

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

**Section J**

**Appendix L**

**Special Emphasis Activities**

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**Appendix L**

**Special Emphasis Activities**

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## **I. INTRODUCTION**

- a) This appendix serves to capture special emphasis activities not specifically covered or addressed elsewhere under this contract.
- b) This Appendix L may be modified from time to time by agreement of the Parties. Either Party may, at any time, request that this Appendix L be revised, and the Parties hereto agree to negotiate in good faith concerning any requested revision. Revisions to this Appendix L shall be accomplished by executing a modification to the prime contract.
- c) The Contractor may propose exceptions to the provisions of Appendix L 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 Contracting Officer (CO).

## **II. SEPARATE NON-CONTRACT BUSINESS/PHILANTHROPY**

- a) Battelle will deliver a written approach to managing non-contract activities and accounting for unallowable expenses that demonstrates separation of non-contract business activities (Battelle's corporate activities versus Battelle's PNNL) and assurance that proper accounting treatment of unallowable costs exists, including assurance activities.

The approach will align to the following principles:

1. Battelle may continue to use systems established and maintained for the PNNL contract to account for unallowable costs and activities subject to robust assurance, active review/audit, and alignment with federal expectations.
2. All expressly unallowable, prohibited, and/or otherwise not approved categories of cost will continue to be unallowable.
3. All Battelle Corporate philanthropy will be dispersed by its corporate offices in Columbus, Ohio.
4. All management and administration of Battelle retained lands not associated with this contract will be conducted by Battelle in its corporate capacity.
5. All unallowable costs will be appropriately burdened per Cost Accounting Standards.

6. Labor in support of unallowable activities will be charged to unallowable (the labor and cost associated with procuring alcohol are considered unallowable); Battelle audit will be charged to actively assure this.
  7. Labor in support of personal activities (for example, Team Battelle) must be charged to unallowable.
  8. Allowable time may not be charged while consuming alcohol.
  9. Battelle will provide annual training to staff on allowable employee activities regarding non-technical boards, committees, and memberships. Training will include the necessity of staff to identify unallowable costs, will provide relatable examples, and highlight equitability in charging practices to assure recording of unallowable time.
  10. Participation in non-technical boards, panels, committees, and memberships must be reviewed and approved by the cognizant supervisor. A record of such approvals shall be retained and readily accessible by internal audit.
- b) The written approach to managing these activities and expenses will include the following elements:
1. Approach to accounting for, and charging, costs for unallowable activities performed by a variety of staff depending on the activity and organization.
  2. Documentation of assurance activities in place for unallowable activities, including but not limited to:
    - Time billing policy training
    - Onboarding staff
    - Communications and education campaigns
    - CAS405 annual report
    - Audits and assessments
  3. Approach to educate staff on the approved allowable activities on non-scientific boards, committees, memberships, etc. to include training materials and communications to staff.

### **III. PNNL ADVISORY COMMITTEE**

Establish and implement a regional university advisory group for PNNL through a University of Washington (UW) and Washington State University (WSU) advisory committee.

Charter for a Regional University Advisory Group:

- a) Steward: PNNL Laboratory Director

- b) Purpose: The Regional University Advisory Group (RUAG) will provide viewpoints on strategic issues relative to PNNL and provide the perspectives of our leading regional university partners, UW and WSU. In addition to elements of specific charge, the RUAG may elevate and integrate insight gained from service on a range of other review and advisory bodies. The intent is to obtain information from individual attendees as opposed to advice, opinions or recommendations from the group acting in a collective mode.
- c) Responsibilities: A charge will be developed and coordinated in advance of each annual meeting. Members will attend discussions and provide advice at annual meetings when called upon. Members will consult with other leaders at their respective universities around the charge and specified topics in advance of meetings. Members will jointly brief laboratory and Pacific Northwest Site Office leadership at the conclusion of meetings.
- d) Membership: Membership will consist of at least two members each from UW and WSU. Members will be senior leaders who are familiar with PNNL, its leadership team, its strategic direction, and the Department of Energy. Members will be able to represent the views of university leadership. Members may not serve on Battelle governance committees but may participate in PNNL review, advisory, or assurance committees.

#### **IV. CAMPUS MODERNIZATION AND INVESTMENT PLAN**

Establish an integrated 5-Year Campus Modernization and Investment Plan

A. Battelle proposes the following vision for PNNL campus 2027:

At the end of FY 27 PNNL will be a modern, mission-ready, and sustainable campus. This will be achieved through an integrated Campus Strategy guided by mutually agreed-upon Principles.

B. Battelle proposes these Principles to guide modernization and investment planning:

1. **Mission Strategy Alignment: Facilities and Infrastructure (F&I)**  
Investment will align to mission and infrastructure requirements
2. **Decadal Planning**: PNNL is an enduring entity, and as such site investments will be planned and executed so as not to constrain the future for short-term opportunities.
3. **Shared Investment Responsibilities**:
  - a. PNNL will invest internal resources to maintain, replace, and modernize facilities and infrastructure, address gaps, and prepare the site for future development.
  - b. Direct Sponsor Funding/Program investments will be sought to meet

programmatic need and enhance or increase capabilities necessary to execute their mission.

- C. Battelle will deliver the following Primary Outcomes:
1. Increase Laboratory level investment to support anticipated lab growth during term of contract.
  2. Energy Sciences Center (ESC) and Grid Storage Launchpad (GSL) Line-Item delivery and relocations.
  3. Lease Reduction and Renegotiation:
    - a. Exit APEL, Salk, SEF, and MSL-7 facilities.
    - b. Re-negotiate or develop exit plans for BSEL and 2400 Stevens Avenue.
  4. Revitalization and Renewal:
    - a. Extend Life of RPL and 300 Area per NNSA/SC MOA.
    - b. Modernize and/or replace aged, degraded, or sub-utilized facilities.
    - c. Plan stewardship actions irrespective of programmatic funding.
    - d. Maintain or reduce DOE deferred maintenance.
  5. Position for the Future
    - a. Install infrastructure to support future site development.
    - b. Work with Office of Science on potential M2PC needs.
    - c. Work with other mission partners on potential investments.
    - d. Implement National Security Complex plans.
    - e. Advance efforts to move PNNL toward net-zero emissions.
- D. Battelle will document in the PNNL FY 23 Lab Plan the strategy, project integration, and investment responsibility for achieving these outcomes.

## V. COMMUNITY COMMITMENT PLAN

Battelle will deliver a community commitment plan that will enhance Contractor and PNNL partnerships with diverse communities and engage regional stakeholders in issues and challenges of mutual interest. Battelle investments will strengthen engagement and outreach and will dedicate its people, partnerships, philanthropy, and fee to help the communities in which it operates thrive. The Plan will outline areas of Battelle investment commitments and the associated benefits, to include the following key elements:

- A. Community Engagement:
- Foster a culture of giving, volunteerism, and public service
  - Target and support volunteer (Team Battelle) and philanthropy (Battelle grant) efforts to support and expand the 125 non-profit, education and community organizations with which Battelle has established relationships

- Direct philanthropic grants to address regional challenges in STEM Education, DEI, health and human services, and civic programs and projects, particularly in underserved and underrepresented communities.
  - Support employee charitable giving and facilitate participation of senior leaders and employees on non-profit and volunteer community initiatives and boards\*.
- B. Economic Development:
- Address community challenges and foster innovation, development, and quality of life in local communities
  - Develop and sustain meaningful partnerships, for example: Tri City Development Council (TRIDEC), Tri-Cities Regional Chamber of Commerce, Visit Tri-Cities.
  - Invest in community and association strategic partnerships by sponsoring initiatives and events that address topics of mutual interest to the community and Battelle\*.
  - Provide Battelle seed funding, award grants, and leadership to establish the foundational elements (i.e., catalyze, incubate, pilot) for longer-term strategic endeavors of value and interest to the region.
  - Direct the use of unallowable funds for food, alcohol, catering services, entertainment and lodging to support small, diverse businesses and vendors in the local community and region.
- C. STEM Education and Workforce Development:
- Invest in people, initiatives and programs that accelerate STEM education and energy workforce development initiatives
  - Identify and invest in strategic educational endeavors and partners that accelerate STEM learning initiatives, aligned with Battelle and PNNL educational and science priorities.
  - Support and accelerate regional education outreach programs, particularly in rural, underserved, underrepresented communities.

\* Separate and distinct from PNNL mission-specific board, initiative, or sponsorship participation that may occur before, during, or after establishment of an effort.

## **VI. INCREASE CORPORATE COMPENSATION INCENTIVES**

Battelle will use corporate resources to attract and retain top talent.

Battelle will use corporate resources, including in-kind contributions and unallowable funds, to attract, retain, and nurture top talent.

### **a) Attracting and retaining top talent**

1. Battelle will provide funds as necessary to augment the compensation needed for its top executives and other strategic hires (for example, when total

compensation exceeds the FAR limit). This will be done consistent with current compensation guidance to preserve internal equity.

2. Battelle will provide funds as necessary to help recruit select strategic talent (i.e., when relocation and benefits exceed what is allowable by Pacific Northwest Division policy or federal statute).
3. Battelle will commit Use-at-Facility Funds (UAFF) resources as available and appropriate as part of start-up and retention packages for select strategic hires. For example, UAFF funds might be used to purchase a piece of research equipment to complement LDRD and/or sponsor funding.
4. Battelle will use in-kind corporate resources, including Battelle corporate executive time and the corporate jet to help recruit select strategic talent.
5. Battelle will leverage corporate advertising budgets to raise awareness of the DOE national labs in general and PNNL specifically. Such advertising would focus on the compelling and attractive missions of DOE and its labs, helping to build DOE brand recognition.

b) Nurturing top talent

1. Battelle will provide in-kind resources and funds to support select staff development programs. For example, Battelle will cover the salaries of corporate personnel who participate in the development and delivery of these programs.
2. Battelle will design an executive leadership development program tailored to the needs of PNNL.