

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT	1. CONTRACT ID CODE	PAGE 1	OF	PAGES 16
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2. AMENDMENT/MODIFICATION NO. M943	3. EFFECTIVE DATE (M/D/Y) (See Block 16C)	4. REQUISITION/PURCHASE REQ. NO. 13SC006014	5. PROJECT NO. (If applicable)
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6. ISSUED BY CODE U.S. Department of Energy Pacific Northwest Site Office Post Office Box 350 Richland, WA 99352	7. ADMINISTERED BY (If other than Item 6) CODE
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8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP code) Battelle Memorial Institute Pacific Northwest Division Richland, Benton County, WA 99352 DUNS # 032987476	<input type="checkbox"/>	9A. AMENDMENT OF SOLICITATION NO.
	<input type="checkbox"/>	9B. DATED (SEE ITEM 11)
	<input checked="" type="checkbox"/>	10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC05-76RL01830
	<input checked="" type="checkbox"/>	10B. DATED (SEE ITEM 13) December 30, 1964
CODE	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 DATE AND HOUR SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and amendment and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

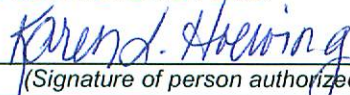

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS SET FORTH IN ITEM 14.

CHECK	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE
<input type="checkbox"/>	
<input type="checkbox"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO AUTHORITY OF FAR 43.103(b).
<input checked="" type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO THE AUTHORITY OF: The mutual agreement of the parties
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return 2 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including a solicitation/contract subject matter where feasible.)

This bilateral contract modification incorporates changes to Part I, Section H, 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) Karen L. Hoewing General Counsel	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Ryan M. Kilbury Contracting Officer
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED 7-12-13
16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED 7-12-13

Purpose of Modification:

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

Revise Part I, Section H – Special Contract Requirements, Table of Contents to add new Section H clauses and to delete in its entirety Section H, Clause H-30, Contractor Compensation, Benefits and Pension and replace it with Section H, Clause H-30 RESERVED

Revise Part I, Section H – Special Contract Requirements, to delete H-30 Contractor Compensation, Benefits and Pension in its entirety and replace it with H-30 RESERVED

Revise Part I, Section H – Special Contract Requirements – to add Clauses H-46 No Third Party Beneficiaries, H-47 Employee Compensation: Pay and Benefits, H-48 Group Pension Plans, H-49 Group Savings Plans, H-50 Post Contract Responsibilities for Pension and Other Benefit Plans, and H-51 Labor Relations

Revise Part III, Section J – List of Attachments, Table of Contents, Appendix A – Advance Understandings on Human Resources Cost

Revise Part III, Section J – List of Attachments, to delete in its entirety, Section J, Appendix A - Advance Understandings on Human Resources and replace with Section J, Appendix A - Advance Understandings On Human Resources Cost

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 H – Revise the Table of Contents.
2. Revise Part I, Section H – Special Contract Requirements, to delete H-30 Contractor Compensation, Benefits and Pension in its entirety and replace it with H-30 RESERVED as follows:

H-30 RESERVED [M943]

3. Part I, Section H, Clause H-46 No Third Party Beneficiaries is added to the contract as follows:

H-46 No Third Party Beneficiaries

This Contract is for the exclusive benefit and convenience of the parties hereto. Nothing contained herein shall be construed as granting, vesting, creating, or conferring any right of action or any other right or benefit upon past, present, or future employees of the Contractor, or upon any other third party. This provision is not intended to limit or impair the rights which any person may have under applicable Federal statutes.

[M943]
(End of clause)

4. Part I, Section H, Clause H-47 Employee Compensation: Pay and Benefits is added to the contract as follows:

H-47 EMPLOYEE COMPENSATION: PAY AND BENEFITS

(a) Total Compensation System

The Contractor shall develop, implement and maintain formal policies, practices and procedures to be used in the administration of its compensation system including a compensation system consistent with FAR 31.205-6 and DEAR 970.3102-05-6; "Compensation for Personal Services" (Total Compensation System"). DOE-approved standards (e.g., set forth in an advance understanding or appendix), if any, shall be applied to the Total Compensation System. The Contractor's Total Compensation System shall be fully documented, consistently applied, and acceptable to the Contracting Officer.

(b) Appraisals of Contractor Performance

DOE will conduct periodic appraisals of Contractor performance with respect to Total Compensation System implementation. Such appraisals will be conducted through either DOE validation of the Contractor's performance self-assessment of its Total Compensation System or third party expert review.

(c) Reports and Information

The Contractor shall provide the Contracting Officer with the following reports and information with respect to pay and benefits provided under this Contract:

- (1) An Annual Contractor Salary-Wage Increase Expenditure Report to include, at a minimum, breakouts for merit, promotion, variable pay, special adjustments, and structure movements for each pay structure showing actual against approved amounts.
- (2) A list of the top five most highly compensated executives as defined in FAR 31.205-6(p)(2)(ii) and their total cash compensation at the time of Contract award, and at the time of any subsequent change to their total cash compensation.
- (3) An Annual Report of Contractor Expenditures for Employee Supplemental Compensation through the Department Workforce Information System (WFIS) Compensation and Benefits Module no later than March 1 of each year.
- (4) A performance self-assessment of the Total Compensation System implementation and results to include an evaluation of total benefits using the Employee Benefits Value Study and the Employee Benefits Cost Survey Comparison Analysis described in paragraph (e) below.

(d) Pay and Benefit Programs

- (1) Cash Compensation

- (A) The Contractor shall submit the following to the Contracting Officer for a determination of cost allowability for reimbursement under the Contract:
- (i) Any additional compensation system self-assessment data requested by the Contracting Officer that may be needed to validate and approve the total compensation system.
 - (ii) Any proposed major compensation program design changes prior to implementation.
 - (iii) An Annual Compensation Increase Plan (CIP).
 - (iv) Individual compensation actions for the top contractor official (e.g., laboratory director or equivalent) and key personnel not included in the CIP. For those key personnel included in the CIP, DOE will approve salaries upon the initial contract award and when key personnel are replaced during the life of the contract. DOE will have access to all individual salary reimbursements, this access is provided for transparency; DOE will not approve individual salary actions (except as previously indicated).
 - (v) Any proposed establishment of an incentive compensation plan (variable pay plan/pay-at-risk).
- (B) Severance Pay is not payable to an employee under this Contract if the employee:
- (i) Voluntarily separates, resigns or retires from employment (unless approved for voluntary layoff),
 - (ii) Is offered employment with a successor/replacement contractor,
 - (iii) Is offered employment with a parent or affiliated company, or
 - (iv) Is discharged for cause.
- (C) Service Credit for purposes of determining severance pay does not include any period of prior service for which severance pay has been previously paid through a DOE cost-reimbursement contract.

(e) Benefit Programs

- (1) No presumption of allowability will exist when the Contractor implements a new benefit plan or makes changes to existing benefit plans until the Contracting Officer makes a determination of cost allowability for reimbursement for new or changed benefit plans.
- (2) Cost reimbursement for pension and other benefit programs sponsored by the Contractor will be based on the Contracting Officer's approval of Contractor actions pursuant to an approved "Employee Benefits Value Study" and an "Employee Benefits Cost Survey Comparison" as described below.
- (3) Unless otherwise stated, or as directed by the Contracting Officer, the Contractor shall submit the studies required in paragraphs (A) and (B) below. The studies shall be used by the Contractor as part of its performance self assessment described in

paragraph (c) (4) above and in calculating the cost of benefits under existing benefit plans. In addition, the Contractor shall submit updated studies to the Contracting Officer for approval prior to the adoption of any change to a benefit plan.

- (A) An Employee Benefits Value Study (Ben-Val), every two years, which is an actuarial study of the relative value (RV) of the benefits programs offered by the Contractor measured against the RV of benefit programs offered by comparator companies approved by the Contracting Officer. To the extent that the value studies do not address post retirement benefits other than pensions, the Contractor shall provide a separate cost and plan design data comparison for the post retirement benefits other than pensions using external benchmarks derived from nationally recognized and Contracting Officer approved survey sources and,
 - (B) An Employee Benefits Cost Study Comparison, annually, that analyzes the Contractor's employee benefits cost on a per capita basis per full time equivalent employee and as a percent of payroll and compares it to a Contracting Officer-approved broad based national survey.
- (4) When the net benefit value exceeds the comparator group by more than five percent, the Contractor shall submit a corrective action plan to the Contracting Officer for approval
 - (5) When the average total benefit per capita cost or total benefit cost as a percent of payroll exceeds the comparator group by more than five percent, when and if required by the Contracting Officer, the Contractor shall submit an analysis of the specific plan costs that are above the per capita cost range or total benefit cost as a percent of payroll and a corrective action plan to achieve conformance with a Contracting Officer directed per capita cost range or total benefit cost as a percent of payroll.
 - (6) Within two years of Contracting Officer approval of the Contractor's corrective action plan, the Contractor shall align employee benefit programs with the benefit value and per capita cost range as approved by the Contracting Officer.
 - (7) The Contractor shall submit the Report of Contractor Expenditures for Supplementary Compensation for the previous calendar year via the DOE Workforce Information System (WFIS) Compensation and Benefits Module no later than March 1 of the current calendar year.
 - (8) The Contractor may not terminate any benefit plan during the term of the Contract without the prior approval of the Contracting Officer in writing.
 - (9) Cost reimbursement for post-retirement benefits (PRBs) is contingent on meeting PNNL service eligibility requirements for PRBs, with not less than 5 years under a DOE cost reimbursement contract(s). Annually, the Contractor will provide the Contracting Officer with a report identifying Laboratory retirees eligible for post-retirement benefits. The report will provide a service history for each retiree, specifying years at the Laboratory, under other DOE cost reimbursement contracts, and applicable corporate service. Unless required by Federal or State law, advance funding of PRBs is not allowable.

(f) Establishment and Maintenance of Pension Plans for which DOE Reimburses Costs

- (1) For cost allocability and reimbursement purposes, any defined benefit (DB) or defined contribution (DC) pension plans established and/or implemented by the Contractor shall be maintained consistent with the requirements of the IRC and ERISA.
- (2) Contractor policies, practices, and procedures used in the administration of pension plans shall be consistent with applicable laws and regulations.
- (3) Any Defined Benefit pension plan or portion of a Defined Benefit pension plan, maintained by the Contractor, for which DOE reimburses costs, shall be maintained as a separate pension plan distinct from any other pension plan which provides credit for service not performed under a DOE cost-reimbursement contract.
- (4) For each pension plan or portion of a pension plan for which DOE reimburses costs, the Contractor shall provide the Contracting Officer with the following information within nine months of the last day of the current pension plan year.
 - (A) Copies of IRS forms 5500 with schedules; and
 - (B) Copies of all forms in the 5300 series that document the establishment, amendment, termination, spin-off, or merger of a plan.
- (5) Prior to the adoption of any changes to a pension plan, the Contractor shall submit the information required below, as applicable, to the Contracting Officer for approval or disapproval and a determination as to whether the costs to be incurred are consistent with the Contractor's documented Total Compensation System and are deemed allowable pursuant to FAR 31.205-6, as supplemented by DEAR 970.3102-05-6.
 - (A) For proposed changes to pension plans and pension plan funding, an analysis of the impact of any proposed changes on actuarial accrued liabilities and an analysis of relative benefit value; and,
 - (B) The Contractor shall obtain the advance written approval of the Contracting Officer for any non-statutory pension plan changes that may increase costs or liabilities, and any proposed special programs (including, but not limited to, plan-loan features, employee contribution refunds, or ancillary benefits) and shall provide DOE with an analysis of the impact of special programs on the actuarial accrued liabilities of the pension plan, and on relative benefit value, if applicable.
 - (C) The Contractor shall not terminate any pension plan without at least 60 days notice to and the approval of the Contracting Officer prior to the scheduled date of plan termination.

[M943]

(End of clause)

5. Part I, Section H, Clause H-48 Group Pension Plans is added to the contract as follows:

H-48 GROUP PENSION PLANS

Staff members of the Contractor's Pacific Northwest National Laboratories (PNNL) assigned to or performing work under the Contract may participate in the Contractor's Group Pension Plans (the Plans) applicable to PNNL in accordance with the terms of the Plans. The Group

Pension Plans are trusteed plans described in items (a) and (b) below and with respect to the Plans, the Contractor and DOE agree as follows:

- (a) "Pension Plan of Pacific Northwest Laboratories, Battelle Memorial Institute," [PNNL Plan] (applicable to non-bargaining unit employees) effective July 1, 1987, and as the foregoing PNNL Plan may be amended from time to time by the Contractor's Board of Trustees; and as determined to be reimbursable by the DOE Contracting Officer.
- (b) "Hanford Contractors Multi Employer Defined Benefit Pension Plan for HAMTC Represented Employees," [HAMTC Plan] (applicable to bargaining unit employees) effective April 1, 1987; and, as the foregoing HAMTC Plan may be amended from time to time by the Plan Administrator in cooperation with the Administrative Committee; as determined to be reimbursable by the DOE Contracting Officer.
- (c) All costs related to the PNNL Plan required to meet the requirements of this clause including administrative costs incurred by the Contractor and applicable to the work under the Contract and employer contributions related to work performed under this Contract will be allowable costs. To the extent practicable all non-settler administrative costs shall be charged to the pension plan rather than to the operating budget to the maximum extent permitted by Department of Labor regulations. The employer contributions will be allowable at rates determined for PNNL based on actuarial valuations performed by the actuary appointed by Battelle, using the entry age normal cost method of funding.
- (d) Unless otherwise agreed, the Contractor will obtain an actuarial valuation of the PNNL Plan as of the effective date of Contract termination or expiration. The cost of such valuation will be allocated in accordance with then current procedures for allocating actuarial valuation costs.
- (e) Procedures for Annual Accounting of Employer Pension Contributions for PNNL Plan
 - (1) For each plan year, the Contractor will provide to DOE an accounting of assets associated with employer pension contributions with respect to the Contract work of PNNL and the Non-Contract work of PNNL as follows:
 - (i) accrual basis market value of such associated assets at the beginning of the PNNL Plan year;
 - (ii) the dollar amount of employer pension contributions made during the plan year allocated, on the basis of the cost of non-bargaining direct staff labor during such year, to the Contract work and the Non-Contract work;
 - (iii) the dollar amount of investment income on such associated assets based on the yield rate determined on the dollar-weighted market value basis as shown in actuarial reports of the Plan;
 - (iv) the dollar amount of related benefits and/or assets disbursed to terminated and retired PNNL staff members and beneficiaries; such related benefits and/or assets will be allocated on the basis of the historical relationship of non-bargaining direct staff labor to the Contract work of PNNL staff members and the other work of PNNL staff members; and

- (v) accrual basis market value of associated assets at the end of the plan year [(i) + (ii) + (iii) – (iv) = (v)].
- (2) The first accounting under this PNNL Plan shall be as of June 30, 1987, and shall reflect the removal of those assets and liabilities transferred to the HAMTC Plan effective April 1, 1987, from total PNNL pension assets accounted for in previous reports covering the periods from January 1, 1965 on. For the Plan year ending June 30, 1987, and annually thereafter, the Contractor will provide to DOE an accounting of assets as described in paragraph (e)(1) above. Such reports shall be provided to DOE within thirty (30) days after preparation but no more than nine (9) months following the opening of the plan year for which funding requirements are calculated. The final accounting period shall end with the effective date of Contract termination.
- (f) References to termination of the Contract in this clause are intended to cover the circumstances created when the contractual relationship between DOE and the Contractor is terminated in whole or in part by formal action of DOE in accordance with the Clause of the Contract entitled "Termination". It is not intended that the provisions of this Article pertaining to Contract termination be implemented in cases when reduced funding levels or cessation of individual projects or programs require work force reductions but do not affect the continuing contractual relationship under the Contract.
- (g) Procedures for Determination of Contract Service Pension Assets and Liabilities Upon Contract Termination.
- (1) Contract Service Assets. Contract Service Assets shall include all assets attributable to employer contributions with respect to the Contract work of PNNL, as determined in paragraphs (e)(1) and (e)(2) above. Such assets shall also include applicable employer contributions due the fund but not paid as of the effective date of termination.
- (2) Non-Contract Service Assets. Non-Contract Service Assets shall include all assets attributable to employer contributions with respect to the Non-Contract work of PNNL as determined in paragraphs (e)(1) and (e)(2) above. Such assets shall also include applicable employer contributions due the fund but not paid as of the effective date of termination.
- (3) Liabilities for Present and Future Benefits
- (i) Pensioners, Beneficiaries, and Terminated Vested Members
- The liability for benefits for PNNL pensioners, beneficiaries, and terminated vested members who separated prior to the date of Contract termination and whose separation was not directly caused by such termination shall be equal to the present value of such benefits as of the effective date of termination of the Contract. Such present value shall be calculated using GATT rates for interest and mortality as appropriate for the PNNL Plan, consistent with the then current actuarial valuation, or as mutually agreeable to the DOE and the Contractor based on circumstances at the time.
- (ii) Active Participants Retained by Battelle

For the active participants retained by Battelle, the past service liability shall be calculated as of the effective date of Contract termination using the PNNL Plan actuarial assumptions, actuarial cost method, and benefits as then in effect. The calculations shall be completed in a manner comparable to those for an ongoing plan.

(iii) Active Participants Not Retained by Battelle in the Event There Is No Successor Pension Plan

If there is no successor pension plan, liabilities for vested accrued benefits of PNNL Participants whose active membership is terminated as a result of Contract termination, including benefits becoming vested by reason of such termination under applicable PNNL Plan provisions, law and/or IRS regulations, shall be equal to the present value of such vested benefits calculated using the GATT rates for interest and mortality, as appropriate for the PNNL Plan consistent with the then current actuarial valuation, or as mutually agreeable to the DOE and the Contractor based on circumstances at the time.

(iv) Active Participants Not Retained by Battelle in the Event There is a Successor Pension Plan

For the Participants covered by a successor pension plan, the past service liability shall be calculated as of the effective date of Contract termination using the Plan actuarial assumptions, actuarial cost method, and benefits as then in effect. The calculations shall be completed in a manner comparable to those for an ongoing pension plan.

(h) Disposition of Contract Service Assets and Liabilities

(1) The liabilities and Contract Service Assets associated with such liabilities for pensioners, beneficiaries, and terminated vested members as described in paragraph (g)(3)(i) shall be retained by Battelle and shall include an amount actuarially determined to cover reasonable administrative service costs provided, however, that if requested by DOE to do so, Battelle shall solicit proposals from at least three insurance carriers for a single premium purchase non-participating contract for assumption of liabilities for such participants. The award shall be based on mutual agreement between the DOE and the Contractor, and shall be consistent with fiduciary standards related to such transactions. In such case, retained assets shall equal the cost of such insurance contracts.

(2) The remainder of Contract Service Assets, after the retention described in paragraph (h)(1) above, shall be divided into two parts as follows:

(i) One part equals such remainder of Contract Service Assets multiplied by the ratio $R / (R+S)$ where:

R = past service liability for active Participants retained by Battelle calculated as described in paragraph (g)(3)(ii). And

S = past service liability for active Participants not retained by Battelle calculated as described in paragraph (g)(3)(iv).

This part of Contract Service Assets will be retained by Battelle.

(ii) The other part of Contract Service Assets equals the total of Contract Service Assets less the amount retained by Battelle under paragraph (h)(1) and paragraph (h)(2)(i) above.

(A) If there is a successor plan, then this part shall be transferred to, and associated liabilities calculated in accordance with paragraph (g)(3)(iv) shall be assumed by, the successor plan.

(B) If there is no successor plan, then

1. this part and associated liabilities calculated in accordance with paragraph (g)(3)(iii) will be retained by Battelle;
2. if such assets exceed the associated liabilities (including the option of purchasing annuities to cover the liabilities) and the PNNL Plan terminates, Battelle will pay to DOE from Plan assets any excess amount remaining after plan termination costs, penalties, and taxes resulting from such termination of the Plan; and
3. if Plan assets remaining after the costs, penalties and taxes resulting from termination of the Plan are not sufficient to cover the liabilities in accordance with paragraph (g)(3)(iii) then DOE will pay to Battelle the deficiency; provided, however, payment by DOE shall be subject to the availability of appropriated funds which may be used for such purposes.

(C) If there is no successor plan, then

1. this part and associated liabilities calculated in accordance with paragraph (g)(3)(iii) will be retained by Battelle; and
2. if the PNNL Plan does not terminate, then DOE and Battelle shall meet to determine an equitable disposition of the PNNL Plan.

(i) Disposition of Non-Contract Service Assets and Liabilities_

- (1) The liabilities and Non-Contract Service Assets associated with such liabilities for pensioners, beneficiaries and terminated vested members as described in paragraph (g)(3)(i) shall be retained by Battelle.
- (2) The remainder of Non-Contract Service Assets, after the retention described in paragraph (i)(1) above, shall be divided into two parts as follows:
 - (i) One part equals such Non-Contract Service Assets multiplied by the ratio $T / (T+W)$ where:

T = past service liability for active Participants retained by Battelle calculated as described in paragraph (g)(3)(ii); and

W = past service liability for active Participants not retained by Battelle calculated as described in paragraph (g)(3)(iv).

This part of Non-Contract Service Assets will be retained by Battelle.

- (ii) The other part of Non-Contract Service Assets equals the total of Non-Contract Service Assets less the amount retained by Battelle under paragraph (i)(1) and paragraph (i)(2)(i) above.
 - (A) If there is a successor plan, then this part shall be transferred to, and associated liabilities calculated in accordance with paragraph (g)(3)(iv) shall be assumed by, the successor plan.
 - (B) If there is no successor plan, then this part and associated liabilities calculated in accordance with paragraph (g)(3)(iii) will be retained by Battelle. Any excess or shortage of Non-Contract Service Assets in relation to such liabilities will be retained or absorbed by Battelle.

(j) Financial Adjustments

- (1) If within six (6) months after the termination of the Contract, a retained staff member of Battelle is transferred to the successor contractor, or a transferred staff member is returned to Battelle, adjustments will be made to Contract and Non-Contract Service Assets as if the transfer had been effective on the date of Contract termination, and appropriate payments or transfers of assets will be made.
- (2) If at the end of twenty-four (24) months following Contract termination, the terminations of retained staff members during this period exceed the numbers expected in the actuarial assumptions of the Plan at Contract termination, liabilities for vested benefits of the excess terminated staff members will be calculated as the present value of benefits as of the date the staff member terminated; such present value shall be calculated using the GATT rates for interest and mortality, as appropriate for the PNNL Plan consistent with the then current actuarial valuation, or as mutually agreeable to the DOE and the Contractor based on circumstances at the time. This value will be substituted for the value previously established for the retained staff members; adjustments will be made to Contract and Non-Contract Assets; and appropriate payments or transfers of assets will be made.
- (3) The procedures outlined above in paragraph (j)(2) shall also be applied to all staff members who transfer to a successor contractor; adjustments shall be made as above and appropriate payments will be made.

(k) Payments and Transfers of Assets

- (1) Payments by either party for excesses or shortages of Contract Service Assets as described in paragraph (h)(2)(ii) shall be in U.S. currency and completed within thirty-six (36) months of the effective date of Contract termination or such longer period as may be mutually agreed upon. Both

parties shall have the option of making payments in one lump sum or in any series of installments at a rate of return mutually agreeable to the parties.

- (2) If transfers of Plan assets are made to a successor plan as described in paragraph (h)(2)(ii) and paragraph (i)(2)(ii) in the form of investment holdings, such holdings shall include cash, equity securities, and fixed income securities. Such assets shall be allocated on a pro rata basis, with the prorating for fixed income assets based on rating and sector classification. Transfers shall include interest earnings on applicable assets from the effective date of termination to the date of transfer as calculated in paragraph (k)(1) above.
 - (3) Battelle will transfer Plan assets at a rate at least sufficient to meet the cash flow requirements of transferred staff members who go into benefit status after the effective date of Contract termination.
- (l) The Contractor will take no unilateral action concerning the termination, merger, spin-off, or other action affecting the status of the Plan as covering only Non-Bargaining employees of the Pacific Northwest National Laboratory without the approval of the DOE. In the event of a Plan termination, the costs and disposition of Plan assets and liabilities shall be as set out in paragraphs (g) and (h) above, or as mutually agreeable to the DOE and the Contractor based on circumstances at the time.
 - (m) With respect to the Multi-Employer Pension Plan for HAMTC Represented Employees (paragraph (b) above), the Contractor and DOE agree that effective April 1, 1987, pursuant to a collective bargaining agreement, the Contractor became a participating employer in the Hanford Contractor Multi-Employer Pension Plan for HAMTC Represented Employees. All assets and liabilities of the "Employees Retirement Plan of Battelle Memorial Institute" were transferred to and merged with the said Multi-Employer Plan.
 - (n) Costs incurred by the Contractor for contributions required by the HAMTC Plan are allowable to the extent applicable to the work under the Contract.
 - (o) The HAMTC Plan fund, not the Contractor, shall be liable for costs incurred in the course of administration (actuary fees, reports, and similar expenses); provided, however, that costs for employee communications, sign up and termination, payroll, and similar expenses are allowable as normal operating expenses to the extent applicable to work under the Contract.
 - (p) Upon expiration or termination of the Contract, all liability of the Contractor with respect to the HAMTC Plan shall cease. The Contractor shall have no claim to any HAMTC Plan assets in excess of HAMTC Plan liabilities, nor shall the Contractor be required to fund any excess of HAMTC Plan liabilities over HAMTC Plan assets. 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".
 - (q) The Contractor will take no action concerning the termination, merger, spin-off, or other action affecting the status of the plan as covering only Bargaining Unit employees of the Pacific Northwest National Laboratory.
 - (r) With respect to all Plans, unless otherwise required by federal law or resulting from the collective bargaining process, no amendment to any of the Plans shall result in

allowable costs under this Contract if the adoption date of such amendment is later than 12 months before the termination or expiration date of the Contract and the termination or expiration of the Contract is due to the act or failure to act of the Contractor, or the failure of the Contractor to bargain in good faith with the government for an extension of the Contract.

- (s) The aggregate annual contribution to any Plan shall range from the minimum specified by Internal Revenue Code (IRC) Section 412(b) to the amount necessary to fully fund the year end expected current liability. However, the aggregate annual contribution to a Plan shall be no less than the minimum specified by IRC Section 412(b) nor greater than the tax-deductible limit specified by IRC Section 404.

[M943]

(End of Clause)

- 6. Part I, Section H, Clause H-49 Group Savings Plans is added to the contract as follows:

H-49 Group Savings Plans

The Contractor maintains or is a participating employer in savings plans for eligible non-bargaining employees. In addition, the Contractor is a participating employer in a multi-employer plan for bargaining unit employees. The savings plans are trustee plans described in the following two documents entitled "Battelle Employees' Savings Plan", and "Hanford Contractors Multi-Employer Savings Plan for HAMTC Represented Employees". The plans must be established and maintained as qualified defined contribution plans under the regulations of the Internal Revenue Service. The Plan and Trust documents and any amendments thereto which effect substantive changes or increase costs are subject to the approval of the Contracting Officer. With respect to the Plans, the parties agree as follows:

- (a) Costs of employer matching contributions incurred and accrued under the terms of the Plans are allowable to the extent applicable to Contract work. To the extent permitted by law or regulation, the Plans funds, not the Contractor, shall be liable 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.

[M943]

(End of Clause)

- 7. Part I, Section H, Clause H.50 Post Contract Responsibilities For Pension And Other Benefit Plans is added to the contract as follows:

H-50 Post Contract Responsibilities for Pension and Other Benefit Plans

- (a) If this Contract expires or terminates and DOE has awarded a contract under which the new contractor becomes a sponsor and assumes responsibility for management and administration of the pension or other benefit plans covering active or retired contractor employees with respect to service at the Pacific Northwest National Laboratory (collectively, the "Plans"), the Contractor shall cooperate and transfer to the new contractor its responsibility for sponsorship, management and administration of the Plans consistent with direction from the Contracting Officer.
- (b) If this Contract expires or terminates and DOE has not awarded a contract to a new contractor under which the new contractor becomes a sponsor and assumes responsibility for management and administration of the Plans, or if the Contracting Officer determines that the scope of work under the Contract has been completed (any one such event may be deemed by the Contracting Officer to be "Contract Completion" for purposes of this clause), whichever is earlier, and notwithstanding any other obligations and requirements concerning expiration or termination under any other clause of this Contract, the following actions shall occur regarding the Contractor's obligations regarding the Plans at the time of Contract Completion:
 - (1) Subject to subparagraph (2) below, and notwithstanding any legal obligations independent of the Contract the Contractor may have regarding responsibilities for sponsorship, management, and administration of the Plans, the Contractor shall remain the sponsor of the Plans, in accordance with applicable legal requirements.
 - (2) The parties shall exercise their best efforts to reach agreement on the Contractor's responsibilities for sponsorship, management and administration of the Plans prior to or at the time of Contract Completion. However, if the parties have not reached agreement on the Contractor's responsibilities for sponsorship, management and administration of the Plans prior to or at the time of Contract Completion, unless and until such agreement is reached, the Contractor shall comply with written direction from the Contracting Officer regarding the Contractor's responsibilities for continued provision of pension and welfare benefits under the Plans, including but not limited to continued sponsorship of the Plans, in accordance with applicable legal requirements. To the extent that the

Contractor incurs costs in implementing direction from the Contracting Officer, the Contractor's costs will be reimbursed pursuant to applicable Contract provisions.

[M943]

(End of clause)

8. Part I, Section H, Clause H-51 Labor Relations is added to the contract as follows:

H-51 Labor Relations

- (a) The Contractor shall pursuant to federal law respect the right of employees to organize and to form, join, or assist labor organizations, to bargain collectively through their chosen labor representatives and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.
- (b) The Contractor shall meet with the Contracting Officer or designee(s) for the purpose of reviewing the Contractor's bargaining objectives prior to negotiations of any collective bargaining agreement or revision thereto and shall consult with and obtain the approval of the Contracting Officer regarding appropriate economic bargaining parameters, including those for pension and medical benefit costs, prior to the Contractor entering into the collective bargaining process. During the collective bargaining process, the Contractor shall submit to the Contracting Officer for approval any collective bargaining proposal which exceeds the approved economic bargaining parameters.
- (c) The Contractor will seek to achieve the judicious expenditure of public funds, equitable resolution of disputes and effective and efficient bargaining relationships consistent with the requirements of FAR, Subpart 22.1 and DEAR, Subpart 970.2201 and all applicable Federal and State Labor Relations laws.
- (d) The Contractor will notify the Contracting Officer or designee in a timely fashion of labor relations issues affecting Laboratory operations such as; organizing initiatives, unfair labor practice, work stoppages, picketing, labor arbitrations, and settlement agreements and will furnish such additional information as may be required from time to time by the Contracting Officer.

[M943]

(End of clause)

- 9. Revise Part III, Section J – List of Attachments, Table of Contents, Appendix A – Advance Understandings On Human Resources Cost
- 10. Revise Part III, Section J – List of Attachments, to delete in its entirety, Section J, Appendix A - Advance Understandings on Human Resources and replace in its entirety with Section J, Appendix A - Advance Understandings On Human Resources Cost
- 11. Revise Part III, Section J – Appendix D as follows:

Revise as follows:

CRD O 350.1, Chg. 3 Contractor Human Resource Management Programs (Chapters
II and VII are applicable)

[M943]

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

(End of Contract Modification)

SECTION J

APPENDIX A

ADVANCE UNDERSTANDINGS ON HUMAN RESOURCES COST

**Applicable to the Operation of
PACIFIC NORTHWEST NATIONAL LABORATORY**

Contract No. DE-AC05-76RL01830

**Table of Contents
Appendix A**

**PACIFIC NORTHWEST NATIONAL LABORATORY
ADVANCE UNDERSTANDING ON HUMAN RESOURCES**

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SECTION I - INTRODUCTION

- a) This Advance Understanding is intended to document the principles and measures for evaluation of items of allowable human resources costs and related expenses not specifically addressed elsewhere under this Contract.
- b) The Contractor shall select, manage, and direct its work force and apply its human resource policies in general conformity with its private operations and/or industrial practices insofar as they are consistent with this Contract. The Contractor shall notify the Contracting Officer of all changes to personnel policies. Any changes to the personnel policies or practices in place as of the effective date of this contract which would increase costs, are subject to approval in advance by the Contracting Officer. Any programs or policies initiated for corporate application, permanently or for a finite period, that will impact staffing levels or compensation costs (i.e., furloughs or salary cuts) will not be applicable to Laboratory employees, without prior approval of the Contracting Officer.
- c) This Appendix A may be modified from time to time by agreement of the Parties. Either Party may, at any time, request that this Appendix A be revised, and the Parties hereto agree to negotiate in good faith concerning any requested revision. Revisions to this Appendix A shall be accomplished by executing a modification to the prime contract.
- d) The Contractor may propose exceptions to the provisions of Appendix A when such exceptions are in the best interest of contract operations, beneficial to the government, or will facilitate or enhance contract performance and are approved in advance by the CO.
- e) It is understood that no provision of this Appendix can affect any right guaranteed to a bargaining unit staff member by the terms of a Collective Bargaining Agreement.

SECTION II - HUMAN RESOURCES STRATEGY, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT

The costs associated with providing a comprehensive Contractor Human Resource Management (CHRM) program are allowable. The CHRM shall have performance objectives and targets that align with, and facilitate the achievement of the Laboratory mission; be limited in number; focus on strategic results, systems-based measures, and assessment against industry best practices; be developed annually and mutually agreed upon by the Contractor and DOE in accordance with the expectations of Clause H-43, Contractor Assurance and the expectations as laid out in Appendix E. CHRM will be reviewed periodically to target key strategic objectives and results and include

outcomes that result in cost effective management of laboratory human resources to support accomplishment of DOE and Laboratory missions.

SECTION III - COMPENSATION

The Contractor is required to include the following elements in Laboratory compensation systems:

(a) Compensation Standards. The Contractor and DOE agree that the elements below will be included in Laboratory compensation systems and will be the basis upon which DOE will evaluate the Contractor's self-assessment required under Clause H.30(a) of this contract. The elements are:

- (1) philosophy and strategy for all pay delivery programs;
- (2) method for establishing the internal value of jobs;
- (3) method for relating the internal value of jobs to the external market;
- (4) system that links individual and/or group performance to compensation decisions;
- (5) method for planning and monitoring the expenditure of funds;
- (6) method for ensuring compliance with applicable laws and regulations;
- (7) system for communicating the program to employees; and
- (8) system for internal controls and self-assessment.

(b) An annual Compensation Increase Plan

- (1) In order to pay "on-market-on-average," in the calculation of market position, Laboratory salary data shall be matched to survey data as of the midpoint of the salary cycle. PNNL's salary cycle is from January 1 to December 31 with a June 1 midpoint.
- (2) The annual effective date of the merit increase shall be the first pay period beginning on or after January 1 or as soon thereafter as is practicable following CIP approval from DOE. If the CO approval is not received in sufficient time to allow implementation as of that date, a retroactive payment adjustment will be made as soon as practicable after the CO approval is obtained.
- (3) The approved CIP shall be expressed as a percentage of the projected base payroll for the end of the previous salary cycle. PNNL's salary cycle ends December 31st.
- (4) The Contractor is authorized to make minor shifts of funds across employment categories after approval of the CIP in order to meet the compensation requirements of its organization, subject to the following guidelines:

- Minor shift is defined as up to 10% of approved CIP funds by employment category (e.g., Scientist/Engineer, Admin, Exempt, Non-Exempt)
- Total increase expenditures will be limited to the total CIP approved.
- Contractors will notify the Contracting Officer that funds have been shifted.

(c) Variable Pay Plan

The contractor is authorized to expend contract funds in the amount of 1.5% of the combined exempt and non-exempt salary base, as of the previous year's December 31st data. This authorization is for the annual recruiting, retention and performance awards programs described under Section IX (b) Employee Programs and Section X(c) Recruitment and Retention Tools.

SECTION IV - ANCILLARY PAY COMPONENTS

Ancillary pay will be conducted in accordance with Contractor's policies/practices as approved by the Contracting Officer,

Medical evacuation services/insurance. Employees required to perform official travel to foreign countries where local care is substandard (according to U.S. standards) may have coverage that pays for evacuation services to an acceptable medical facility in a proximal location on an urgent or emergency basis. The policy shall cover evacuation, expatriation of remains, and ancillary costs associated with the incident. Costs for such coverage for eligible employees are allowable.

SECTION V – REDUCTIONS IN CONTRACTOR EMPLOYMENT

Workforce Reductions in Force (RIF) (voluntary and involuntary) will be conducted in accordance with Contractor's policies/practices, the approved DOE Workforce Restructuring plan for the Pacific Northwest National Lab, and Contracting Officer direction on workforce restructuring.

(a) Workforce Restructuring Actions

- (1) The Contractor will notify or request approval of individual workforce restructuring actions in accordance with the following:

RESTRUCTURING ACTION	#EMPLOYEES POTENTIALLY IMPACTED	ACTION REQUIRED
Voluntary	50-99	CO Notification

Voluntary	100+	CO Approval
Involuntary	50+	CO Approval

Note: "Actions" are defined as restructuring efforts that are driven by impact to functional area, business purpose, or programmatic funding.

- a. Notifications will include a business case outlining the drivers necessitating restructuring activity, an implementation strategy and communication plan.
- b. Actions requiring approval will additionally require a workforce restructuring plan prepared in accordance with DOE policy.
- c. Notifications and Approval actions shall be submitted a minimum of 10 business days prior to announcement to employees.
- d. Waivers or self-select forms that vary from those provided in DOE policy documents are subject to approval by DOE.

(2) The Contractor, to the extent practicable, shall provide outplacement services in the forms of skills assessment and resume preparation to those employees who are involuntarily separated due to a layoff.

(3) Displaced Worker Medical Benefit

Employees placed on layoff status who have completed the entry probation period may be eligible for continued participation in the health benefits program. Allowable cost will be based on the following schedule:

- (1) First Year: The Contractor's contribution for an active employee
- (2) Second Year: One half of the Contractor's Cobra premium
- (3) Third and subsequent years: Reasonable administrative costs that exceed the two percent administrative fee paid by the displaced worker.

SECTION VI – PAYMENTS ON SEPARATION, AND SETTLEMENTS

- (a) Vacation. – The Contractor is authorized to pay accumulated vacation upon termination at the rate in effect as of the date of termination, including any shift differential.
- (b) Sick leave. The payment of accumulated sick leave upon termination is unallowable.
- (c) Reduction in Force (RIF). When employees are terminated due to a RIF, the following costs are allowable:
 - (1) Pay in lieu of notice. Any employee who is laid off or terminated due to a RIF may be given pay in lieu of the required minimum written notice of termination. Accumulated vacation credit is also paid.

(2) Severance pay benefit. The severance payment shall be made in an amount equal to one week's pay for each year of continuous full-time equivalent service plus one-quarter of a week's pay for each additional three (3) months of continuous service at the time of layoff up to a total of twenty (20) weeks' pay. An additional five weeks of pay may be provided to staff who sign a General Release. Severance payments may be made at the Contractor's option to a staff member within a RIF grouping who is not scheduled for termination but who offers to terminate employment, provided the termination is accepted by Laboratory management, thereby eliminating the need for terminating another staff member involuntarily

(d) Terminations for Cause Any consideration of pay in lieu of notice for immediate dismissal will be evaluated on a case-by-case basis in accordance with Contractor policies/procedures.

(e) Staff Settlement Costs - The Contractor is authorized to resolve internal staff settlements up to \$25,000 without the advance approval of the CO.

SECTION VII - LABOR RELATIONS

(a) Collective Bargaining – Consistent with Contract provisions, costs of fringe benefit and wages paid to staff under collective bargaining agreements will be reimbursed as well as all other reasonable costs and expenses (such as expenses relating to the grievance process, arbitration and arbitration awards), and other costs and expenses incurred pursuant to applicable collective bargaining agreements and revisions thereto.

(b) Collective Bargaining Agreements - The Contractor shall provide copies of collective bargaining agreements to the CO within 60 days of signature, as they are ratified or modified.

(c) Grievance Costs - The Contractor is authorized to settle internal staff grievances up to \$25,000 without the advance approval of the CO.

(d) Bargaining Unit Activity – Reasonable paid absence leave will be authorized for staff for time spent acting in the capacity of union officers, union stewards, or committee members handling grievances, negotiating with the Laboratory, and /or serving on labor management (Laboratory) committees as outlined in the Contractor's policies..

SECTION VIII – PROGRAMS INVOLVING EMPLOYEE ABSENCE FROM THE WORKPLACE

- (a) Paid Leave – The Laboratory will provide a reasonable and cost effective paid leave program. Paid leave includes but is not limited to: Vacation, holiday, sick leave, jury duty, personal leave, and flextime, according to approved Laboratory schedules (where appropriate) and administered in accordance with applicable PNNL policies. Only leave categories included in the Benefit Value Study shall be allowable.
- (b) Sabbaticals/Temporary Assignments of Laboratory Staff to Other Institutions for Teaching and Research/Technical Exchange – The Contractor shall be reimbursed for expenditures arising out of an approved staff assignment to another institution for teaching and/or research or technical exchange if the assignment does not exceed one year. Extensions can be approved by the Organizational Development Associate Laboratory Director with total assignment not to exceed three years.
- (c) The Contractor will notify the CO on an annual basis of joint appointments with research institutions within specific skill areas critical to national interest
- (d) Military Leave – Military leave and associated pay is authorized in accordance with Contractor policies, and/or State or Federal law.
- (e) Security Leave – Wages or salaries paid to staff when access authorization is suspended by DOE will be allowable costs under the following conditions:

If an appropriate position which does not require access authorization is not available, the Contractor may place the staff member on leave with pay at his or her base compensation until final disposition of the case.

SECTION VIII – EMPLOYEE TRAINING, EDUCATION AND DEVELOPMENT

- (a) The Laboratory shall establish training, education and development programs that are consistent with DOE requirements and guidance, industry standards, and other Federal, State and local regulations. These programs shall deliver quality training that will provide the learning foundation for staff to be well-qualified and competent to manage facilities and meet mission requirements through administrative, professional and technical excellence.
 - (1) Training - The Laboratory may conduct or permit regular staff members to attend training programs and courses that are based on training needs assessments. These training courses should contribute to the performance of work under the contract and be provided at reasonable costs to the government. The Laboratory may permit regular staff members to attend training activities during normal working hours while receiving full pay in order to enable them to acquire the needed skills to qualify them for other jobs

within the Laboratory, maintain competence, and/or stay current in their field of study or discipline.

(2) Education

- i. The Laboratory may approve and support educational courses taken by staff that serve to improve efficiency and productivity of Laboratory operations, increase and enhance needed skills, or prepare staff for increased responsibilities.
- ii. Tuition Reimbursement - Tuition, required textbooks and fees for staff who are employed under this Contract will be provided to the extent that courses are approved in advance by the Laboratory and the staff members continue their employment during the period of reimbursement.

(3) Development – The allowable cost for developmental programs, shall include but is not limited to, apprenticeship training, supervisory training, management development, scientist/engineer development, project management development, career updating and redirection, and other programs supporting the development of staff in fields of interest to the Laboratory, in accordance with policy. Course completion certificates/awards may also be provided.

SECTION IX - EMPLOYEE PROGRAMS

(a) The Contractor is authorized to provide monetary or non-monetary recognition for achievements not based on performance. Awards may include, for example:

(1) Length of Service/Retirement Recognition;

(2) Safety Awards;

(3) Suggestion Program.

(b) The Contractor may recognize staff members or groups of staff who have distinguished themselves by their significant contributions and outstanding performance in the course of their work. Awards may be provided to staff or groups of staff in the form of cash. Additionally, distinguishing contributions and outstanding performance as well as noteworthy achievements and special efforts that contribute to the reputation and stature of the Laboratory may be recognized by the presentation of plaques, certificates, and memorabilia. The presentation of such recognition may be done at events designed to honor recipients as well as to

encourage all staff to strive for similar achievement. Examples of contributions and performance that warrant recognition include:

- (1) Academy of Science nomination
- (2) Presidential Early Career Award (PECASE)
- (3) Intellectual Property (IP) – As outlined in H.26 Advanced Understandings on Allowable Cost 7) Rewards and Recognition
- (4) Recipient of high-level DOE award (e.g., DOE Distinguished Associate)
- (5) Recipient of prestigious, coveted and competitive award from a respected agency external to the Laboratory (e.g., Nobel Prize, National Medal of Science, E.O. Lawrence Award, Discover Award, Enrico Fermi Award)
- (6) Recipient of an external award given to recognize exemplary community service and/or citizenship.

Lab level events held to distribute these awards are limited to \$150,000 per year, unless otherwise approved by the CO and shall be limited to no more than 3 per year.

- (c) The Contractor may develop, administer and support a variety of staff programs. These programs may include athletic, cultural, and family activities. Participant fees may be collected to partially offset the cost of some or all of these activities. Appropriate facilities, utilities, and maintenance may be provided by the Laboratory.
- (d) The Contractor is authorized costs to provide a comprehensive Wellness Program to promote staff health and fitness as outlined in approved policies.
- (e) The Contractor shall maintain a program of preventive services, education, short-term counseling, coordination with and referrals to outside agencies, and follow-up upon return to work that conforms to the requirements of 10 CFR 707.6, Employee Assistance Program (EAP), Education, and Training.

SECTION X - RECRUITING PERSONNEL

- (a) The Contractor shall have a recruitment program contained within the personnel management policies and practices that provides for recruitment and retention of future or existing staff of the Laboratory. This program should include strategies

and benefits that retain a stable workforce and that retain the critical skills essential to carrying out the missions of the Laboratory.

(b) On an annual basis, the Laboratory will conduct strategic succession planning and develop strategic recruiting plans of key personnel and critical skills required to further the Laboratory's mission objectives and to fulfill capability needs. The Contractor may incur costs for the recruitment of personnel, as follows:

- (1) Costs of advertising and agency and consultant fees.
- (2) Recruiting Expenses - The Laboratory may reimburse, consistent with other provisions of this contract, employees traveling for recruiting purposes, the cost incurred for the following expenses: transportation, lodging, and meals for prospective employees and, when approved, for spouses or representatives of academic institutions, professional societies and other scientific organizations and incidental expenses incurred in recruiting.
- (3) New or prospective employees who have been offered and have accepted a position, and who are required to take a pre-placement physical examination, shall be reimbursed for costs of the physical examination.
- (4) Costs associated with pre-employment screening shall be allowable.

(c) Recruitment/Retention Tools.

- (1) The Contractor may pay a sign-on bonus to recruit employees with critical skills.
- (2) An annual retention bonus is authorized to retain employees with critical skills or whose expertise is critical to the completion of a specific project.
- (3) The Contractor is authorized to provide service credit to critical skill new-hires for previous relevant experience at another DOE facility or external organization. Credited service may be used to establish eligibility for, or determine accrual of, service-based benefits (i.e., vacation accruals, vesting, or severance – unless severance has been paid for prior service as indicated in Clause H.46), in accordance with the contractor's policies.

**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**

DOE DIRECTIVES	
DIRECTIVE NO.	DIRECTIVE TITLE
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 (Chapters II and VII are applicable)
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

DOE DIRECTIVES	
DIRECTIVE NO.	DIRECTIVE TITLE
	FACILITIES
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

DOE DIRECTIVES	
DIRECTIVE NO.	DIRECTIVE TITLE
	CONVERSATIONS
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.