

2. AMENDMENT/MODIFICATION NO. M1000	3. EFFECTIVE DATE (M/D/Y) See Block 16C	4. REQUISITION/PURCHASE REQ. NO. N/A	5. PROJECT NO. (If applicable)
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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
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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
		10B. DATED (SEE ITEM 13) December 30, 1964

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)

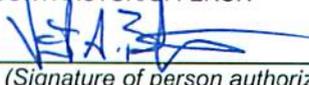
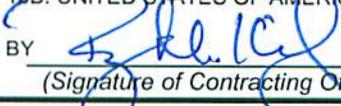
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS SET FORTH IN ITEM 14.

CHECK	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE
<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
<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 a solicitation/contract subject matter where feasible.) This bilateral contract modification incorporates changes to Part I, Section H, Special Contract Requirements and Part II, Section I – Contract Clauses. (See Continuation Pages for the purpose and description of this modification)

15A. NAME AND TITLE OF SIGNER (Type or print) Vincent A. Branton General Counsel	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Ryan M. Kilbury Contracting Officer
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15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED 2/11/2015	16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED 2-12-15
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Purpose of Modification:

The Department of Energy (DOE), Office of Science (SC), Pacific Northwest Site Office (PNSO) is modifying the Contract to update Part I – Section H – Special Contract Requirements and Part II – Section I – Contract Clauses to their most current form.

Description of Modification:

1. Revise Part I, Section H, Clause H-26 Advance Understandings on Allowable Costs Paragraph (3) to read as follows:

H-26(3) - Operational Support and Strategic Sourcing - In circumstances when there is a clear advantage to the Government for operational support to be sourced from Battelle in a project or non-project (i.e., overhead) capacity or when the Contractor performs non-project work for Battelle, such costs will be deemed allowable to the extent the costs are in accordance with FAR Part 31.2, DEAR 970.3102 and Cost Accounting Standards under this Contract. Additionally, the following measures shall be taken for the described costs:

- a) Allocation of cost from Battelle for services essential for the Contractor to operate PNNL and activities related to leases if expressly approved by the Contracting Officer. The Contractor will submit an annual true-up of these costs by July 31 of the following fiscal year.
- b) Costs of work performed by Battelle for the Contractor that are charged to an overhead account (DOE notification is required five days prior to the start of work to the extent practicable);
- c) Costs for work performed by Battelle that are directly charged to projects (DOE notification is required five days prior to the start of work to the extent practicable);
- d) Costs for work performed by the Contractor for Battelle that are charged to an overhead account (DOE notification is required five days prior to the start of work to the extent practicable).

[M1000]

2. Revise Part I, Section H – Special Contract Requirements, Clause H-26 Advance Understandings on Allowable Costs to add paragraph 11) for the Counterintelligence Awareness Program to read as follows:

11) Counterintelligence Awareness Program - PNNL has a Counterintelligence Awareness Program which is separate and distinct from the Laboratory's variable pay programs. This program includes tangible awards valued at less than \$25 each. The awards are to increase the visibility of counterintelligence with PNNL staff and to communicate key messages/objectives. Costs associated with the "Counterintelligence Awareness Program" are allowable subject to an annual ceiling amount (\$1,500). Counterintelligence Awareness Program tangible awards will not promote the Battelle name or logo. However, the PNNL branding logo is acceptable (i.e. Pacific Northwest National Laboratory branding logo, along with Operated by Battelle for the U.S.

Department of Energy). Allowable cost is limited to tangible awards for PNNL staff, and any awards to non-PNNL employees will be an unallowable cost. [M1000]

3. Delete in its entirety, Part I, Section H – Special Contract Requirements, Clause H-42 Implementation of I Clauses, paragraph (e) and replace it with (e) **RESERVED** as a result of the revision and inclusion of Part II, Section I – Contract Clauses, Clause I-100, DEAR 970.5228-1 Insurance – Litigation and Claims (Jul 2013). [M1000]
4. Revise Part II – Section I - Contract Clauses, Table of contents to replace Clause I-100 DEAR 970.5228-1 Insurance – Litigation and Claims (Aug 2009) and replace it with Clause I-100 DEAR 970.5228-1 Insurance – Litigation and Claims (Jul 2013)
5. Revise Part II – Section I, Contract Clauses, to delete in its entirety Clause I-100 DEAR 970.5228-1 Insurance – Litigation and Claims (Aug 2009) and replace it with Clause I-100 DEAR 970.5228-1 Insurance – Litigation and Claims (Jul 2013) [M1000]

I-100 DEAR 970.5228-1 Insurance--Litigation and Claims (July 2013)

(a) The contractor must comply with 10 CFR part 719, Contractor Legal Management Requirements, if applicable.

(b) (1) Except as provided in paragraph (b)(2) of this clause, the contractor shall procure and maintain such bonds and insurance as required by law or approved in writing by the Contracting Officer.

(2) The contractor may, with the approval of the Contracting Officer, maintain a self-insurance program in accordance with FAR 28.308; provided that, with respect to workers' compensation, the contractor is qualified pursuant to statutory authority.

(3) All bonds and insurance required by this clause shall be in a form and amount and for those periods as the Contracting Officer may require or approve and with sureties and insurers approved by the Contracting Officer.

(c) The contractor agrees to submit for the Contracting Officer's approval, to the extent and in the manner required by the Contracting Officer, any other bonds and insurance that are maintained by the contractor in connection with the performance of this contract and for which the contractor seeks reimbursement. If an insurance cost (whether a premium for commercial insurance or related to self-insurance) includes a portion covering costs made unallowable elsewhere in the contract, and the share of the cost for coverage for the unallowable cost is determinable, the portion of the cost that is otherwise an allowable cost under this contract is reimbursable to the extent determined by the Contracting Officer.

(d) Except as provided in paragraph (f) of this clause, or specifically disallowed elsewhere in this contract, the contractor shall be reimbursed—

(1) For that portion of the reasonable cost of bonds and insurance allocable to this contract required in accordance with contract terms or approved under this clause, and

(2) For liabilities (and reasonable expenses incidental to such liabilities, including litigation costs) to third persons not compensated by insurance without regard to the clause of this contract entitled "Obligation of Funds."

(e) The Government's liability under paragraph (d) of this clause is subject to the availability of appropriated funds. Nothing in this contract shall be construed as implying that the Congress will, at a later date, appropriate funds sufficient to meet deficiencies.

(f) (1) Notwithstanding any other provision of this contract, the contractor shall not be reimbursed for liabilities to third parties, including contractor employees, and directly associated costs which may include but are not limited to litigation costs, counsel fees, judgments and settlements—

(i) Which are otherwise unallowable by law or the provisions of this contract, including the cost reimbursement limitations contained in 48 CFR part 31, as supplemented by 48 CFR 970.31;

(ii) For which the contractor has failed to insure or to maintain insurance as required by law, this contract, or by the written direction of the Contracting Officer; or

(iii) Which were caused by contractor managerial personnel's—

(A) Willful misconduct;

(B) Lack of good faith; or

(C) Failure to exercise prudent business judgment, which means failure to act in the same manner as a prudent person in the conduct of competitive business; or, in the case of a non-profit educational institution, failure to act in the manner that a prudent person would under the circumstances prevailing at the time the decision to incur the cost is made.

(2) The term "contractor's managerial personnel" is defined in the Property clause in this contract.

(g) (1) All litigation costs, including counsel fees, judgments and settlements shall be segregated and accounted for by the contractor separately. If the Contracting Officer provisionally disallows such costs, then the contractor may not use funds advanced by DOE under the contract to finance the litigation.

(2) Punitive damages are not allowable unless the act or failure to act which gave rise to the liability resulted from compliance with specific terms and conditions of the contract or written instructions from the Contracting Officer.

(3) The portion of the cost of insurance obtained by the contractor that is allocable to coverage of liabilities referred to in paragraph (f) of this clause is not allowable.

(h) The contractor may at its own expense and not as an allowable cost procure for its own protection insurance to compensate the contractor for any unallowable or non-reimbursable costs incurred in connection with contract performance.**[M1000]**

(End of clause)

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

(End of Contract Modification)