

2. AMENDMENT/MODIFICATION NO. <b>M600</b>	3. EFFECTIVE DATE (M/D/Y) <b>See Block 16C</b>	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY <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)	

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 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
<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 C, Description/Specifications/Work Statement and Section H – Special Contract Requirements, Part II, Section I – Contract Clauses and Part III, Section J – List of Attachments. (See Continuation Pages for the purpose and description of this modification)

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) <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  <small>(Signature of person authorized to sign)</small>	15C. DATE SIGNED <b>2-4-10</b>	16B. UNITED STATES OF AMERICA BY <small>(Signature of Contracting Officer)</small>	16C. DATE SIGNED <b>2-4-10</b>
--	-----------------------------------	--	-----------------------------------

**Block 14 “DESCRIPTION OF AMENDMENT/MODIFICATION,” continued.**

## Purpose of Modification:

The purpose of this contract modification is to revise Sections C, H, I and J of the Contract to update the Contract to include changes in the Contractor Assurance System and remove offending language in other parts of the Contract. The following changes are described below:

Revise Part 1, Section C – Description/Specifications/Work Statement, Clause C-1, “Introduction”, to remove language related to Clause H-18, “Application of DOE Contractor Requirements Documents” and to incorporate revised language consistent with Contractor Assurance System (CAS) requirements.

Revise Part I, Section C - Description/Specifications/Work Statement, Clause C-3, “Performance Expectations, Objectives, and Measures”, Section 3.3 “Performance Objectives and Measures”, to remove language related to Clause H-18 “Application of DOE Contractor Requirements Documents” and to incorporate revised language consistent with Contractor Assurance System (CAS) requirements.

Revise Part I, Section C - Description/Specifications/Work Statement, Clause C-4, “Statement of Work”, Section 4.3, “Operating Envelope”, Subsection 4.3.1 – “Operating Principles”, to remove language related to H-18, “Application of DOE Contractor Requirements Documents” and “Requirements Integration and Tailoring System” (RITS) process and to incorporate revised language consistent with Contractor Assurance System (CAS) requirements.

Revise Part I, Section H - Special Contract Requirements - Table of Contents.

Delete in its entirety Part I, Section H – Special Contract Requirements, Clause H-18, “Application of DOE Contractor Requirements Documents” and replace with H-18, “RESERVED”.

Modify and revise, Part I, Section H - Special Contract Requirements, Clause H-20, “Performance Based Management and Oversight” to modify the language related to the Contractor Assurance System at paragraphs (a) and (c).

Delete the requirement under Part I, Section H - Special Contract Requirements, Clause H-32, “Other Advance Understandings” paragraph (c) in its entirety.

Add a new clause under Part I, Section H, Special Contract Requirements, Clause H-40, “Contractor Assurance System”.

Revise Part II, Section I – Contract Clauses – Table of Contents.

Remove the reference to the “Application of DOE Contractor Requirements Documents” in Part II, Section I – Contract Clauses, Clause I-61, DEAR 952.204-2, Security (May 2002) (DEVIATION) at paragraphs (b) and (h).

Remove the (DEVIATION) associated with Part II, Section I – Contract Clauses, Clause I-62, DEAR 952.204-70 Classification/Declassification (SEP 1997) by removing language referencing the “Laws, Regulations and DOE Directives” and “Application of DOE Contractor Requirements Documents” from the subject clause.

Replace Part II, Section I – Contract Clauses, Clause I-76, DEAR 970.5203-1, Management Controls (DEC 2000) (DEVIATION) with Part II, Section I – Contract Clauses, Clause I-76, DEAR 970.5203-1, Management Controls (JUN 2007).

Replace Part II, Section I – Contract Clauses, Clause I-80, DEAR 970.5204-2, Laws, Regulations and DOE Directives (DEC 2000) (DEVIATION) with Clause I-80, DEAR 970.5204-2, Laws, Regulations, and DOE Directives (DEC 2000)

Update Part III, Section J - Appendix D, List of Applicable DOE Directives and External Requirements to delete CRD O 226.1A, "IMPLEMENTATION OF DEPARTMENT OF ENERGY OVERSIGHT POLICY".

### **Description of Modification:**

The following changes are hereby incorporated into the Contract:

1. Part I, Section C – Description/Specifications/Work Statement, Clause C-1, Introduction is revised to remove language related to Clause H-18, "Application of DOE Contractor Requirements Documents". The text of Clause C-1 is deleted in its entirety and replaced with the following:

#### **C-1 Introduction**

This Performance-Based Management Contract (PBMC) is for the management and operation of the Pacific Northwest National Laboratory (the Laboratory). Battelle Memorial Institute (the Contractor) shall, in accordance with the provisions of this Contract, accomplish the missions and programs assigned by the U.S. Department of Energy (DOE) and manage and operate the Laboratory. The Laboratory is one of the DOE's Office of Science (SC) multi-program laboratories. The Laboratory is a Federally Funded Research and Development Center (FFRDC) established in accordance with Federal Acquisition Regulation Part 35 and operated under this management and operating (M&O) contract, as defined in FAR 17.6 and DEAR 917.6.

This Contract reflects the Department's effort to enable the Contractor to achieve more highly effective and efficient management of the Laboratory, resulting in a safe and secure environment, outstanding science and technology results, more cost effective operations, and enhanced Contractor accountability.

This Contract reflects the application of performance-based contracting approaches and techniques which emphasize results/outcomes and minimize "how to" performance descriptions. The Contractor has the responsibility for total performance under the Contract, including determining the specific methods for accomplishing the work effort, performing quality assurance, and assuming accountability for accomplishing the work under the Contract. Accordingly, this PBMC provides flexibility, within the terms and conditions of the Contract, to the Contractor in managing and operating the Laboratory.

Desired results of this Contract include improved Contractor operational efficiencies, allocations of Contractor oversight resources to direct mission work, and streamlined and more effective federal line management focused on a system-based approach to federal oversight with increased reliance on the results obtained from the Contractor's assurance system as well as certified, nationally recognized experts and other independent reviewers. Moreover, science and technology have improved peer review metrics, stretch goals, and incentives to achieve extraordinary results.

Under this PBMC, it is the Contractor's responsibility to develop and implement innovative approaches and adopt practices that foster continuous improvement in accomplishing the mission of the Laboratory. DOE expects the Contractor to produce effective and efficient management structures, systems, and operations that maintain high levels of quality and safety in accomplishing the work required under this Contract, and that to the extent practicable and appropriate, rely on national, commercial, and industrial standards and can be verified and certified by independent, nationally recognized experts and other independent reviewers. The Contractor shall conduct all work in a manner that optimizes productivity, minimizes waste, and fully complies with all applicable laws, regulations, and terms and conditions of the Contract.

To the maximum extent practical, this PBMC shall:

- (a) Describe the requirements in terms of outcomes or results required rather than the methods of performance of the work;
- (b) Use a limited number of systems-based measurable performance standards (*i.e.*, terms of quality, timeliness, quantity, etc.) to drive improved performance and increased effective and efficient management of the Laboratory;
- (c) Provide for appropriate financial incentives (e.g., fee) when performance standards and contract requirements are achieved;
- (d) Specify procedures for reduction of fee when services are not performed or do not meet Contract requirements; and
- (e) Include non-financial performance incentives where appropriate.

**[M600]**

2. Part I Section C - Description/Specifications/Work Statement, Clause C-3, Performance Expectations, Objectives, and Measures, Section 3.3 Performance Objectives and Measures, is revised to remove language related to Clause H-18 "Application of DOE Contractor Requirements Documents" and to incorporate revised language consistent with Contractor Assurance System (CAS) requirements. The text of Section 3.3 is deleted in its entirety and replaced with the following:

### 3.3 Performance Objectives and Measures

The results-oriented performance goals/objectives of this Contract are stated in the Performance Evaluation and Measurement Plan, and/or in the Work Authorization Directives issued annually in accordance with the special clause entitled "Long-Range Planning, Program Development and Budgetary Administration." The goals/objectives shall be accomplished within an overall framework of management and operational performance requirements and standards contained elsewhere in this Contract.

DOE's Quality Assurance/Surveillance Plan (QASP) for evaluating the Contractor's performance under the Contract shall consist primarily of the Performance Evaluation and Measurement Plan (PEMP) as called for within the Section I Contract clause entitled "Total Available Fee: Base Fee Amount and Performance Fee Amount." The QASP establishes the process DOE shall use to ensure that the Contractor has performed in accordance with the performance standards and expectations. The QASP shall summarize the performance standards, expectations and acceptable quality levels for

each task; describe how performance will be monitored and measured; describe how the results will be evaluated; and state how the results will affect Contract payment.

The Contractor shall develop and implement an assurance system in accordance with the clause entitled "Contractor Assurance System", acceptable to the Contracting Officer, which provides reasonable assurance that the objectives of the Contractor's management systems are being accomplished and that the systems and controls will be effective and efficient. The Government may revise its level and/or mix of oversight of this Contract when the Contracting Officer determines that the assurance system is or is not operating effectively. The emphasis of Government oversight will be on the confirmation of Contractor Assurance System results.

**[M600]**

3. Part I, Section C - Description/Specifications/Work Statement, Clause C-4, Statement of Work, Section 4.3, Operating Envelope, Subsection 4.3.1 – Operating Principles is revised to remove language related to H-18, "Application of Contract Requirements Documents" and language related to the "Requirements Integration and Tailoring System" (RITS) process. The text of Subsection 4.3.1 is deleted in its entirety and replaced with the following:

#### 4.3.1 Operating Principles

Contractor and federal line managers are fully responsible for achieving assigned objectives in a manner that is safe, secure, legally and ethically sound, as well as fiscally responsible.

The Contractor is accountable for providing *reasonable assurance* to the DOE that the Laboratory's system of management controls when properly implemented provides an effective and efficient means of meeting all applicable requirements while accomplishing assigned missions.

To provide reasonable assurance, the Contractor must identify, monitor, and address existing and/or emerging risks important to the accomplishment of the Laboratory's mission and Contract requirements.

Laboratory management provides performance data to Governance processes, which ultimately provide assurance to DOE.

Provisions of reasonable assurance are the result of properly functioning performance management and Governance processes, not a substitute for the processes themselves.

Effective Assurance is built on mutual trust between DOE and the Contractor and must be combined with effective Governance in order for DOE to consider modification of its oversight model.

**[M600]**

4. Part I, Section H - Special Contract Requirements - Table of Contents is revised to remove the title of H-18 "Application of DOE Contractor Requirements Documents" and replace with H-18 RESERVED and to add H-40 Contractor Assurance System.

**[M600]**

5. Delete in its entirety Part I, Section H – Special Contract Requirements, Clause H-18, “Application of DOE Contractor Requirements Documents” and replace with H-18, “RESERVED”.

[M600]

6. Modify and revise, Part I, Section H - Special Contract Requirements, Clause H-20, “Performance Based Management and Oversight,” at paragraphs (a) and (c) to include language related to the Contractor Assurance System. The text of paragraphs (a) and (c) are deleted and replaced with the following:

- (a) Performance-based management shall be the key enabling mechanism for establishing the DOE-Contractor expectations on oversight and accountability. DOE expectations (outside of individual program performance and requirements of laws and regulations) and performance targets shall be established through the Performance Evaluation and Measurement Plan (PEMP) pursuant to the clause entitled “Standards of Contractor Performance Evaluation”. This PEMP shall establish the expected strategic results in the areas of science and technology, stewardship, and management/operations excellence. The measurement basis for the science and technology performance goals shall be established by each major customer of the Laboratory, and customer evaluation will be the primary means of evaluating science and technology performance. The performance measures/targets for the management/operational goals shall be established by agreement with DOE. Confirmation of Contractor assurance results shall be the primary method for evaluating Contract management/operational performance. The types and level of evaluation utilized to confirm results are dependent on the Contracting Officer’s determination of the effectiveness of the Contractor’s assurance system and is described in the Section H Contract clause, entitled “Contractor Assurance System”. [M600]

- (c) Compliance with applicable Federal, State, and local laws and regulations and permits and licenses, shall be primarily determined by the cognizant regulatory agency and DOE will primarily rely upon the determination of the external regulators in assessing Contract compliance. [M600]

7. Delete the requirement under Part I, Section H - Special Contract Requirements, Clause H-32, “Other Advance Understandings” paragraph (c) in its entirety. The text of Clause H-32 is deleted and replaced with the following:

#### **H-32 Other Advance Understandings**

- (a) To facilitate continuity of performance and Contract administration, all agreements, memorandums of understanding, and contractual assumptions which have been appropriately agreed to in writing by both Parties prior to this Contract extension will continue in effect according to the terms thereof unless they have been superceded or, if they are in conflict with any other terms and conditions of this Contract extension.
- (b) For purposes of the clause in this Contract titled “Access to and Ownership of Records, it is understood and agreed that the Contractor-owned legal records that are subject to an attorney-client privilege or an attorney-work-product privilege require special handling to preserve these privileges. Therefore, the Parties agree that inspection, copying, or audit of any such records will only be conducted by DOE Counsel or its designees.

[M600]

8. Part I, Section H – Special Contract Requirements, Clause H-40, “Contractor Assurance Systems” is added into the Contract as follows:

**H-40 Contractor Assurance System**

- (a) The Contractor shall develop a Contractor assurance system that is executed by the Contractor’s Board of Directors (or equivalent corporate oversight entity) and implemented throughout the Contractor’s organization. This system provides reasonable assurance that the objectives of the contractor management systems are being accomplished and that the systems and controls will be effective and efficient. The Contractor assurance system, at a minimum, shall include the following key attributes:
- (1) A comprehensive description of the assurance system with processes, key activities, and accountabilities clearly identified.
  - (2) A method for verifying/ensuring effective assurance system processes. Third party audits, peer reviews, independent assessments, and external certification (such as VPP and ISO 9001 or ISO 14001) may be used.
  - (3) Timely notification to the Contracting Officer of significant assurance system changes prior to the changes.
  - (4) Rigorous, risk-based, credible self-assessments, and feedback and improvement activities, including utilization of nationally recognized experts, and other independent reviews to assess and improve the Contractor’s work process and to carry out independent risk and vulnerability studies.
  - (5) Identification and correction of negative performance/compliance trends before they become significant issues.
  - (6) Integration of the assurance system with other management systems including Integrated Safety management.
  - (7) Metrics and targets to assess performance, including benchmarking of key functional areas with other DOE contractors, industry and research institutions. Assure development of metrics and targets that result in efficient and cost effective performance.
  - (8) Continuous feedback and performance improvement.
  - (9) An implementation plan (if needed) that considers and mitigates risks.
  - (10) Timely and appropriate communication to the Contracting Officer, including electronic access, of assurance related information.

The initial Contractor assurance system description shall be approved by the Contracting Officer.

- (b) The Government may revise its level and/or mix of oversight of this Contract when the Contracting Officer determines that the assurance system is or is not operating effectively. **[M600]**
9. Part II, Section I – Contract Clauses, Table of Contents, is revised to update Clause I-62, DEAR 952.204-70, Classification/Declassification (SEP 1997), Clause I-76, DEAR 970.5203-1, Management Controls (JUN 2007), and Clause I-80, DEAR 970.5204-2, Laws, Regulations, and DOE Directives (DEC 2000). **[M600]**
10. Part II, Section I – Contract Clauses, Clause I-61, DEAR 952.204-2 Security (May 2002) (DEVIATION) is revised to remove the reference to the “Application of DOE Contractor Requirements Documents” in paragraphs (b) and (h). The text of paragraphs (b) and (h) is deleted and replaced with the following:

- (b) *Regulations.* The Contractor agrees to comply with all security regulations of DOE in effect on the date of award and all security requirements of DOE incorporated into this Contract pursuant to the clause entitled "Laws, Regulations, and DOE Directives" **[M600]**
- (h) *Security clearance of personnel.* The Contractor shall not permit any individual to have access to any classified information, except in accordance with the Atomic Energy Act of 1954, as amended, Executive Order 12958, and the DOE's regulations or requirements incorporated into this Contract pursuant to the clause entitled "Laws, Regulations, and DOE Directives" applicable to the particular level and category of classified information to which access is required. **[M600]**

11. Part II, Section I – Contract Clauses, Clause I-62, DEAR 952.204-70, Classification/Declassification (Sep 1997) (DEVIATION) is revised to remove the DEVIATION by deleting the reference to "Laws, Regulations and DOE Directives" and "Application of DOE Contractor Requirements Documents" in the first paragraph. The text of the first paragraph is deleted and replaced with the following:

In the performance of work under this Contract, the Contractor or subcontractor shall comply with all provisions of the Department of Energy's regulations; and mandatory DOE directives which apply to work involving the classification and declassification of information, documents, or material. In this section, "information" means facts, data, or knowledge itself; "document" means the physical medium on or in which information is recorded; and "material" means a product or substance which contains or reveals information, regardless of its physical form or characteristics. Classified information is "Restricted Data" and "Formerly Restricted Data" (classified under the Atomic Energy Act of 1954, as amended) and "National Security Information" (classified under Executive Order 12958 or prior Executive Orders). The original decision to classify or declassify information is considered an inherently Governmental function. For this reason, only Government personnel may serve as original classifiers, i.e., Federal Government Original Classifiers. Other personnel (Government or Contractor) may serve as derivative classifiers which involves making classification decisions based upon classification guidance which reflect decisions made by Federal Government Original Classifiers. **[M600]**

12. Part II, Section I – Contract Clauses, Clause I-76, DEAR 970.5203-1 Management Controls (DEC 2000) (DEVIATION) is deleted in its entirety and replaced with Part II, Section I – Contract Clauses, Clause I-76, DEAR 970.5203-1 Management Controls (Jun 2007) to read as follows:

**I-76 DEAR 970.5203-1 Management Controls (Jun 2007)**

- (a)(1) The Contractor shall be responsible for maintaining, as an integral part of its organization, effective systems of management controls for both administrative and programmatic functions. Management controls comprise the plan of organization, methods, and procedures adopted including consideration of outsourcing of functions by management to reasonably ensure that: the mission and functions assigned to the Contractor are properly executed; efficient and effective operations are promoted; resources are safeguarded against waste, loss, mismanagement, unauthorized use, or misappropriation; all encumbrances and costs that are incurred under the Contract and fees that are earned are in compliance with applicable clauses and other current terms, conditions, and intended purposes; all collections accruing to the Contractor in connection with the work under this Contract, expenditures, and all other transactions and assets are properly recorded, managed, and reported; and financial, statistical, and other reports necessary to maintain accountability and managerial control are accurate, reliable, and timely.



- (2) The systems of controls employed by the Contractor shall be documented and satisfactory to DOE.
  - (3) Such systems shall be an integral part of the Contractor's management functions, including defining specific roles and responsibilities for each level of management, and holding employees accountable for the adequacy of the management systems and controls in their areas of assigned responsibility.
  - (4) The Contractor shall, as part of the internal audit program required elsewhere in this Contract, periodically review the management systems and controls employed in programs and administrative areas to ensure that they are adequate to provide reasonable assurance that the objectives of the systems are being accomplished and that these systems and controls are working effectively. Annually, or at other intervals directed by the Contracting Officer, the Contractor shall supply to the Contracting Officer copies of the reports reflecting the status of recommendations resulting from management audits performed by its internal audit activity and any other audit organization. This requirement may be satisfied in part by the reports required under paragraph (i) of 48 CFR 970.5232-3, Accounts, Records, and Inspection.
- (b) The Contractor shall be responsible for maintaining, as a part of its operational responsibilities, a baseline quality assurance program that implements documented performance, quality standards, and control and assessment techniques.

(End of Clause)[M600]

13. Part II, Section I – Contract Clauses, Clause I-80 DEAR 970.5204-2 Laws, Regulations, and DOE Directives (DEC 2000) (DEVIATION) is deleted in its entirety and replaced with Part II, Section I – Contract Clauses, Clause I-80 DEAR 970.5204-1 Laws, Regulations, and DOE Directives (DEC 2000), the clause reads as follows:

**I-80 DEAR 970.5204-2 LAWS, REGULATIONS, AND DOE DIRECTIVES (DEC 2000)**

(a) In performing work under this Contract, the Contractor shall comply with the requirements of applicable Federal, State, and local laws and regulations (including DOE regulations), unless relief has been granted in writing by the appropriate regulatory agency. A List of Applicable Laws and regulations (List A) may be appended to this Contract for information purposes. Omission of any applicable law or regulation from List A does not affect the obligation of the Contractor to comply with such law or regulation pursuant to this paragraph.

(b) In performing work under this Contract, the Contractor shall comply with the requirements of those Department of Energy directives, or parts thereof, identified in the List of Applicable Directives (List B) appended to this Contract. Except as otherwise provided for in paragraph (d) of this clause, the Contracting Officer may, from time to time and at any time, revise List B by unilateral modification to the Contract to add, modify, or delete specific requirements. Prior to revising List B, the Contracting Officer shall notify the Contractor in writing of the Department's intent to revise List B and provide the Contractor with the opportunity to assess the effect of the Contractor's compliance with the revised list on Contract cost and funding, technical performance, and schedule; and identify any potential inconsistencies between the revised list and the other terms and conditions of the Contract. Within 30 days after receipt of the Contracting Officer's notice, the Contractor shall advise the Contracting Officer in writing of the potential impact of the Contractor's compliance with the revised list. Based on the information provided by the Contractor and any other information available, the Contracting Officer shall decide whether to revise List B and so advise the Contractor not later than 30 days prior to the effective date of the revision of List B. The Contractor and the Contracting Officer shall identify and, if appropriate, agree to any changes to other

Contract terms and conditions, including cost and schedule, associated with the revision of List B pursuant to the clause of this Contract entitled, "Changes."

(c) Environmental, safety, and health (ES&H) requirements appropriate for work conducted under this Contract may be determined by a DOE approved process to evaluate the work and the associated hazards and identify an appropriately tailored set of standards, practices, and controls, such as a tailoring process included in a DOE approved Safety Management System implemented under the clause entitled "Integration of Environment, Safety, and Health into Work Planning and Execution." When such a process is used, the set of tailored (ES&H) requirements, as approved by DOE pursuant to the process, shall be incorporated into List B as Contract requirements with full force and effect. These requirements shall supersede, in whole or in part, the contractual environmental, safety, and health requirements previously made applicable to the Contract by List B. If the tailored set of requirements identifies an alternative requirement varying from an ES&H requirement of an applicable law or regulation, the Contractor shall request an exemption or other appropriate regulatory relief specified in the regulation.

(d) Except as otherwise directed by the Contracting Officer, the Contractor shall procure all necessary permits or licenses required for the performance of work under this Contract.

(e) Regardless of the performer of the work, the Contractor is responsible for compliance with the requirements of this clause. The Contractor is responsible for flowing down the requirements of this clause to subcontracts at any tier to the extent necessary to ensure the Contractor's compliance with the requirements.

(End of Clause) **[M600]**

14. Part III, Section J – List of Attachments, Appendix D – List of Applicable DOE Directives, the following change is made:

**Delete**

- CRD O 226.1A, "Implementation of Department of Energy Oversight Policy**[M600]**

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

**(End of Contract Modification M600)**