

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE	PAGE <b>1</b>	OF PAGES <b>6</b>
---	--	---------------------	------------------	-------------------------

2. AMENDMENT/MODIFICATION NO. <b>M873</b>	3. EFFECTIVE DATE (M/D/Y)	4. REQUISITION/PURCHASE REQ. NO. <b>12SC006183</b>	5. PROJECT NO. (If applicable)
--	------------------------------	---	--------------------------------

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

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

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)

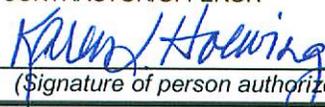
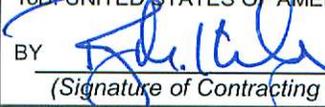
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS SET FORTH IN ITEM 14.

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, Sections C, G and H, Part II, Section I and Part III, Section J, List of Documents, Exhibits and Other Attachments. (See Continuation Pages for the purpose and description of this modification)

15A. NAME AND TITLE OF SIGNER (Type or print)  <b>Karen L. Hoewing General Counsel</b>	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)  <b>Ryan M. Kilbury Contracting Officer</b>
--	--

15B. CONTRACTOR/OFFEROR   (Signature of person authorized to sign)	15C. DATE SIGNED <b>6-18-12</b>	16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED <b>6-18-12</b>
--	------------------------------------	--	------------------------------------

**Purpose of Modification:**

The Department of Energy (DOE), Office of Science (SC), Pacific Northwest Site Office (PNSO) is modifying the Contract to update Sections C, G, H, I and J to their most current form. A description of the changes is listed below:

Revise Part I, Section C – Description/Specifications/Work Statement – Table of Contents to add C-3 – Performance Expectations, Objectives, and Measures, Section 3.1.5 – Program and Project Management for the Acquisition of Capital Assets

Add to Part I, Section C – Description/Specifications/Work Statement – C-3 – Performance Expectations, Objectives, and Measures, Section 3.1.5 – Program and Project Management for the Acquisition of Capital Assets

Revise Part I, Section G, Clause G-1 - Head of Contracting Activity (HCA), Contracting Officer (CO), and Contracting Officer's Representative (COR) subparagraph (c) to include Theodore P.. Pietrok, Director, Operations Division, Pacific Northwest Site Office to the table of CO's/COR's

Revise Part I, Section H – Special Contract Requirements, Table of Contents to remove H-21 - Site and Occupational Health Services and replace with H-21 - Shared Services

Delete Part I, Section H – Special Contract Requirements, Clause H-21 – Site and Occupational Health Services and Replace with Part I, Section H – Special Contract Requirements, Clause H-21 – Shared Services

Revise Part II, Section I – Contract Clauses, Clause I-68 DEAR 952.215-70 Key Personnel (Dec 2000) to amend the list of key personnel under (b)(3) to remove J. Michael Davis, Associate Laboratory Director, Energy and Environment and replace with Jud W. Virden, Associate Laboratory Director, Energy and Environment

Delete Part III, Section J – List of Attachments, Appendix C – FY2011 Small Business Subcontracting Plan

Add Part III, Section J – List of Attachments, Appendix C – FY 2012 Small Business Subcontracting Plan

Revise Part III, Section J – List of Attachments, Appendix D – List of Applicable Directives to update it to its most current form

**Description of Modification:**

The following changes are hereby incorporated into the Contract:

1. Part I, Section C – Revise the Table of Contents.
2. Add to Part I, Section C- Description/Specifications/Work Statement – C-3 – Performance Expectations, Objectives, and Measures, Section 3.1.5 – Program and Project Management for the Acquisition of Capital Assets as follows:

**3.1.5 PROGRAM AND PROJECT MANAGEMENT FOR THE ACQUISITION OF CAPITAL ASSETS**

The Department of Energy's Project Management Principles apply to all capital asset projects using a tailored approach as defined or approved by the sponsoring program office. This includes General Plant Projects (GPPs) and Institutional General Plant Projects (IGPPs) as defined in DOE O 430.1B. The Contractor is expected to provide for:

- a. Line management accountability.
- b. Sound, disciplined, up-front project planning.
- c. Well-defined and documented project requirements.
- d. Development and implementation of sound acquisition strategies that incorporate effective risk handling mechanisms.
- e. Well-defined and managed project scope and risk-based Performance Baselines (PBs) and stable funding profiles that support original cost baseline execution.
- f. Development of reliable and accurate cost estimates using appropriate cost methodologies and databases.
- g. Properly resourced and appropriately skilled project staffs.
- h. Effective implementation of all management systems supporting the project (e.g., quality assurance, integrated safety management, risk management, change control, performance management and contract management).
- i. Early integration of safety into the design process.
- j. Effective communication among all project stakeholders.
- k. Utilization of peer reviews throughout the life of a project to appropriately assess and make course corrections.
- l. Process to achieve operational readiness is defined early in the project for Hazard Category 1, 2, and 3 nuclear facilities.

For all capital asset projects with a Total Project Cost (TPC) equal to or greater than \$20 million, the Contractor shall comply with the requirements as set forth in DOE Order 413.3B Contractor Requirements Document (CRD).

**[M873]**

- 3. Part I, Section G, Clause G-1 - Head of Contracting Activity (HCA), Contracting Officer (CO), and Contracting Officer's Representative (COR) subparagraph (c) is revised as follows:

Ryan M. Kilbury, Contract Specialist, Pacific Northwest Site Office	Authorized Contracting Officer for consent to subcontract in amounts not to exceed \$25M and direct changes to the contract in an amount not to exceed \$25M.
Melanie P. Fletcher, Contract Specialist, Pacific Northwest Site Office	Authorized Contracting Officer for consent to subcontract in amounts not to exceed \$10M and direct changes to the contract in an amount not to exceed \$10M.
Roger E. Snyder, Manager, Pacific Northwest Site Office	Unlimited authority to act for the Contracting Officer for functions that do not involve a change in the scope, price, terms or conditions of the

	Contract.
Julie K. Erickson, Deputy Manager, Pacific Northwest Site Office	Unlimited authority to act for the Contracting Officer for functions that do not involve a change in the scope, price, terms or conditions of the Contract.
Debbie E. Trader, Director, Laboratory Stewardship Division, Pacific Northwest Site Office	Unlimited authority to act for the Contracting Officer for functions within the scope of the PNSO Laboratory Stewardship Division that do not involve a change in the scope, price, terms, or conditions of the Contract.
Theodore P. Pietrok, Director, Operations Division, Pacific Northwest Site Office	Unlimited authority to act for the Contracting Officer for functions within the scope of the PNSO Operations Division that do not involve a change in the scope, price, terms, or conditions of the Contract.
Jeffery W. Day, Program Manager, Laboratory Stewardship Division, Pacific Northwest Site Office	Authorized to take all actions associated with your position as Program Manager for the acquisition of the High Performance Computing System-4 (HSPC-4), which will be procured and placed into the Environmental Molecular Sciences Laboratory (EMSL).
Dationa O. Carter, Attorney-Advisor, Office of Chief Counsel, Oak Ridge Operations Office	Unlimited authority to act for the Contracting Officer for Litigation Management and Legal Policy functions that do not involve a change in the scope, price, terms or conditions of the Contract.
Wendy E. Bryant, Assistant Chief Counsel for Contracts and General Law, Office of Chief Counsel, Oak Ridge Operations Office	Unlimited authority to act for the Contracting Officer for Litigation Management and Legal Policy functions that do not involve a change in the scope, price, terms or conditions of the Contract.

**[M873]**

4. Revise Part I, Section H – Special Contract Requirements, Table of Contents
5. Delete Part I, Section H – Special Contract Requirements, Clause H-21, “Site and Occupational Health Services” in its entirety and replace with Part I, Section H – Special Contract Requirements, Clause H-21, “Shared Services”. The clause to read as follows:

**H-21 Shared Services**

**(a) Alternative Proposals**

The Contractor may submit to the Contracting Officer alternative proposals for obtaining services currently provided by other contractors as Shared Services. All proposals will reflect innovative cost-effective approaches whereby the Contractor will obtain services in a manner reflecting the best interests of the Government and the Contractor. The Contractor will consider contractual and regulatory constraints in all proposals. The Contractor must submit proposals under this clause to the Contracting Officer a minimum of 90 calendar days in advance of the proposed date for transitioning services. The Contracting Officer shall accept, reject, or conditionally accept the proposal, in writing, within 90 calendar days of receipt. The Contracting Officer shall provide an explanation for any rejection.

(b) Cost-Efficiency Comparison Information

To facilitate the cost-efficiency comparisons required under paragraph (a) above, DOE agrees to provide pricing information associated with services provided by other Hanford Site contractors to the fullest extent possible and at the highest level sufficient to perform such analysis. DOE will deliver the information to the Contractor within 30 days of the Contractor's request or such time period as agreed to by the Parties.

(End of Clause) **[M873]**

6. Revise Part II, Section I – Contract Clauses, Clause I-68 DEAR 952.215-70 Key Personnel (Dec 2000) to amend the list of key personnel under (b)(3) to remove J. Michael Davis, Associate Laboratory Director, Energy and Environment and replace with Jud W. Virden, Associate Laboratory Director, Energy and Environment to read as follows:

(b) The list of personnel may, with the consent of the contracting Parties, be amended from time to time during the course of the Contract to add or delete personnel.

- (1) Michael Kluse, Laboratory Director;
- (2) Steven F. Ashby, Deputy Director for S&T;
- (3) Jud W. Virden, Associate Laboratory Director, Energy and Environment;
- (4) Douglas Ray, Associate Laboratory Director, Fundamental and Computational Sciences;
- (5) Anthony J. Peurrung, Associate Laboratory Director, National Security;
- (6) Michael H. Schlender, Associate Laboratory Director, Operational Systems, and Chief Operations Officer;
- (7) Paula Linnen, Associate Laboratory Director, Organizational Development Systems;
- (8) Martin D. Conger, Associate Laboratory Director, Business Systems, and Chief Financial Officer;
- (9) Cameron M. Andersen, Director, Environment, Health, Safety, & Security Division; and
- (10) Larry E. Maples, Director, Facilities and Operations Division.

**[M873]**

(End of Clause)

7. Delete in its entirety Part III, Section J – List of Attachments, Appendix C – FY2011 Subcontracting Plan for Socioeconomic Programs and replace with Part III, Section J – List of Attachments, Appendix C – FY 2012 Subcontracting Plan for Socioeconomic Programs.

8. Revise Part III, Section J – Appendix D as follows:

Delete:

CRD O 210.2	DOE Corporate Operating Experience Program
CRD N 234.1	Reporting of Radioactive Sealed Sources
CRD O 243.1	Records Management Program
CRD O 350.2A	Use of Management and Operating or Other Facility Management Contractor Employees for Services to DOE in the Washington D.C., Area
CRD O 430.1B, Chg. 1	Real Property and Asset Management
CRD O 440.2B, Chg. 1	Aviation Management and Safety
CRD M 442.1-1	Differing Professional Opinions Manual for Technical Issues Involving Environment, Safety and Health
CRD O 470.2B	Independent Oversight and Performance Assurance
CRD O 482.1	DOE Facilities Technology Partnering Programs
CRD O 484.1	Reimbursable Work for the Department of Homeland Security
CRD O 551.1C	Official Foreign Travel
CRD O 580.1, Chg. 1	Department of Energy Personal Property Management Program
Add:	
CRD O 210.2A	DOE Corporate Operating Experience Program
CRD O 227.1	Independent Oversight Program
CRD O 231.1B	Environment, Safety and Health Reporting
CRD O 243.1A	Records Management Program
CRD O 350.1, Chg. 3	Contractor Human Resource Management Programs
CRD O 350.2B	Use of Management and Operating or Other Facility Management Contractor Employees for Services to DOE in the Washington, D.C. Area
CRD O 430.1B, Chg. 2	Real Property and Asset Management
CRD O 440.2C, Chg. 1	Aviation Management and Safety
CRD O 442.2	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
CRD O 551.1D	Official Foreign Travel
CRD O 580.1A	Department of Energy Personal Property Management Program

**[M873]**

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

**(End of Contract Modification)**

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

**Section J**

**Appendix D**

**List of Applicable DOE Directives & External Requirements**

**SECTION J  
APPENDIX D  
LIST OF APPLICABLE DOE DIRECTIVES & EXTERNAL REQUIREMENTS**

<b>DOE DIRECTIVES</b>	
<b>DIRECTIVE NO.</b>	<b>DIRECTIVE TITLE</b>
CRD O 130.1	BUDGET FORMULATION
CRD M 140.1-1B	INTERFACE WITH THE DEFENSE NUCLEAR FACILITIES SAFETY BOARD
CRD O 142.2A	VOLUNTARY OFFER SAFEGUARDS AGREEMENT AND ADDITIONAL PROTOCOL WITH THE INTERNATIONAL ATOMIC ENERGY AGENCY
CRD O 142.3A	UNCLASSIFIED FOREIGN VISITS AND ASSIGNMENTS PROGRAM
CRD O 150.1	CONTINUITY OF PROGRAMS
CRD O 151.1C	COMPREHENSIVE EMERGENCY MANAGEMENT SYSTEM
CRD O 200.1A	INFORMATION TECHNOLOGY MANAGEMENT
CRD M 200.1-1	CHAPTER 9 PUBLIC KEY CRYPTOGRAPHY AND KEY MANAGEMENT
CRD O 205.1B	DEPARTMENT OF ENERGY CYBER SECURITY PROGRAM
CRD M 205.1-3	TELECOMMUNICATIONS SECURITY MANUAL
CRD N 206.4	PERSONAL IDENTITY VERIFICATION
CRD O 210.2A	DOE CORPORATE OPERATING EXPERIENCE PROGRAM
CRD O 221.1A	REPORTING FRAUD, WASTE, AND ABUSE TO THE OFFICE OF INSPECTOR GENERAL
CRD O 221.2A	COOPERATION WITH THE OFFICE OF INSPECTOR GENERAL
CRD O 225.1B	ACCIDENT INVESTIGATIONS
CRD O 227.1	INDEPENDENT OVERSIGHT PROGRAM
CRD O 231.1B	ENVIRONMENT, SAFETY AND HEALTH REPORTING
CRD O 232.2	OCCURRENCE REPORTING AND PROCESSING OF OPERATIONS INFORMATION
CRD O 241.1B	SCIENTIFIC AND TECHNICAL INFORMATION MANAGEMENT
CRD O 243.1A	RECORDS MANAGEMENT PROGRAM
CRD O 243.2	VITAL RECORDS (except exclusion 3c)
CRD O 252.1A	TECHNICAL STANDARDS PROGRAM
CRD O 313.1	MANAGEMENT AND FUNDING OF THE DEPARTMENT'S OVERSEAS PRESENCE
CRD O 350.1, Chg. 3	CONTRACTOR HUMAN RESOURCE MANAGEMENT PROGRAMS
CRD O 350.2B	USE OF MANAGEMENT AND OPERATING OR OTHER FACILITY MANAGEMENT CONTRACTOR EMPLOYEES FOR SERVICES TO DOE IN THE WASHINGTON, D.C., AREA
CRD O 410.2	MANAGEMENT OF NUCLEAR MATERIALS
CRD O 413.1B	INTERNAL CONTROL PROGRAM
CRD O 413.2B, Chg. 1	LABORATORY DIRECTED RESEARCH AND DEVELOPMENT
CRD O 413.3B	PROGRAM AND PROJECT MANAGEMENT FOR THE ACQUISITION OF CAPITAL ASSETS
CRD O 414.1D	QUALITY ASSURANCE
CRD O 420.1B, Chg. 1	FACILITY SAFETY
CRD O 420.2C	SAFETY OF ACCELERATOR FACILITIES
CRD O 422.1	CONDUCT OF OPERATIONS
CRD O 425.1D	VERIFICATION OF READINESS TO STARTUP OR RESTART NUCLEAR FACILITIES

<b>DOE DIRECTIVES</b>	
<b>DIRECTIVE NO.</b>	<b>DIRECTIVE TITLE</b>
CRD O 426.2	PERSONNEL SELECTION, TRAINING, QUALIFICATION, AND CERTIFICATION REQUIREMENTS FOR DOE NUCLEAR FACILITIES
CRD O 430.1B, Chg. 2	REAL PROPERTY AND ASSET MANAGEMENT
CRD O 433.1B	MAINTENANCE MANAGEMENT PROGRAM FOR DOE NUCLEAR FACILITIES
CRD O 435.1, Chg. 1*	RADIOACTIVE WASTE MANAGEMENT
DOE M 435.1-1, Chg. 1	RADIOACTIVE WASTE MANAGEMENT MANUAL
CRD O 440.2C, Chg. 1	AVIATION MANAGEMENT AND SAFETY
CRD M 441.1-1	NUCLEAR MATERIAL PACKAGING MANUAL
CRD O 442.2	DIFFERING PROFESSIONAL OPINIONS FOR TECHNICAL ISSUES INVOLVING ENVIRONMENT, SAFETY AND HEALTH
CRD O 443.1B	PROTECTION OF HUMAN SUBJECTS
CRD O 452.8	CONTROL OF NUCLEAR WEAPON DATA
CRD O 456.1	THE SAFE HANDLING OF UNBOUND ENGINEERED NANOPARTICLES
CRD O 458.1, Chg. 2**	RADIATION PROTECTION OF THE PUBLIC AND THE ENVIRONMENT
CRD O 460.1C	PACKAGING AND TRANSPORTATION SAFETY
CRD M 460.2-1A	RADIOACTIVE MATERIAL TRANSPORTATION PRACTICES MANUAL
CRD O 460.2A	DEPARTMENTAL MATERIALS TRANSPORTATION AND PACKAGING MANAGEMENT
CRD O 461.1B	PACKAGING AND TRANSFER FOR OFFSITE SHIPMENT OF MATERIALS OF NATIONAL SECURITY INTEREST
DOE O 470.3B	GRADED SECURITY PROTECTION (GPS) POLICY
CRD O 470.4B	SAFEGUARDS AND SECURITY PROGRAM
CRD O 471.1B	IDENTIFICATION AND PROTECTION OF UNCLASSIFIED CONTROLLED NUCLEAR INFORMATION
CRD O 471.3, Chg. 1	IDENTIFYING AND PROTECTING OFFICIAL USE ONLY INFORMATION
CRD M 471.3-1, Chg. 1	MANUAL FOR IDENTIFYING AND PROTECTING OFFICIAL USE ONLY INFORMATION
CRD O 471.5	SPECIAL ACCESS PROGRAMS
CRD O 471.6	INFORMATION SECURITY
CRD O 472.2	PERSONNEL SECURITY
CRD O 473.3	PROTECTION PROGRAM OPERATIONS
CRD O 474.2, Admin Chg.1	NUCLEAR MATERIAL CONTROL AND ACCOUNTABILITY
CRD O 475.1	COUNTERINTELLIGENCE PROGRAM
CRD O 475.2A	IDENTIFYING CLASSIFIED INFORMATION
CRD O 483.1	DOE COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS
CRD O 484.1, Chg. 1	REIMBURSABLE WORK FOR THE DEPARTMENT OF HOMELAND SECURITY
CRD O 522.1	PRICING OF DEPARTMENTAL MATERIALS AND SERVICES
CRD O 534.1B	ACCOUNTING
CRD O 551.1D	OFFICIAL FOREIGN TRAVEL
CRD O 580.1A	DEPARTMENT OF ENERGY PERSONAL PROPERTY MANAGEMENT PROGRAM
DOE O 1450.4	CONSENSUAL LISTENING-IN TO OR RECORDING TELEPHONE/RADIO CONVERSATIONS

<b>DOE DIRECTIVES</b>	
<b>DIRECTIVE NO.</b>	<b>DIRECTIVE TITLE</b>
DOE O 5639.8A	SECURITY OF FOREIGN INTELLIGENCE INFORMATION AND SENSITIVE COMPARTMENTED INFORMATION FACILITIES
DOE-0223	RL EMERGENCY IMPLEMENTING PROCEDURES – APPLICABLE TO PNNL-MANAGED FACILITIES AND ACTIVITIES ON THE HANFORD SITE
DOE/RL-94-02, Rev. 4	HANFORD EMERGENCY MANAGEMENT PLAN– APPLICABLE TO PNNL-MANAGED FACILITIES AND ACTIVITIES ON THE HANFORD SITE
DOE/RL-2001-36	HANFORD SITE TRANSPORTATION SAFETY DOCUMENT, REV.1-B

- \* The Contractor shall submit a plan to implement CRD O 435.1, Chg 1 “Radioactive Waste Management” no-later-than 30 calendar days after the effective date of the modification to extend the contract. The Contractor shall continue to comply with DOE O 5820.2A “Radioactive Waste Management” until implementation of CRD 435.1, Chg 1.
- \*\* The Contractor’s responsibility to implement CRD O 458.1, Chg. 1 “Radiation Protection of the Public and the Environment” is limited to paragraphs 2.d., 2.g., and 2.k.

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

**Section J**

**Appendix C**

**Subcontracting Plan for Socioeconomic Programs**

**Pacific Northwest National Laboratory  
Subcontracting Plan  
Fiscal Year 2012**

**Socioeconomic Programs**

Battelle's policy pledges a strong commitment to involving small and socioeconomically disadvantaged business concerns in the operation of the Pacific Northwest National Laboratory. Battelle supports the socioeconomic objectives of the U.S. Government and recognizes that diversity in subcontracting provides a vital link to the local community, strengthens the economy, and represents best business practices.

In keeping with the above policy, Battelle and the U.S. Department of Energy (DOE) have established the following Subcontracting Plan (this Plan). This Plan shall remain in effect from October 1, 2002, for the entire Contract period associated with this Contract. However, annual goals shall be negotiated and established by written agreement between the Contracting Officer and Battelle and shall be incorporated into this Plan by letter and will not require a Contract modification.

**I. Goals**

- A. Based on an estimated average annual fiscal year budget of 1,007,566,000 and an adjusted procurement volume of \$312,842,000, Battelle's goals for Fiscal Year 2012 are to –
  1. Award 52 percent to Small Business concerns, estimated at \$162,677,840.
  2. Award 5 percent to Small Disadvantaged Business concerns, estimated at \$15,642,100.
  3. Award 5 percent to Women-Owned Small Business concerns, estimated at \$15,642,100.
  4. Award 3 percent to HUBZone Small Business concerns, estimated at \$9,385,260.
  5. Award 3 percent to Veteran-Owned Small Business concerns, estimated at \$9,385,260.
  6. Award 3 percent to Service-Disabled Veteran-Owned Small Business concerns, estimated at \$9,385,260.
- B. Goals must be realistic to present the proper challenge to staff who are ultimately responsible for goal achievement. The percentage goals in A. above, based on past performance and future projections, will present such a challenge.
- C. These goals are accumulated based on subcontracts and purchase orders placed and do not include other indirect costs. They will include all dollars awarded under Contract DE-AC05-76RL01830 with the exception of those dollars awarded to other Battelle Inter-laboratory Authorizations or to other Battelle-owned entities and to firms outside the U.S.A.
- D. The principal products and services to be obtained in support of this Plan are those generally associated with an extremely diverse research and development environment. The business concerns in this Plan will generally supply a major portion of the goods and services listed in Table A.

**TABLE A**

<b>Subcontracted Effort</b>	<b>SB</b>	<b>SDB</b>	<b>WOSB</b>	<b>HUB Zone</b>	<b>VO</b>	<b>SDVO</b>
Electrical material and supplies	x	x	x	x	x	
Pumps, gauges and valves	x			x		
Computer equipment and supplies	x	x	x	x	x	x
Tooling	x					
Aluminum and other metals	x					
Laboratory supplies	x	x	x			
Reproduction supplies	x	x	x			
Office supplies	x	x	x			
Chemicals	x	x	x		x	
Tools of all types	x					
Electrical equipment and parts	x				x	
Construction services and materials	x	x	x		x	
Custodial equipment and supplies	x					
Fuels and lubricants	x				x	
Plastic products	x	x		x		
Industrial hardware	x	x				x
Translating Services	x		x		x	x
Technical support	x		x		x	

**II. Battelle Subcontracting Plan Administrator**

Battelle's Small Business Program Manager, Kerry Bass, is responsible to the PNNL Contracts Manager and will administer this Subcontracting Plan. Any change in the name of the Small Business Program Manager will be communicated without delay to the Contracting Officer. Responsibilities of the Small Business Liaison include:

- Serve as Battelle's interface with small and socioeconomically-disadvantaged businesses.
- Maintain and keep current listings of small and socioeconomically-disadvantaged businesses.
- Participate as Battelle representative in small business trade fairs, specifically directed toward offering opportunities for participants to do business with Battelle.
- Attend DOE-sponsored Small Business Program Manager Meetings and participate in the annual DOE Small Business Conference.
- Participate in trade associations, business development organizations, and conferences to locate and identify small and socioeconomically-disadvantaged business sources.
- Counsel and discuss subcontracting opportunities with potential small and socioeconomically-disadvantaged business firms and arrange appropriate assistance to these firms as required and practicable.
- Provide statistics to Battelle management on progress toward established goals and recognition of significant Contract Specialist performance in this area.
- Hold periodic training and other meetings with the appropriate acquisition staff on the Socioeconomic Programs.
- Conduct periodic meetings and otherwise communicate with Battelle organizational components covering Battelle's Socioeconomic Programs.
- Support Small Business Administration (SBA) activities as requested.

### **III. Administration of Battelle's Subcontracting Plan**

Battelle staff is committed to offering a fair and equitable opportunity for small and socioeconomically disadvantaged business concerns, to compete for the goods and services required to support our ongoing research.

Battelle responds either verbally or in writing to each request received from firms that desire an opportunity to compete for purchase order/subcontract business.

A computerized listing of small and socioeconomically-disadvantaged business concerns is maintained by the Small Business Program Manager.

The Small Business Program Manager may participate in the screening of purchase requisitions and may add suggested small and socioeconomically-disadvantaged businesses as potential sources for Contracts Specialist consideration.

Staff members are encouraged to use the Small Business Dynamic Search database established and maintained by the SBA for locating small and socioeconomically-disadvantaged businesses.

Staff will post all written, competitive solicitations >\$100,000 on PNNL's website to maximize exposure to small and socioeconomically-disadvantaged businesses, unless the acquisition is for: 1. construction services <\$500,000 using the "Short Notice Acquisition Process" which is reserved for small businesses, 2. work performed, or delivery will occur, in a foreign country, or 3. work performed under a classified or "Confidential Foreign Government Information – Modified Handling Authorized (C/FGI-MOD)" projects. When appropriate, procurements may be synopsisized in the Federal Business Opportunities (FedBizOpps) in an effort to locate additional qualified small and socioeconomically-disadvantaged business concerns for participation.

### **IV. Flow-Down Requirements to Battelle's Subcontractors**

Each purchase order/subcontract action \$150,000 and above placed in furtherance of Prime Contract DE-AC06-76RL01830 will include the clause: "Utilization of Small Business Concerns."

Lower-Tier Subcontracting Plans from large business concerns are each reviewed and approved by Battelle's Small Business Program Manager. Contact is established with the Lower-Tier Subcontractors Plan Administrator to offer assistance in identifying potential small and socioeconomically-disadvantaged sources and establish semi-annual reporting requirements.

Battelle's Procurement Policies Manual contains instructions to staff to include in all solicitations for negotiated procurements amounting to \$650,000 (\$1,500,000 for construction), or more, and which will offer subcontracting opportunities, the requirement to develop and adopt a Small Business Subcontracting Plan as required by Battelle's operating contract.

### **V. Periodic Reporting and Cooperating with DOE and SBA**

Battelle will submit such periodic reports, as may be required by DOE or the SBA, in order to determine the extent of compliance with this Subcontracting Plan.

Battelle will cooperate in any studies or surveys conducted by DOE or SBA, by furnishing requested available statistical data.

Battelle will submit the Individual Subcontracting Report (ISR) and Summary Subcontract Report (SSR) in accordance with the instructions provided by DOE and the Electronic Subcontracting Reporting System. Further, Battelle will ensure that its subcontractors agree to electronically submit their ISR and SSR.

## VI. Maintaining Records

Computerized reports are used to track progress toward achievement of goals. These reports are used to prepare monthly and quarterly reports (more frequent if requested) summarizing activity and progress related to compliance with the Subcontracting Plan.

In support of this Plan, Battelle will maintain the following records:

- Source lists (*e.g.*, Dynamic Small Business Search, VetBiz Search, etc.), guides and other data that identify small and socioeconomically-disadvantaged business concerns
- Organizations contacted to locate small and socioeconomically-disadvantaged business concerns.
- Records on each subcontract solicitation resulting in an award of more than \$150,000, indicating whether small and socioeconomically-disadvantaged businesses were solicited and, if not, why not, and, if applicable, the reason award was not made to a small business concern.
- Records of any outreach efforts and contacts with trade associations, business development organizations, and conferences and trade fairs to locate small and socioeconomically-disadvantaged sources.
- Records of internal guidance and encouragement provided to buyers through (1) workshops, seminars, training, etc., and (2) monitoring performance to evaluate compliance with the program's requirements.
- On a contract-by-contract basis, records to support award data submitted by the offeror to Battelle, including the name, address, and business size of each subcontractor.