual Limitation equal to the amount in the 12-month budget not previously distributed. Similarly, if the notice is given that a subsequent Accrual Limitation may be exceeded, BPA may, but is not obligated to, authorize additional funds by increasing the amount of any Subsequent Accrual Limitation. The Contractor is not authorized to accrue expenses under the contract that exceeds either the Initial Accrual Limitation or any subsequent Accrual Limitation without prior written approval of the Contracting Officer. BPA will not reimburse any expenditures exceeding the Initial (or any Subsequent) Accrual Limitation without prior written authorization.

22.## ACCRUAL CEILING LIMITATION

Notwithstanding contract clause 22.7:

- (a) The Contractor agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this contract within the Initial Accrual Limitation or any subsequently established Accrual Limitations.
- (b) For purposes of determining if and when the:
 - **Initial Accrual Limitation** will be exceeded, the Contractor shall include all actual and forecasted expenditures under this contract, both direct and indirect, for the period beginning October 1, 2002 through September 30, 2003, whether or not already invoiced or paid.
 - **Subsequent Accrual Limitation** will be exceeded, the Contractor shall include all actual and forecasted expenditures under this contract, both direct and indirect for the period beginning October 1, 2003 through the end of the performance period, whether or not already invoiced or paid.
- (c) Notification of CO. The Contractor shall continuously monitor its expenditures and compare them against the Initial Accrual Limitation (or any subsequent Accrual Limitation) to ensure the established limitation is not exceeded. The Contractor shall notify the CO, in writing, as early as possible if the sum of the actual and forecasted expenditures are expected to exceed the Initial Accrual Limitation (or any subsequent Accrual Limitation).
- (d) Notification Requirements
 - **Initial Accrual Limitation** If the Contractor anticipates that the Initial Accrual Limitation will be exceeded prior to September 30, 2003, as part of the notification, the Contractor shall indicate to the CO the reasons its expected expenditures will exceed the Initial Accrual Limitation and the amount of the adjustment to the Initial Accrual Limitation needed to continue performance through September 30, 2003.
 - **Subsequent Accrual Limitation** If the Contractor anticipates that any Subsequent Accrual Limitation will be exceeded prior to the end of the performance period, as part of the notification, the Contractor shall indicate to the CO the reasons its expected expenditures will exceed the Subsequent Accrual Limitation and the amount of the adjustment to the Subsequent Accrual Limitation needed to continue performance through the end of the performance period.
- (e) Accrual Limit
 - BPA is not required to reimburse the Contractor for costs incurred in excess of the Initial Accrual Limitation or any subsequent Accrual Limitation.
 - The Contractor is not obligated to continue performance under this contract (including actions under the Termination clause of this contract) or otherwise incur expenses in excess of the Initial or any subsequent Accrual Limitation until the CO notifies the Contractor in writing that the limitation has been increased. Any costs incurred by the Contractor in excess of the Initial or Subsequent Accrual Limitation are at the contractor's risk, as the costs may not be reimbursed by BPA.
- (f) Only the CO has the authority to adjust or modify the Initial or any Subsequent Accrual Limitation. No notice, communication, or representation, or from any person other than the CO, shall affect the limitation in this contract.