

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE 1	OF 10	PAGES 10
--	--	---------------------	-----------	----------	-------------

2. AMENDMENT/MODIFICATION NO. M1124	3. EFFECTIVE DATE (M/D/Y) (See Block 16C)	4. REQUISITION/PURCHASE REQ. NO. N/A	5. PROJECT NO. (If applicable)
--	---	--	--------------------------------

6. ISSUED BY CODE U.S. Department of Energy Pacific Northwest Site Office Post Office Box 350 Richland, WA 99352	7. ADMINISTERED BY (If other than Item 6) CODE
---	---

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP code) Battelle Memorial Institute Pacific Northwest Division Richland, Benton County, WA 99352 DUNS # 032987476	<input type="checkbox"/>	9A. AMENDMENT OF SOLICITATION NO.
	<input type="checkbox"/>	9B. DATED (SEE ITEM 11)
	<input checked="" type="checkbox"/>	10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC05-76RL01830
	<input checked="" type="checkbox"/>	10B. DATED (SEE ITEM 13) December 30, 1964

CODE	FACILITY CODE
------	---------------

11. THIS ITEM APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE DATE AND HOUR SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and amendment and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

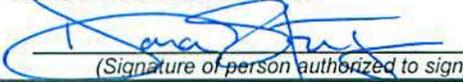
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS SET FORTH IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
<input type="checkbox"/>	
<input type="checkbox"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO AUTHORITY OF FAR 43.103(b).
<input checked="" type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO THE AUTHORITY OF: The mutual agreement of the parties for work within the scope of the contract
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return 2 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
This bilateral contract modification incorporates changes to Part I, Section H and Part III, Section J (See Continuation Pages for the purpose of this modification).

15A. NAME AND TITLE OF SIGNER (Type or print) Dana M. Storms Prime Contract Manager	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Ryan M. Kilbury Contracting Officer
---	--

15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED 09/13/2017	16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED 9-13-17
---	--------------------------------	--	-----------------------------

1.0 Purpose of Modification:

The Department of Energy (DOE), Office of Science (SC), Pacific Northwest Site Office (PNSO) is modifying the Contract to provide for changes in in Part I, Section H and Part III, Section J.

2.0 Description of Modification:

1. Revise Part I, Section H, Special Contract Requirements, Table of Contents to retitle Clause H-43 from “Real Property Assessment Management” to “Multifactor Authentication for Contractor Information Systems (Jun 2016)”.
2. Revise Part I, Section H, Special Contract Requirements, Table of Contents to add, Clause H-44 “Real Property Asset Management”.
3. Revise Part I, Section H, Special Contract Requirements, Table of Contents to add Clause H-45 “Foreign Engagements with DOE National Laboratories”.
4. Revise Part I, Section H, Special Contract Requirements, Clause H-39 “Risk Management and Insurance Programs” to read as follows:

H-39 Risk Management and Insurance Programs

Contractor officials shall ensure that the requirements set forth below are applied in the establishment and administration of DOE-funded prime cost reimbursement contracts for management and operation of DOE facilities and other designated long-lived onsite contracts for which the contractor has established separate operating business units.

1. BASIC REQUIREMENTS

- a. Maintain commercial insurance or a self-insured program, (i.e., any insurance policy or coverage that protects the Contractor from the risk of legal liability for adverse actions associated with its operation, including malpractice, injury, or negligence) as required by the terms of the contract. Types of insurance include automobile, general liability, and other third party liability insurance. Other forms of coverage must be justified as necessary in the operation of the Department facility and/or the performance of the contract, and approved by the DOE.
- b. Contractors shall not purchase insurance to cover public liability for nuclear incidents without DOE authorization (See DEAR 970.5070, Indemnification, and DEAR 950.70, Nuclear Indemnification of DOE Contractors).

- c. Insurance programs and costs comply with the cost limitations and exclusions at FAR 28.307, Insurance Under Cost Reimbursement Contracts, FAR 31.205-19, Insurance and Indemnification, DEAR 952.231-71 Insurance-Litigation and Claims, and DEAR 970.5228-1, Insurance-Litigation and Claims.
- d. The insurance program is being conducted in the government's best interest and at reasonable cost.
- e. Upon request the Contractor shall submit copies of all insurance policies or insurance arrangements to the Contracting Officer no later than 30 days after the purchase date.
- f. When purchasing commercial insurance, the contractor shall use a competitive process, when practical, to ensure costs are reasonable.
- g. Ensure self-insurance programs include the following elements:
 - (1) Compliance with criteria set forth in FAR 28.308, Self-Insurance. This includes hybrid plans (i.e., commercially purchased insurance with self-insured retention (SIR) such as large deductible based on business size, matching deductible, retrospective rating cash flow plans, and other plans where insurance reserves are under the control of the insured). The SIR components of such plans are self-insurance and are subject to the approval and submission requirements of FAR 28.308, as applicable.
 - (2) If a self-insurance program is approved, it must be executed in full compliance with applicable state and federal regulations and related professional administration necessary for participation in alternative insurance programs.
 - (3) Safeguards to ensure third party claims and claims settlements are processed in accordance with approved procedures.
 - (4) Accounting of self-insurance charges in the approved cost accounting system.
 - (5) Accrual of self-insurance reserve. The Contracting Officer's approval is required if the contract holds a reserve in a contract-held account using DOE funds and would then be predicated upon the following:

- (a) The claims reserve shall be held in a special fund or interest bearing account.
 - (b) Submission of a formal written statement to the Contracting Officer stating that use of the reserve is exclusively for the payment of insurance claims and losses, and that DOE shall receive its equitable share of any excess funds or reserve.
 - (c) Annual accounting and justification as to the reasonableness of the claims reserve submitted for Contracting Officer's review.
 - (d) Claim reserves, not payable within the year the loss occurred, are discounted to present value based on the prevailing Treasury rate.
- h. If the Contractor purchases a letter of credit or other financial instrument, the Contractor shall separately identify and account for interest cost on a Letter of Credit used to guarantee self-insured retention, as an unallowable cost and omitted from charges to the DOE contract.
- i. Comply with the Contracting Officer's written direction for ensuring the continuation of coverage and settlement of incurred and/or open claims and payments of premiums owed or owing to the insurer for prior DOE contractors.

2. PLAN EXPERIENCE REPORTING. The Contractor shall:

- a. Upon request, provide the Contracting Officer with annual experience reports for each type of insurance (e.g., automobile and general liability), listing the following for each category:
 - (1) The amount paid for each claim.
 - (2) The amount reserved for each claim.
 - (3) The direct expenses related to each claim.
 - (4) A summary for the year showing total number of claims.
 - (5) A total amount for claims paid.
 - (6) A total amount reserved for claims.
 - (7) The total amount of direct expenses.
- b. Upon request, provide the Contracting Officer with an annual report of insurance costs and/or self-insurance charges. When applicable, separately identify total policy expenses (e.g., commissions, premiums, and costs for claims servicing) and major claims during the year, including those expected to become major claims (e.g., those claims valued at \$100,000 or greater).

- c. Provide additional claim financial experience data as may be requested on a case-by-case basis.

3. TERMINATING OPERATIONS. The Contractor shall:

- a. Ensure protection of the government's interest through proper recording of cancellation credits due to policy terminations and/or experience rating, if applicable.
- b. Identify and provide insurance policy administration and management requirements to a successor, other DOE contractor, or as specified by the Contracting Officer.
- c. Reach agreement with DOE on the handling and settlement of self-insurance claims incurred but not reported at the time of contract termination; otherwise, the contractor shall retain this liability.

4. INSURANCE POLICY CANCELLATION. The Contractor shall:

- a. Obtain the written approval of the Contracting Officer for any change in program direction; and
- b. Ensure insurance coverage replacement is maintained as required and/or approved by the Contracting Officer.

(End of Clause)

[M1124]

- 5. Revise Part I, Section H, Special Contract Requirements, Clause H-43 "Multifactor Authentication for Contractor Information Systems (Jun 2016)" to read as follows:

H-43 Multifactor Authentication for Contractor Information Systems (Jun 2016)

The Contractor shall take actions to achieve multifactor authentication (MFA) for standard and privileged user accounts of all classified and unclassified networks by September 30, 2016. Any delays that are due to DOE's failure to provide adequate Government Furnished Equipment in a timely manner will be taken into account in assessing the accomplishment of this requirements.

(End of Clause)

[M1124]

6. Revise Part I, Section H, Special Contract Requirements, Clause H-44 “Real Property Asset Management” to read as follows:

H-44 Real Property Asset Management

- A. The Contractor shall comply with Departmental requirements and guidance involving the acquisition, management, maintenance, disposition, or disposal of real property assets to ensure that real property assets are available, utilized, and in a suitable condition to accomplish DOE’s missions in a safe, secure, sustainable, and cost-effective manner. Contractors shall meet these functional requirements through tailoring of their business processes and management practices, and use of standard industry practices and standards as applicable. The contractor shall flow down these requirements to subcontracts at any tier to the extent necessary to ensure the contractor’s compliance with the requirements.
- B. Contractor shall:
1. Submit all real estate actions to acquire, utilize, and dispose of real property assets to DOE for review and approval and maintain complete and current real estate records.
 2. Perform physical condition and functional utilization assessments on each real property assets at least once every five-year period or at another risk-based interval as approved by SC-1 based on industry leading practices, voluntary consensus standards, and customary commercial practices.
 3. Establish a maintenance management program including: a computerized maintenance management system (CMMS); a condition assessment system; a master equipment list; maintenance service levels; a method to determine for each asset the minimum acceptable level of condition; methods for categorizing deficiencies as either deferred maintenance and repair (DM) or repair needs; management of the DM backlog; a method to prioritize maintenance work; and a mechanism to track direct and indirect funded expenditures for maintenance, repair, and renovation at the asset level.
 4. Maintain Facilities Information Management System (FIMS) data and records for all lands, buildings, trailers, and other structures and facilities. FIMS data must be current and verified annually.

(End of Clause)

[M1124]

7. Revise Part I, Section H, Special Contract Requirements, to add Clause H-45, “Foreign Engagements with DOE National Laboratories” to read as follows:

H-45 Foreign Engagements with DOE National Laboratories

The contractor shall maintain a process to ensure they meet the following expectations for entering into collaborative engagement with foreign entities under the following mechanisms:

1. Memorandum of Understanding (MOU);
2. Strategic Partnership Projects (SPPs);
3. Cooperative Research and Development Agreements (CRADAs); and
4. Agreements for Commercializing Technology (ACT) and/or other contractual instrument.

Prior to negotiation of the proposed laboratory MOU with one or more foreign entities, the draft text of the proposed MOU must undergo review by the Senior Counterintelligence Officer (SCIO) for the laboratory, the laboratory export control office, and DOE Site Office (SO) counsel, followed by HQ review. HQ review of such MOUs requires pre-negotiation review and concurrence from each of the following offices:

1. Cognizant Secretarial Office (CSO);
2. Program Secretarial Office (PSO);
3. Office of International Science & Technology Collaboration (IA-42);
4. Cognizant General Counsel Office (GC);
5. Office of Intelligence and Counterintelligence (IN);
6. Office of Nonproliferation and Arms Control (NA-20); and
7. Office of Classification (AU-60), if involving potential access to or use of classified information.

As part of the package submitted for HQ review, laboratories must indicate in writing how the MOU aligns with each of the following principles:

1. In the long-term, there must be a benefit to DOE and/or the U.S. Government from the partnership;
2. The partnership must be consistent with the foreign policy and national

security interests and priorities of the U.S. Government;

3. Work under the MOU must comply with all applicable laws, U.S. Government policies and regulations, and DOE procedures;
4. Work under any proposed MOU must be consistent with the long-term goals and objectives of DOE and the relevant DOE programs must be notified;
5. The collaboration should not create a resource burden on a DOE Program Office or DOE Laboratory;
6. The partnership should aim to leverage domestic capabilities to advance U.S. scientific achievement or clean energy technologies and potentially enhance the Department's or laboratory's stature and global leadership;
7. The partnership should aim to advance global efforts in areas related to DOE's missions including, for example, environmental protection and remediation, energy security, development or adoption of clean energy technologies, or nuclear security and nonproliferation; and
8. The partnership should aim to provide benefit to the U.S. economy through lower cost technologies for consumers, export markets for domestic companies, U.S.-based jobs, or similar economic advantages.

In some cases, a foreign entity may require a copy of the agreement in its own language, in addition to English. In such cases, language conformance will be required to ensure the English and foreign language versions agree precisely in meaning. These services must be provided by the Department of State's Office of Language Services, and be coordinated by IA-42, with the costs for such services borne by the cognizant DOE program or laboratory. No laboratory MOU may be signed in a foreign language until the HQ review has been completed and the State Department's Office of Language Services issues DOE an official comparison memo indicating that the two texts have the same meaning in all substantive respects.

An MOU with a foreign entity must be reviewed by HQ at least every five years to ensure these activities remain consistent with U.S. national security and other policies.

HQ review of proposed laboratory work under a contractual mechanism (SPP, CRADAs, Agreements for Commercializing Technology Act, or other

Contractual Instrument) with one or more foreign entities is initiated by the laboratory through the Site Office, and requires review and concurrence from each of the following offices:

1. Cognizant Secretarial Office (CSO);
2. Program Secretarial Office (PSO);
3. Office of International Science & Technology Collaboration (IA-42);
4. Cognizant General Counsel Office (GC);
5. Office of Intelligence and Counterintelligence (IN); and
6. Office of Nonproliferation and Arms Control (NA-20).

Based on information provided by the laboratory, the Site Office provides to the appropriate HQ offices, a copy of the abbreviated proposal and any supporting documents, which may include the agreement itself and a full or summary statement of work. A project with a foreign entity must be reviewed by HQ at least every five years to ensure these activities remain consistent with U.S. national security and other policies.

All DOE HQ reviews for both MOUs and contractual instruments should be completed within 20 business days following receipt of the request. A response will be provided by HQ to the SO within the 20 business day timeframe that indicates approval, disapproval, or the need for more time to review the request since some proposals may require additional time to review due to special circumstances. All issues identified by the SO and HQ reviewing offices and communicated to the laboratory must be satisfactorily resolved before negotiation and signature of the proposed MOU or contractual instrument will be authorized.

For MOUs, the laboratory may negotiate and sign the MOU with the foreign entity or entities after all the required reviews are completed and concurrences are received. Any substantive departures from the approved MOU text must be reviewed by SO counsel before the MOU may be signed. Any changes in the identity of the foreign entity or entities must be reviewed by the laboratory's SCIO. A pdf copy of each final, fully executed MOU must be submitted to the IA-42 (at labagreements@hq.doe.gov) within 20 days of signature.

(End of Clause)
[M1124]

8. Revise Section J, Appendix D, List of Applicable DOE Directives & External Requirements as follows:

Add:

CRD O 415.1, Chg.2 Information Technology Project Management

Replace:

CRD O 232.2 Admin Chg. 1 Occurrence Reporting and Processing of Operations Information

CRD O 413.3B, Chg. 2 Program and Project Management for the Acquisition of Capital Assets

CRD O 442.1, Admin Chg. 2 Differing Professional Opinions for Technical Issues Involving Environment, Safety and Health

CRD O 484.1, Chg.1 Reimbursable Work for the Department of Homeland Security

Replace With:

CRD O 232.2A Occurrence Reporting and Processing of Operations Information

CRD O 413.3B, Chg. 3 (Page Chg.) Program and Project Management for the Acquisition of Capital Assets

CRD O 442.2, Admin Chg. 1 (Page Chg.) Differing Professional Opinions for Technical Issues Involving Environment, Safety and Health

CRD O 484.1, Chg.2 (Admin Chg.) Reimbursable Work for the Department of Homeland Security

9. Delete in its entirety Part III, Section J - List of Attachments, Appendix J – Advance Agreement on Costs and Disposition of Battelle Owned Personal Property/Nuclear Materials for the Pacific Northwest National Laboratory enclosed and replace with Part III, Section J - List of Attachments, Appendix J - Advance Agreement on Costs of Battelle Owned Personal Property for the Pacific Northwest National Laboratory. [M1124]

10. This modification results in no further changes to the Contract.

(End of Contract Modification)

[M1124]

**PART III – List of Documents,
Exhibits and Other Attachments**

Section J

Appendix J

**Advance Agreement on Costs of Battelle Owned Personal Property for the
Pacific Northwest National Laboratory**

Section J – Appendix J

Advance Agreement on Battelle Owned Personal Property for the Pacific Northwest National Laboratory

The Parties agree as follows:

Battelle Memorial Institute (Battelle) owns one G-1 aircraft with associated parts. Such property identified is required for the continued operations and missions of the Pacific Northwest National Laboratory (PNNL).

For those personal property items related to the G-1 aircraft listed in Appendix J-1, Attachment C - Personal Property Associated with G-1 Aircraft, the Parties agree to review the list of property on an annual basis and determine the need for the property associated with the aircraft and its associated operation and against any requirements as promulgated by the Federal Aviation Administration. As personal property associated with the G-1 aircraft reaches a net book value of \$0, the Parties will be required to determine the appropriate pathway for disposition.

Battelle and DOE agree the best interests of both Parties are served by executing an Advance Agreement on the costs associated with the G-1 aircraft. The text of those advance agreements are described as follows in Appendix J-1.

Agreed and acknowledged by the Parties as of the 13th day of September, 2017.

Battelle Memorial Institute

By: Steven F. Ashby

Date: 9/13/17

U.S. Department of Energy

By: [Signature]

Date: 9-13-17

APPENDIX J-1

ADVANCE AGREEMENT ON COSTS OF BATTELLE OWNED PERSONAL PROPERTY

The Parties acknowledge that in consideration of the extension of Contract No. DE-AC05-76RL01830 from October 1, 2017 through September 30, 2022, it would be in the best interests of both Parties to enter into this Advance Agreement on Costs and Disposition of Battelle Owned Personal Property (hereinafter referred to as “the Agreement – Personal Property”),

The Parties agree as follows: General Principles

1. The Parties agree that each and every obligation of the Government contained herein involving an expenditure of funds is subject to the availability of the appropriated funds of the DOE, or in the event of a claim, as provided by the Contract Disputes Act, if applicable. DOE will use its best efforts to obtain funds to meet all of its obligations under this Agreement - Personal Property. Nothing herein shall be construed as implying that the Congress will, at a later date, appropriate funds sufficient to meet deficiencies.

Aircraft

1. Battelle currently owns a certain aircraft and associated personal property, as described in Attachment C - Personal Property Associated with G-1 Aircraft.
2. Missions assigned to and undertaken by Battelle as Operator of PNNL have need for such aircraft. As such it is considered in the Government’s interest for Battelle to continue to provide such aircraft and associated personal property on an exclusive basis for use under the PNNL Prime Contract. While in the service of PNNL, such aircraft will be maintained in compliance with any and all statutes, laws, ordinances, regulations and standards or directives issued by any governmental agency applicable to the maintenance thereof, in compliance with any airworthiness certificate, license or registration relating to such aircraft issued by any agency and in a manner that does not modify or impair any existing warranties on the aircraft or any part thereof.
3. As of October 1, 2017, expenses associated with the maintenance and management of such aircraft and associated personal property identified in Attachment C (including, without limitation, (i) depreciation, (ii) the cost of capital, (iii) the allocable portion of a liability insurance policy with a policy limit of \$50,000,000.00, (iv) future repair/replacement of parts or components of the aircraft and associated personal property, and (v) all costs of maintaining and managing the aircraft and associated personal property) shall be allowable under the terms of the PNNL Prime Contract, if not otherwise unallowable under any other term of the Contract, so long as:
 - a. The aircraft and associated personal property remain functional and available for

- DOE use, and
- b. The aircraft and associated personal property are necessary for conduct of assigned missions and/or capabilities of PNNL, and
 - c. DOE has not expressly declined utilization of the aircraft and associated personal property.
4. Given that some parts are no longer manufactured for the G-1, exception is given to FAR 52.211-5 Material Requirements for those items necessary for G-1 operation and maintenance. Battelle may purchase used and/or refurbished items as appropriate such that airworthiness is not imperiled. Projects may elect to bear certain expenses such as replacement parts and spares to assure mission readiness such authorizations will be made and/or limited via explicit direction in work authorizations. Otherwise all federally funded capital expenditures must be authorized by the CO.
 5. If and when DOE determines that PNNL mission needs no longer necessitate utilization of the G-1, DOE shall provide Battelle 90 days' notice. DOE agrees to restoration of the G-1 of any federally funded mission specific modifications, if requested by Battelle. Upon such notice and possible sale, DOE agrees to abandon all federal property and parts installed on the G-1 in exchange for recovery of the value of such parts and any creditable depreciation recapture by Battelle.
 6. In accordance with disclosed accounting practices, Battelle will set a reasonable hour base for application of pooled costs. Un-recouped pool costs will be applied across DOE users, unless otherwise explicitly directed by the CO.
 7. Battelle shall bear the entire risk of any property loss, theft, confiscation, expropriation, requisition, damage to, or destruction of, such aircraft or part thereof owned by Battelle from any cause whatsoever, except to the extent such events directly result from the gross negligence or willful misconduct of DOE. If for any reason such aircraft, or any part thereof owned by Battelle becomes irreparably damaged or unusable, then Battelle, may at its own cost and expense replace such property and equipment or withdraw the aircraft or part thereof from PNNL use.
 8. At no point shall such aircraft be transferred to DOE without express written acceptance by DOE.
 9. Battelle shall annually update the status of personal property described on Attachment C.