

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE 1 OF 3 PAGES
2. AMENDMENT/MODIFICATION NO. M470	3. EFFECTIVE DATE (M/D/Y) 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 P. O. Box 350 Richland, WA 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, WA 99352 DUNS # 032987476		9A. AMENDMENT OF SOLICITATION NO.	9B. DATED (SEE ITEM 11)
CODE		FACILITY CODE	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.

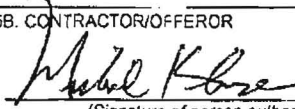
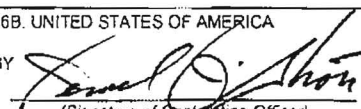
CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
<input type="checkbox"/>	
<input type="checkbox"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT ADMINISTRATIVE CHANGES (such as changes 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: 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 solicitation/contract subject matter where feasible.)

The purpose of this contract modification is to extend the period of performance through September 30, 2008 and update terms and conditions, including the incorporation of an option to extend the contract in new clause F.3 "Option to Extend the Term of the Contract Beyond Fiscal Year 2008." See attached for details.

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) Michael Kluse Interim Director	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Jewel J. Short Contracting Officer
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED 9/27/2007
16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED 9/27/07

Purpose of Modification:

The purpose of this contract modification is to extend the period of performance through September 30, 2008, and update terms and conditions.

Description of Modification:

The following changes are hereby incorporated into the contract:

1. Section B, "Supplies or Services and Prices/Costs", Clause B.3 "Estimated Budget Authority, Total Available Performance Fees, and Total Available Mission Stretch Goal(s) Incentive Fee" is changed as follows:

- a. The text of Clause B.3 is deleted in its entirety and replaced with the following:

"(a) In accordance with the Contract clause entitled "Determining Total Available Performance Fee and Fee Earned", the annual total available performance fees for this Contract shall be \$7,300,000 for FY03 and \$7,800,000 for FY04 through FY07 respectively. The total annual estimated Budget Authority for FY03 is \$511,200,000. For FY08, the total available performance fee shall be \$8,600,000. For FY09, the total available performance fee shall be \$9,000,000, prorated to the extent the period of performance of the Contract is extended into FY09, in accordance with the clause of this contract entitled "Option to Extend the Term of the Contract Beyond Fiscal Year 2008." The Total annual estimated Budget Authority for FY08 is \$770,000,000 and FY09 is \$832,000,000.

(b) In accordance with the Contract clause entitled "Determining Total Available Mission Stretch Goal(s) Incentive Fee and Fee Earned", the total available Mission Stretch Goal(s) Incentive fee for the period October 1, 2003 through September 30, 2007 shall be \$4,000,000. There will be no "Mission Stretch Goal(s)" Incentive fee for any period beyond September 30, 2007.
(End of Clause)"

2. Section F, "Deliveries or Performance" is changed as follows:

- a. The text of Clause F.1 "Period of Performance" is deleted in its entirety and replaced with the following:

"This Contract shall be effective as specified in Block No. 3 – Effective Date, of the Standard Form 30, for this modification, except as otherwise provided, and shall continue up to and including September 30, 2008, unless sooner terminated according to its terms and conditions, or extended in accordance with the clause of this Contract entitled, "Option to Extend the Term of the Contract Beyond Fiscal Year 2008", or in accordance with the appropriate FAR and DEAR provisions. (End of Clause)"

- b. The following new clause "F.3 Option to Extend the Term of the Contract Beyond Fiscal Year 2008" is added as follows:

"F.3 Option to Extend the Term of the Contract Beyond Fiscal Year 2008"

The Department of Energy, at its sole discretion, has the option to unilaterally extend the term of this contract for an additional twelve (12) months. Said option may be exercised in any combination of increments of at least one quarter of a year in duration and said option may be exercised more than once; however, the sum total of all option(s) exercised shall not exceed one year. The initial option exercise shall be made, if at all, not later than July 31, 2008 with the initial option term to commence on October 1, 2008. Any subsequent option(s) exercised shall be

made, if at all, not later than sixty (60) days prior to the end of that current contract performance period. (End of Clause)"

3. Section H, "Special Contract Requirements", Clause H.24 "Determining Total Available Performance Fee and Fee Earned " is changed as follows:

- a. The text of subparagraph (a)(1) is deleted in its entirety and replaced with the following:

"During the period of Contract performance the total available performance fee for FY03 shall be \$7,300,000. For FY04 through FY07, the total available performance fee shall be \$7,800,000 per fiscal year. For FY08, the total available performance fee shall be \$8,600,000. For FY09, the total available performance fee shall be \$9,000,000, prorated to the extent the period of performance of the Contract is extended into FY09."

- b. the text of subparagraph (a)(2) is deleted in its entirety and replaced with the following:

"The Parties have agreed that the available performance fee shall be subject to adjustment in the event of a significant change (greater than plus or minus 10%) to the Laboratory's budget for any fiscal year, or work scope. The Parties may re-negotiate, in good faith, the total available performance fee pool. The FY 2003 Estimated Allowable Cost (Budget Authority) will serve as the base year to which each fiscal year FY04 through FY07 Estimated Allowable Cost (Budget Authority) will be compared. The FY08 and FY09 estimated allowable cost (Budget Authority) identified in Section B of the contract will serve as the base year to which FY08 and FY09 Estimated Allowable Cost (Budget Authority) will be compared."

4. Section H "Special Contract Requirements", Clause H.31 "Determining Total Available Mission Stretch Goal(s) Incentive Fee and Fee Earned " is changed as follows:

- a. The text (excluding the title) of subparagraph (a) is deleted in its entirety and replaced with the following:

"In addition to the yearly performance fee available in accordance with the special clause entitled "Determining total Available Performance Fee and Fee Earned," the Contractor may earn additional "Mission Stretch Goal(s)" incentive fee based on the successful completion of the Mission Stretch Goal(s) identified within Section J, Appendix H of this Contract. The Parties have agreed that a total available Mission Stretch Goal(s) incentive fee of \$4,000,000 shall be available for the period October 1, 2003 through September 30, 2007 and is to be 100% at risk. There will be no Mission Stretch Goal incentive fee for any period beyond September 30, 2007."

5. There are no other changes to the terms and conditions of the contract.

B - 1 Designation of Work and Facilities

The Government expressly engages the Contractor to manage and perform work and services, and to manage, operate and maintain the facilities of Department of Energy (DOE) both as described in this Contract and as designated in writing from time to time by DOE, including the utilization of information, material, funds, and other property of DOE, the collection of revenues, and the acquisition, sale or other disposal of property for DOE subject to the limitations as hereinafter set forth. The Contractor undertakes and promises to exert its best efforts to manage and perform said work and services and to manage, operate, and maintain said facilities, upon the terms and conditions herein provided and in accordance with such directions and instructions not inconsistent with this Contract which DOE may deem necessary to give to the Contractor from time to time. In the absence of applicable directions and instructions from DOE, the Contractor will use its best judgment, skill and care in all matters pertaining to the performance of this Contract.

(End of Clause)

B - 2 Obligated Funds

The total amount of funds presently obligated by the Government with respect to this Contract is \$8,000,744,167.46 (through modification A411). Such amount may be increased or decreased in accordance with the Contract clause 970.5232-4 "Obligation of Funds".

(End of Clause)

B - 3 Estimated Budget Authority, Total Available Performance Fees, and Total Available Mission Stretch Goal(s) Incentive Fee

- (a) In accordance with the Contract clause entitled "Determining Total Available Performance Fee and Fee Earned", the annual total available performance fees for this Contract shall be \$7,300,000 for FY03 and \$7,800,000 for FY04 through FY07 respectively. The total annual estimated Budget Authority for FY03 is \$511,200,000. For FY08, the total available performance fee shall be \$8,600,000. For FY09, the total available performance fee shall be \$9,000,000, prorated to the extent the period of performance of the Contract is extended into FY09, in accordance with the clause of this contract entitled "Option to Extend the Term of the Contract Beyond Fiscal Year 2008." The Total annual estimated Budget Authority for FY08 is \$770,000,000 and FY09 is \$832,000,000.
- (b) In accordance with the Contract clause entitled "Determining Total Available Mission Stretch Goal(s) Incentive Fee and Fee Earned", the total available Mission Stretch Goal(s) Incentive fee for the period October 1, 2003 through September 30, 2007 shall be \$4,000,000. There will be no "Mission Stretch Goal(s)" Incentive fee for any period beyond September 30, 2007.

(End of Clause)

F - 1 Period of Performance

This Contract shall be effective as specified in Block No. 3 – Effective Date, of the Standard Form 30, for this modification, except as otherwise provided, and shall continue up to and including September 30, 2008, unless sooner terminated according to its terms and conditions, or extended in accordance with the clause of this Contract entitled, “Option to Extend the Term of the Contract Beyond Fiscal Year 2008”, or in accordance with the appropriate FAR and DEAR provisions.

(End of Clause)

F - 2 52.242-15 Stop-Work Order (Aug. 1989) Alternate I (Apr 1984)

- (a) The Contracting Officer may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this Contract for a period of 90 days after the order is delivered to the Contractor, and for any further period to which the Parties may agree. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Contractor, or within any extension of that period to which the Parties shall have agreed, the Contracting Officer shall either:
- (1) Cancel the stop-work order; or
 - (2) Terminate the work covered by the order as provided in the Termination clause of this Contract.
- (b) If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule, the estimated cost, the fee, or a combination thereof, and in any other terms of the Contract that may be affected, and the Contract shall be modified, in writing, accordingly, if:
- (1) The stop-work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this Contract; and
 - (2) The Contractor asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided that, if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon the claim submitted at any time before final payment under this Contract.

- (c) If a stop-work order is not canceled and the work covered by the order is terminated for the convenience of the Government, the Contracting Officer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.
- (d) If a stop-work order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

(End of Clause)

F - 3 Option to Extend the Term of the Contract Beyond Fiscal Year 2008

The Department of Energy, at its sole discretion, has the option to unilaterally extend the term of this contract for an additional twelve (12) months. Said option may be exercised in any combination of increments of at least one quarter of a year in duration and said option may be exercised more than once; however, the sum total of all option(s) exercised shall not exceed one year. The initial option exercise shall be made, if at all, not later than July 31, 2008 with the initial option term to commence on October 1, 2008. Any subsequent option(s) exercised shall be made, if at all, not later than sixty (60) days prior to the end of that current contract performance period.

(End of Clause)

H – 24 **Determining Total Available Performance Fee and Fee Earned**

In implementation of the clause in Section I entitled, “Total Available Fee: Base Fee Amount and Performance Fee Amount,” the following shall apply:

- (a) There shall be no base fee for the period of this Contract. The Parties have agreed to a multi-year performance fee for the Contract period, to be 100% at risk, and determined as described below:
 - (1) During the period of Contract performance the total available performance fee for FY03 shall be \$7,300,000. For FY04 through FY07, the total available performance fee shall be \$7,800,000 per fiscal year. For FY08, the total available performance fee shall be \$8,600,000. For FY09, the total available performance fee shall be \$9,000,000, prorated to the extent the period of performance of the Contract is extended into FY09.
 - (2) The Parties have agreed that the available performance fee shall be subject to adjustment in the event of a significant change (greater than plus or minus 10%) to the Laboratory’s budget for any fiscal year, or work scope. The Parties may re-negotiate, in good faith, the total available performance fee pool. The FY 2003 Estimated Allowable Cost (Budget Authority) will serve as the base year to which each fiscal year FY04 through FY07 Estimated Allowable Cost (Budget Authority) will be compared. The FY08 and FY09 estimated allowable cost (Budget Authority) identified in Section B of the contract will serve as the base year to which FY08 and FY09 Estimated Allowable Cost (Budget Authority) will be compared.
- (b) Determination of Total Available Fee Amount Earned.

The Government shall, at the conclusion of each specified evaluation period, evaluate and/or validate the Contractor’s performance in accordance with the clause in Section I entitled “Total Available Fee: Base Fee Amount and Performance Fee Amount.” The evaluation of the Contractor performance shall be in accordance with Section J, Appendix E “Performance Evaluation and Measurement Plan.”

(End of Clause)

H – 25 **Project Management System**

The Contractor shall provide a Project Management System that delivers the policies, procedures, and tools that assist PNNL project managers in completing projects on time and within budget. The system will be applied to all projects using a graded approach based upon the nature, complexity, risk, size, and sensitivity of the work being performed. Attributes of the system will include the following:

- (a) Definition and organization of the work scope
- (b) Planning
- (c) Work authorization

for the costs of administration.

- (b) The Contractor will provide the Contracting Officer with annual accounting reports within eight months after the close of a Plan year. A copy of IRS Form 5500, together with any supplemental or supporting documents submitted therewith, will be provided to DOE each year when prepared by the Contractor, which may be provided in lieu of the accounting report required by this provision.
- (c) Employee forfeitures of accrued benefits shall be in accordance with the terms of the Plans and such forfeitures shall be used to reduce Contractor contributions made on behalf of remaining participating employees.
- (d) In the event of Contract expiration or termination, the Contractor, if requested by DOE to do so, will transfer assets and liabilities to a replacement contractor's plan.
- (e) In the event of Plan terminations, vest immediately one hundred percent in the Plan participants' individual accounts.
- (f) Upon expiration or termination of the Contract, all liability of the Contractor with respect to the Hanford Contractors Multi-Employer Savings Plan for HAMTC Represented Employees shall cease. DOE agrees that all costs, including cost of defense from any withdrawal liability arising under federal law by reason of the Contractor's withdrawal from the Multi-Employer Plan shall be an allowable cost under the Contract, subject to the provisions of paragraph (j) of the clause entitled "Payments and Advances".
- (g) The Contractor will take no action concerning termination, merger, spin-off, or other action affecting the status of the Plans without the approval of the DOE.

(End of Clause)

H - 31 Determining Total Available Mission Stretch Goal(s) Incentive Fee and Fee Earned

- (a) Mission Stretch Goal(s) Fee

In addition to the yearly performance fee available in accordance with the special clause entitled "Determining total Available Performance Fee and Fee Earned," the Contractor may earn additional "Mission Stretch Goal(s)" incentive fee based on the successful completion of the Mission Stretch Goal(s) identified within Section J, Appendix H of this Contract. The Parties have agreed that a total available Mission Stretch Goal(s) incentive fee of \$4,000,000 shall be available for the period October 1, 2003 through September 30, 2007 and is to be 100% at risk. There will be no Mission Stretch Goal incentive fee for any period beyond September 30, 2007.

- (b) Determination of Total Available Mission Stretch Goal(s) Incentive Fee Amount Earned.