

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES 1 1	
2. AMENDMENT/MODIFICATION NO. M446	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)	
6. ISSUED BY U. S. Department of Energy Pacific Northwest Site Office Post Office Box 350 Richland, Washington 99352		CODE	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, Washington 99352 DUNS # 032987476			<input type="checkbox"/>	9A. AMENDMENT OF SOLICITATION NO.	
			<input type="checkbox"/>	9B. DATED (SEE ITEM 11)	
			X	10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC05-76RL01830	
CODE				10B. DATED (SEE ITEM 13) 12/30/64	
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 HOUR AND DATE 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 this 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 DESCRIBED 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"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
<input type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER (Specify type of modification and authority) FAR 43.103(a)(3); I-104 970.5232-2 Payments and Advances Alts. II & III (Dec 2000) (DEVIATION)
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>2</u> copies to the issuing office.	

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
This modification is issued to incorporate a new Appendix B, Special Financial Institution Account(s) Agreement. Delete the current Appendix B in its entirety. Insert the attached Appendix B in lieu thereof.

Section J, List of Attachments, Table of Contents is revised to reflect the new title of Appendix B; the new Section J, Table of Contents is attached.

This modification results in no other changes.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) Karen L. Hoewing, General Counsel		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Ronnie L. Dawson, Contract Specialist	
15B. CONTRACT/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
BY <u>Karen L. Hoewing</u> (Signature of person authorized to sign)	7-27-06	BY <u>Ronnie L. Dawson</u> (Signature of Contracting Officer)	8/01/06

**Part III – List of Documents,
Exhibits, And Other Attachments**

Section J

Appendix B

**Special Financial Institution Account(s) Agreement
for Use with the
Payments Cleared Financing Arrangement**

SPECIAL FINANCIAL INSTITUTION ACCOUNT(S) AGREEMENT
FOR USE WITH THE
PAYMENTS CLEARED FINANCING ARRANGEMENT

Agreement, effective the 1st day of July 2006, between the UNITED STATES OF AMERICA, represented by the Department of Energy (hereinafter referred to as "DOE"), and Battelle as corporation/legal entity, existing under the laws of the State of Delaware (the "Contractor") and U.S. Bank a financial institution corporation existing under the laws of the State of Washington located in Richland, Washington. (hereinafter referred to as "Financial Institution").

I. RECITALS

1. On the effective date of December 30, 1964, DOE and the Contractor entered into Agreement(s) No. DE-AC05-76RLO1830 or a Supplemental Contract(s) thereto, providing for the transfer of Government funds on a payment-cleared basis to the Contractor.
2. DOE requires that amounts transferred to the Contractor under said agreement be deposited in a special demand deposit account or accounts at a financial institution covered by Department of the Treasury – approved Government deposit insurance organizations that are identified in I TFM 6-9000.

These special demand deposits must be kept separate from the Contractor's general or other funds, and the parties are agreeable to so depositing said amounts with the Financial Institution.

3. The special demand deposit account(s) shall be designated:
 - a. Battelle Memorial Institute, PNW Division - Contract
 - b. Battelle Memorial Institute, PNW Division - Salary
 - c. Battelle Memorial Institute, PNW Division – Controlled Disbursement Contract
 - d. Battelle Memorial Institute, PNW Division – Controlled Disbursement Salary

II. COVENANTS

In consideration of the foregoing, and for other good and valuable considerations, it is agreed that:

1. The DOE shall have a title to the credit balance in said account(s) to secure the repayment of all funds transferred to the Contractor, and said title shall be superior to any lien, title, or claim of the Financial Institution or others with respect to such accounts.
2. The Financial Institution shall be bound by the provisions of said Contract between DOE and the Contractor relating to the transfer of funds into and withdrawal of funds from the above special demand deposit account(s), which are hereby incorporated into this Agreement by reference, but the Financial Institution shall not be responsible for the application of funds properly withdrawn from said Account(s). After receipt by the Financial Institution of written directions from the Contractor, the Financial Institution shall act thereon and shall be under no liability to any party hereto for any action taken in accordance with the said written directions. Any written directions received by the Financial Institution from the Contractor, and purporting to be signed by, or signed at the written direction of the Contractor may, insofar as the rights, duties, and liabilities of the Financial Institution are concerned, shall be considered as having been properly issued and filed with the Financial Institution by the Contractor.

..*

3. DOE, the Contractor, or its authorized representatives, shall have access to financial records maintained by the Financial Institution with respect to such special demand deposit account(s) at all reasonable times and for all reasonable purposes, including, but without limitation to, the inspection or copying of financial records and any or all memoranda, checks, payments requests, correspondence, or documents pertaining thereto. Such financial records shall be preserved by the Financial Institution for a period of six (6) years after the final payment under the Agreement.
4. In the event of the service of any writ of attachment, levy of execution, or commencement of garnishment proceedings with respect to the special demand deposit account(s), the Financial Institution shall promptly notify the Contractor at:

Mr. Martin D. Conger
Chief Financial Officer
Battelle Memorial Institute, Pacific Northwest National Laboratory
PO Box 999, MS-K1-70
Richland, WA 99352

5. The Contractor shall authorize funds that shall remain available to the extent that obligations have been incurred on good faith there under by the Contractor to the Financial Institution for the benefit of the special demand deposit account(s). The Financial Institution agrees to honor upon presentation for payment all payments issued by the Contractor and to restrict all withdrawals against the funds authorized to an amount sufficient to maintain the average daily balance in the special demand deposit account in a net positive and as close to zero or as administratively possible.

The Financial Institution shall draw funds from an Automated Standard Application for Payment (ASAP) 1031 system account at the Federal Reserve Bank of Richmond (FRB-Richmond) for credit to the Contractor's account. The Financial Institution must determine the cutoff time for processing payments and deposits to ensure same day credit. The draw down is affected by sending an online request for funds (type code 1031) to FRB-Richmond via Fedwire by 5:45 p.m. Eastern time.

The Financial Institution agrees to service the account in this manner based on the requirements and specifications contained in RFP 20051031 effective January 3, 2006. The Financial Institution agrees that per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges" contained in the Financial Institution's aforesaid proposal and attached to this agreement will remain constant during the term of this Agreement. The Financial Institution shall calculate the monthly fees based on services rendered and invoice the Contractor. The Contractor shall issue a check or automated clearing house authorization transfer to the Financial Institution in payment thereof

6. The Financial Institution shall post collateral, acceptable under Department of the Treasury Circular 176, with the Federal Reserve Bank in an amount equal to the net balances in all of the accounts included in this Agreement, less the Department of the Treasury-approved deposit insurance.
7. This Agreement, with all its provisions and covenants, shall be in effect for a term beginning on July 1, 2006 and ending June 30, 2008 with an option to extend for an additional three, one year option periods, unless earlier terminated as provided in this Agreement.
8. DOE, the Contractor, or the Financial Institution may terminate this Agreement at any time within the Agreement period upon submitting written notification to the other

parties 90 days prior to the desired termination date. The specific provisions for operating the account during this 90-day period are contained in Covenant 11.

9. DOE or the Contractor may terminate this Agreement at any time upon 30 days written notice to the Financial institution if DOE or the Contractor, or both parties, find that the Financial Institution has failed to substantially perform its obligations under this Agreement or that the Financial Institution is performing its obligations in a manner that precludes administering the program in an effective and efficient manner or that precludes the effective utilization of the Contractor's cash resources.
10. Notwithstanding the provisions of Covenants 8 and 9, in the event that the , Contract referenced in Recital 1 between DOE and the Contractor is not renewed or is terminated, this Agreement between DOE, the Contractor, and the Financial Institution shall be terminated automatically upon the delivery of written notice to the Financial Institution.
11. In the event of termination, the Financial Institution agrees to retain the Contractors' special demand deposit accounts(s) for an additional 90-day period to clear outstanding payment items.
12. Contract Contents: In addition to this Schedule, the agreement consists of:
 - i. U.S. Bank Schedule of Institution Processing Charges, attached.
 - ii. U.S. Bank Proposal, dated February 3, 2006, incorporated by reference
 - iii. RFP 20051031, incorporated by reference

This agreement shall continue in effect for the 90-day additional period, with the exception of the following:

1. Term Agreement (Covenant 7)
2. Termination of Agreement (Covenants 8 and 9)

All terms and conditions of the aforesaid bid submitted by the Financial Institution that are not inconsistent with this 90-day additional term shall remain in effect for this period.

The Financial Institution has submitted the forms entitled "Technical Representations and Certifications", and "Schedule of Financial Institution Processing Charges", These forms have been accepted by the Contractor and the Government and are incorporated herein with the document entitled "Financial Institution's Information on Payments Cleared Financing Arrangement" as an integral part of this Agreement.

III. SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused this Agreement, which consists of five pages, including signature pages, to be executed as of the day and year first above written.

FOR THE CONTRACTOR
BATELLE MEMORIAL INSTITUE,

Signature Judith R. Mobley
Name: Judith Mobley
Title: Assistant Treasurer
Date: 6-22-06

FOR THE FINANCIAL INSTITUTION
U.S. BANK

Signature Gail Heinselman
Name: Gail Heinselman, CTP
Title: Vice President, Government Banking Relationship Manager
Date: June 19, 2006

FOR THE UNITED STATES OF AMERICA, DOE
PACIFIC NORTHWEST SITE

Signature Ronnie L. Dawson
Name: Ronnie Dawson
Title: Contracting Officer
Date: 7/18/06

Schedule of Financial Institution Processing Charges

Service	Contractor's Projected Monthly Quantity	Per Item Cost	Total
Account Maintenance	14 Accounts	@ 8.00	\$112.00
Controlled Disbursement Account Maintenance	6 Accounts	@ 75.00	\$ 450.00
Controlled Disbursement Per Item Charge	4000	@ 0.09	\$ 360.00
Deposited Checks-On Us	150	@ 0.05	\$ 7.50
Deposited Checks-Local	300	@ 0.055	\$ 16.50
Deposited Checks-Regional	425	@ 0.055	\$ 23.37
Deposited Check-Returned (includes fax)	3	@ 3.25	\$ 9.75
Other Services charges for Checks Deposited or Account Maintenance			
Deposits – Paper		@ 0.20	\$
Deposits – Electronic		@ 0.20	\$
		@	\$
Processing Fee for deposited foreign currency checks	3	@ 0.50	\$ 1.50
Processing Fee for generating Draft in foreign currency	3	@ 15.00	\$ 45.00
Cash Deposited Per \$ 100.00		@ 0.07	\$
Other Services charges for processing cash transactions			
		@	\$
		@	\$
		@	\$
Incoming Federal (Domestic) Wire	80	@ 5.00	\$ 400.00
Incoming International Wire	5	@ 10.00	\$ 50.00
Outgoing Federal (Domestic) Wire Client Initiated Internet	230	@ 7.50	\$ 1,725.00
Outgoing International Wire Client Initiated-Internet	150	@ 15.00	\$ 2,250.00
Outgoing or Incoming Federal Wire Daily Treasury Drawdown	80	@ 7.50	\$ 600.00



Federal or International Wire Investigation of Client Issued Wire	5	@ 25.00	\$ 125.00
Bank Issuance of Amendment for Client Issued International or Federal Wire	2	@ 7.50	\$ 15.00
Other services charges for processing Federal or International Wires			
		@	\$
		@	\$
		@	\$
Book Transfers (bank initiated account to account transfers)	30	@ 1.00	\$ 30.00
Other services charges for processing bank Internal Debit or Credits			
		@	\$
		@	\$
		@	\$
Stop Payments Client Initiated-Internet	15	@ 9.00	\$ 135.00
Per Change Order Charge		@ 2.00	\$
Rolled Coin Ordered Per \$ Roll		@ 0.08	\$
Currency Order Per \$ 100.00		@ 0.08	\$
ACH Monthly Maintenance	3	@ 25.00	\$ 75.00
ACH Originated	38000	@ 0.10	\$ 3,800.00
ACH Originated-Addenda Rec	200	@ 0.02	\$ 4.00
ACH Received Item	110	@ 0.15	\$ 16.50
ACH Transmission Charge	50	@ 5.00	\$ 250.00
ACH Item Adjustment Request	5	@ 3.00	\$ 15.00
ACH Delete Item Request	2	@ 3.00	\$ 6.00
ACH Notice of Change Internet Report Advice/Fax	40	@ 2.50	\$ 100.00
ACH Return Item Internet Report Advice/Fax	20	@ 2.50	\$ 50.00
ACH Block-Mthly Maint Per Acct	4	@ 6.00	\$ 24.00

Other services for processing ACH			
		@	\$
		@	\$
		@	\$
Checks Cleared	3000	@ 0.10	\$ 300.00
Check Sorting	3000	@ 0.02	\$ 60.00
Monthly Maintenance Charge for Imaging - by Account	6	@ 25.00	\$ 150.00
Check Image -CD Rom Per CD	6	@ 5.00	\$ 30.00
Check Image - Per Item	3000	@ 0.07	\$ 210.00
Copy of Check Request	3	@ 0.50	\$ 1.50
Account Reconciliation	per account	@ 75.00	\$
Process Maintenance - Full	Per account		
Full Positive Pay Maintenance	10	@ 45.00	\$ 450.00
Positive Pay Per Item	3000	@ 0.04	\$ 120.00
Positive Pay Exception Report	2	@ no charge	\$ 0.00
Reverse Positive Pay Per Item	3000	@ 0.01	\$ 30.00
Output File – Daily		@ 5.00	\$
Lockbox Monthly Maintenance	2	@ 75.00	\$ 150.00
Lockbox per Item Charge	90	@ 0.25	\$ 22.50
Other Services(charges) Lockbox			
Photocopies		@ 0.10	\$
Exception Items		@ 0.22	\$
Data Key Stroke		@ 0.01	\$
Mail Out – Per Item		@ 0.06	
Previous Day Composite Report	1 per day/acct First	@ 10.00	\$ 10.00
Previous Day Composite Report	1 per day/acct Next	@ 10.00	\$ 130.00
BAI Items	4000	@ 0.05	\$ 200.00
Wire Transfer Detail Report	1 per day per acct	@ no charge	\$

**Part III – List of Documents,
Exhibits, And Other Attachments**

Section J

List of Attachments

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