AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE	PAGE	OF	PAGES
	1		9

2. AMENDMENT/MODIFICATION NUMBER	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQUISITION NUMBER	5. PROJECT NUMBER *(If applicable)*
1679	See Block 16C		

6. ISSUED BY CODE 892431

SC Oak Ridge Support Center
Office of Science - Oak Ridge
U.S. Department of Energy
P.O. Box 2001
Oak Ridge TN 37831

7. ADMINISTERED BY *(If other than Item 6)* CODE 06010

PNSO
U.S. Department of Energy
Pacific Northwest Site Office
P.O. Box 350, K9-42
Richland WA 99352

8. NAME AND ADDRESS OF CONTRACTOR *(Number, street, county, State and ZIP Code)*

BATTELLE MEMORIAL INSTITUTE
Attn: John Robinson
P.O. Box 999
ATTN: John M. Robinson MSIN K6-46
RICHLAND WA 99352

CODE CWKJEXDG79A7 FACILITY CODE

(X) 9A. AMENDMENT OF SOLICITATION NUMBER

☐ 9B. DATED *(SEE ITEM 11)*

10A. MODIFICATION OF CONTRACT/ORDER NUMBER
DE-AC05-76RL01830

☒

10B. DATED *(SEE ITEM 13)*
12/30/2002

11. THIS ITEM ONLY 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 electronic communication which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by letter or electronic communication, provided each letter or electronic communication makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA *(If required)*
See Schedule

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NUMBER AS DESCRIBED IN ITEM 14.

CHECK ONE

☐ A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: *(Specify authority)* THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NUMBER IN ITEM 10A.

☐ B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES *(such as changes in paying office, appropriation data, etc.)* SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

☒ C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
DEAR 970.5204-2, DEAR 970.5243-1, and Unilateral - FAR 43.103(b)

☐ D. OTHER *(Specify type of modification and authority)*

E. IMPORTANT: Contractor ☒ is not ☐ is required to sign this document and return _____ copies to the issuing office.

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

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)*		16A. NAME AND TITLE OF CONTRACTING OFFICER *(Type or print)*	
		Isidro Chavez Chavez	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)		*(Signature of Contracting Officer)*	08/20/2026

NAME OF OFFEROR OR CONTRACTOR
BATTELLE MEMORIAL INSTITUTE

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	UEI: CWKJEXDG79A7 This Unilateral contract modification incorporates changes to Part III, Section J, “List of Attachments,” Appendix D, "List of Applicable Directives & External Requirements." Payment:				

1.0 Purpose of Modification:

The Department of Energy (DOE), Office of Science (SC), Pacific Northwest Site Office (PNSO) is modifying Contract No. DE-AC05-76RL01830 (Contract) to update Section J Appendix D, as described in this Modification. The Contract shall be amended as described in this Modification to accomplish the following:

1. Revise Part III, Section J, Appendix D – List of Applicable DOE Directives and External Requirements.

2.0 Description of Modification:

1. As directed by the Department of Energy Acting Director, Office of Acquisition Management, and Senior Procurement Executive under the "Modernizing Operational Directives Initiative (Project Velocity)," Section J, Appendix D, List of Applicable DOE Directives & External Requirements, is hereby deleted in its entirety and replaced in full with Appendix D, Revision 1 (Modification 1679), attached hereto.

    a. This unilateral modification is issued pursuant to FAR 43.103(b) (Unilateral Modification), Prime Contract Clauses DEAR 970.5204-2 (Laws, Regulations, and DOE Directives) and DEAR 970.5243-1 (Changes), which authorize the Contracting Officer to revise the List of Applicable Directives by unilateral modification to add, modify, or delete specific requirements.

    b. The Contracting Officer provided notification of these Appendix D updates via email on August 13, 2026, pursuant to DEAR 970.5204-2. In accordance with Departmental guidance, the Contractor was afforded five (5) business days to assess potential impacts prior to issuance of this modification.

2. Except as expressly modified herein, all other terms and conditions of the contract remain unchanged.

(End of Contract Modification)
[1679]

Part I – The Schedule

Section B

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B–1 Designation of Work and Facilities

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

[M1067]

B–2 Obligated Funds

The total amount of funds presently obligated by the Government with respect to this Contract is $31,686,785,342.55. Such amount may be increased or decreased in accordance with Contract clause 970.5232-4 "Obligation of Funds."

[1683]

B–3 Estimated Fee Base and Total Available Performance Fees

a) The total available fee for the fiscal years outlined in Table B.1 shall be made available in accordance with the Section I clause, DEAR 970.5215-1, entitled, "Total Available Fee: Base Fee Amount and Performance Fee Amount (Dec 2000) Alternate II (Dec 2000) Alternate IV (DEC 2000)." The maximum performance fee for each fiscal year may be earned by the Contractor in accordance with the provisions of Section J, Appendix E entitled, "Performance Evaluation and Measurement Plan," for the performance of the work under this Contract commencing October 1, 2022, are as follows:

Table B.1

* Subject to possible deduction related to Key Personnel retention, see b) below.

Fiscal Year (FY)	Estimated Fee Base	Performance Fee Available
FY 23	$1.345B	$13.5M *
FY 24	$1.345B	$13.5M *
FY 25	$1.345B	$13.5M
FY 26	$1.345B	$13.5M
FY 27	$1.345B	$13.5M

b) The key personnel listed in Section I, DEAR 952.215-70 Key Personnel, commit to PNNL through September 30, 2024. Battelle is subject to forfeiture of up to $300K of fee in Fiscal Years 2023 and 2024 if it removes, replaces or diverts any of the key personnel listed without Department of Energy concurrence.

c) At the end of each fiscal year, there shall be no adjustment in the amount of the maximum available performance fee based on differences between any estimate of cost for performance of the work and the actual cost for performance of the work. Fee is subject to adjustment only –
   1. under the provisions of the "Changes" clause, DEAR 970.5243-1;
   2. for a +/- 10 percent change in the Estimated Fee Base;
   3. for failure to meet key personnel retention commitments; or
   4. the mutual agreement of the Parties that a fee adjustment is required.

[1665]

B-4 Payment of Provisional Performance Fee

The Contractor may, subject to the approval of the Contracting Officer, be paid provisional performance fee payments consistent with the provisions of the Section I Clause entitled, "DEAR 970.5232-2 – Payments and Advances." The Contractor shall promptly refund to the Government any amount of provisional performance fee paid that exceeds the amount of performance fee earned.

[M1067]

PART I – The Schedule

Section C

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C-1 Introduction

Battelle Memorial Institute, Pacific Northwest Division (the Contractor) shall, in accordance with the provisions of this Contract, accomplish the missions and programs assigned by DOE and manage and operate the Pacific Northwest National Laboratory (PNNL or the Laboratory).

PNNL is one of DOE's Office of Science (SC) multi-program national laboratories. The Laboratory is a Federally Funded Research and Development Center (FFRDC) established in accordance with the Federal Acquisition Regulation (FAR) Part 35 and operated under this management and operating (M&O) contract, as defined in FAR 17.6 and DOE Acquisition Regulation (DEAR) 917.6.

The Laboratory supports DOE's strategic themes in energy security, nuclear security, scientific discovery and innovation, environmental responsibility, and management excellence, in accomplishing the Department's mission. The Laboratory mission is to conduct basic and applied research and development (R&D) to advance scientific knowledge, the nation's energy resources, national security, environmental quality, and to strengthen educational foundations and national economic competitiveness. DOE programs are carried out in partnership with other DOE national laboratories, academia, government agencies, the international scientific community, and the private sector. The Contractor will seek to advance the frontiers of science and technology through broad interdisciplinary R&D programs that answer fundamental questions, solve technical problems (locally, regionally, nationally, and internationally), and support the development and application of technologies to address societal needs.

The Contractor has the responsibility for performance under the contract, including determining the specific methods for accomplishing the work effort, performing quality control, and assuming accountability for accomplishing the work under the contract to the benefit of the government. The Contractor shall conduct all work in a manner that optimizes productivity, and fully complies with all applicable laws, regulations, and terms and conditions of the Contract.

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 employ effective and efficient management structures, systems, and operations that maintain high levels of quality, safety and security in accomplishing the work required under this contract, and that, to the extent practicable and appropriate, rely on national, commercial, and industrial standards that can be verified and certified by independent, nationally recognized experts and other independent reviewers.

C-2 Statement of Work

2.1 General

The Contractor shall furnish the necessary personnel, facilities, equipment, materials, supplies, and services (except those provided by the Government) to accomplish the statement of work. The statement of work under this Contract is comprehensive in that the Contractor is expected to perform all necessary technical, operational, and management functions to manage and operate PNNL and perform the DOE missions assigned to PNNL.

The Contractor is expected to evaluate and update annually as necessary the PNNL mission statement as part of the Office of Science Laboratory Planning process. The Contractor shall define a long-range vision for PNNL. The long-range vision shall include how the Contractor will steward the core capabilities assigned to it by the Office of Science, define a science strategy for the future with major initiatives, provide a vision for current or future User Facilities, outline a plan for Strategic Partnership Projects and use of laboratory resources, provide a laboratory vision from an infrastructure standpoint (Campus Strategy), identifying gaps to enable a mission ready core capabilities, a clear plan to address those gaps, major investments in campus facilities and grounds, how the Contractor will attract and retain talent, maintain cost control and will status those activities as part of the Laboratory Planning process.

2.2 Department of Energy Research and Development Mission

PNNL's research and development missions and programs support the overarching mission of the DOE through efforts in fundamental, energy and environmental sciences and technologies, and national security. PNNL shall provide highly skilled staff supporting scientific discovery and multi-disciplinary efforts to rapidly translate scientific discoveries into applications in physical, biological, computational, and environmental sciences, and operate scientific user facilities such as the Environmental Molecular Sciences Laboratory (EMSL). PNNL shall support the Department's Science and Technology mission to sustain and nurture the nation's science and technology enterprise, to support national goals in security, energy, environmental quality, human health and economic growth, and to provide a significant resource for scientists world-wide to engage with Laboratory staff in accelerating the nation's progress towards these goals.

Over the term of this Contract, the Contractor shall conduct a broad spectrum of research and development programs in DOE's science, national security, environmental quality, and energy missions as assigned by DOE. The Contractor shall make its government-funded scientific and technical research results broadly available to the public. The Contractor

shall also provide technical advice and guidance to DOE in support of policy development, program planning, and other DOE activities as requested by DOE, and shall bring forward recommendations for new research and development programs designed to achieve DOE mission goals.

In keeping with its overall role as a multi-program national laboratory, the specific research programs conducted and the overall mix of research at PNNL will change, as needed, over the Contract period with DOE's changing mission needs, advances in science and technology, and other drivers. This statement of work does not represent a commitment to, or imply funding for, specific projects or programs.

2.2.1 Science and Energy Mission Role

The Contractor shall deliver the fundamental scientific knowledge and discoveries to advance the frontiers defined by the DOE Office of Science core capabilities. The Contractor shall translate those discoveries into contributions to the DOE's Science & Energy Strategic Objectives of:

- Advancing the goals and objectives by supporting prudent development, deployment, and efficient use of "energy strategy" that also create new jobs and industries.
- Supporting a more economically competitive, environmentally responsible, secure and resilient U.S. energy infrastructure.
- Delivering the scientific discoveries and major scientific tools that transform our understanding of nature and strengthen the connection between advances in fundamental science and technology innovation.

2.2.2 National Security Mission Role

In the national security mission, the Contractor shall support DOE efforts to advance new measurement and analytical systems to transform nuclear and cyber security infrastructure, increase situational awareness and reduce the threat from weapons of mass effect. Contributions to mission include:

- Lowering the risk represented by weapons of mass destruction and other threats to our nation.
- Supporting other operational mission needs with research, policy support, and technology development and deployment, including but not limited to, defense energy and environmental programs,

cyber and data science, infrastructure resilience, chemical and biological forensics and airport security.

2.2.3 Environmental Management Mission Role

The Contractor shall provide science, technology, engineering and deployment support to DOE's effort to aggressively clean up the environmental legacy of nuclear weapons and civilian nuclear research and development programs, permanently dispose of the Nation's radioactive wastes. The Contractor shall provide science and technology contributions that substantially reduce the cost, time, and risk associated with DOE's cleanup, and enable site cleanup and closure decisions to have a sound, scientific basis.

2.3 FFRDC Research and Development Mission

The Secretary of Energy has authorized PNNL to operate as 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. DOE is committed to provide the appropriate use of PNNL assets for the benefit of other Federal agencies, private companies, universities, state and local institutions, and international entities within the limits set by DOE policy. The Contractor shall continue to use its multidisciplinary capabilities and apply its expertise to conduct research for the government and the private sector through Strategic Partnerships Program (SPP), Cooperative Research and Development Agreements (CRADAs) and Agreements to Commercialize Technology (ACT).

2.3.1. Strategic Partnerships Program (SPP)

The Contractor is expected to develop and maintain a strategic approach to managing the SPP portfolio to assist Federal agencies and non-Federal entities in accomplishing goals that may otherwise be unattainable and to avoid duplication of effort at Federal Facilities (access to highly specialized or unique facilities, services or technical expertise); increase research and development interactions to transfer technology originating at the laboratory to industry for further development or commercialization; and to maintain core capabilities and enhance the science and technology base at the laboratory. SPP work must be consistent with or complimentary to the missions of DOE and the Laboratory (to include the SC core capabilities).

2.3.2. Cooperative Research and Development Agreements (CRADAs)

The Contractor is expected to use CRADAs consistent with the terms of this Contract to facilitate the commercialization of technology, optimize resources, and protect the Government, the Contractor and the CRADA participant (s) involved.

2.3.3. Agreements to Commercialize Technology (ACT)

The Contractor may conduct privately-sponsored research at the Contractor's risk for third parties. In performing ACT work, the Contractor may use staff and other resources associated with this Contract for the purposes of conducting research and furthering the DOE technology transfer mission in accordance with the terms of this Contract.

2.4 University, Research Institutions, Industry and International Collaboration Efforts

DOE expects the Contractor to establish partnerships with Universities, Research Institutions, Industry, and International institutions. The purpose of these efforts will be to build on the scientific knowledge of the institution, create through collaboration efforts and solutions to scientific issues and develop technologies that can be placed into the commercial sector to benefit the Nation.

2.4.1 Cooperation with Universities and Other Research Institutions

The Contractor shall also manage and operate programs for cooperation with academic and nonprofit research institutions to integrate research and education in scientific and technical fields underlying DOE's programs, as well as facilitate strategic collaborations between PNNL and other research and educational institutions. Such cooperation with academic and nonprofit research institutions shall include but are not limited to:

- Joint appointments;
- Establishment and operation of joint graduate programs with domestic universities; and
- Joint programs and/or institutes with universities in priority areas of science

2.4.2 International Research Collaboration and Cooperation

In accordance with applicable policies, the Contractor shall maintain a broad program of international research collaboration in areas of research interest to the federal government. This collaboration will be both in areas where federal government has formal international cooperation agreements which assign the Contractor a specific role, as well as in areas of general interest to the federal governments' research programs.

2.4.3 Technology Transfer with Industry

The Contractor shall cooperate with industrial organizations to assist in increasing U.S. industrial competitiveness, by assisting in the application of science and technology. Such cooperation may include, when appropriate, an early transfer of information to industry by arranging for

the active participation by industrial representatives in PNNL's programs. Cooperation with industrial entities may include long-term strategic relationships aimed at commercialization of inventions or the improvement of industrial products. The Contractor may respond through appropriate mechanisms to specific near-term technological needs of industrial companies with special consideration given to working with small, small disadvantaged and women-owned businesses as well as regional and local companies through special assistance programs targeting such organizations. The Contractor is expected to develop productive relationships with regional and local companies. Cooperation may also include use by industrial organizations of Laboratory facilities and other assistance as may be authorized, in writing, by the Contracting Officer. The Contractor is also encouraged to engage in strategic collaborations with domestic industry that maintain PNNL capabilities and further small business development.

2.5 PNNL Regional and Community Involvement

The Contractor shall support local and regional economic development and apply existing Laboratory assets in the execution of such support. The Contractor shall also promote the institution within the local and regional communities.

The Contractor is expected to create opportunities to educate and train future generations of scientists, engineers, and innovators to support DOE's workforce development and science, technology, engineering and mathematics (STEM) education efforts.

2.6 Operating Envelope

The Contractor shall achieve assigned objectives in a manner that is safe, secure, legally and ethically sound, as well as fiscally responsible. The operating envelope for PNNL is limited to work authorized by DOE by individual project approvals or through letters of direction, using approved work locations, and conducted in accordance with the approved PNNL Integrated Safety Management System and Safeguards, Security Management Plan and Appendix H.

2.6.1 PNNL Work Locations and Expectations

PNNL facilities may include Government-owned or leased facilities as well as approved Contractor leased facilities at such other locations as may be approved by DOE for use under this Contract. Subject to mutual agreement, other facilities may be used in the performance of the work under this Contract (e.g., Contractor-owned or Contractor-leased facilities) as approved by the Contracting Officer Section J, Appendix H).

Research and development work performed outside approved work locations (i.e. off-site) shall be reviewed and assessed for hazards, risks, application of appropriate mitigating controls and, as necessary, briefing of PNSO personnel prior to the initiation of work.

In accordance with the *Operational Agreement between the Office of Science Pacific Northwest Site Office and the Office of Environmental Management Richland Operations Office (Operational Agreement),* incorporated as Section J, Appendix F of this Contract, the Contractor shall operate designated DOE Office of Environmental Management (EM) facilities located on the Hanford Site in the 300 Area. The Contractor will maintain the resources and expertise required to support these activities.

The Contractor shall perform overall integrated planning, acquisition, upgrades, and management of Government-owned, leased, or controlled facilities and real property accountable to PNNL. The Contractor shall employ an integrated management approach for management and utilization of PNNL facilities and infrastructure to support mission.

The Contractor shall employ facilities management practices that are integrated with mission assignments and business operations. The maintenance management program shall maintain facilities, equipment and materials in a manner that:

- promotes and improves operational safety, environmental protection and compliance, property preservation, and cost effectiveness;
- ensures protection of life and property from potential hazards, continuity and reliability of operations, and fulfillment of program requirements; and
- ensures the condition of the assets will be maintained or improved to meet the DOE mission.

The Contractor shall initiate and continually improve facility and waste management practices that implement the "Start Clean – Stay Clean" principles whereby research projects and facility operations are planned and executed so to leave no additional residual waste, contamination or liability at the end of each project, irrespective of location. The Contractor shall ensure sufficient project funds are maintained to ensure that full restoration, remediation, and waste disposition can be achieved before project completion.

The Contractor may use sealed radioactive sources in federal and non-federal facilities, if the sources meet the definitions and controls specified in the DOE-approved PNNL Radiation Protection Program and the Site Security Plan (SSP).

In support of normal material management or waste management activities, the Contractor may use PNNL facilities and locations identified in Section J, Appendix H of the PNNL Contract for managing radioactive

materials or waste without prior DOE Site Office Manager notification as long as there is no additional risk of releasing dispersible material.

For all non-federal facilities, and lab spaces therein, DOE Site Office Manager approval must be obtained before 1) using any unsealed radioactive material (as defined in the DOE-approved PNNL Radiation Protection Program) that can contaminate the facility's structure or systems (e.g., ventilation) outside an engineered confinement barrier, or 2) any planned activity that can introduce residual contamination (e.g. beryllium, crystalline perchlorates, hexavalent chromium, nanoparticles, biological agents) that can contaminate the facility's structure or systems (e.g., ventilation) outside an engineered confinement barrier.

Unless otherwise approved by the DOE Site Office Manager, the Contractor shall notify the DOE Site Office Manager at least 30 days before using any unsealed radioactive material (as defined in the DOE-approved PNNL Radiation Protection Program) that can contaminate the federal facility's structure or systems (e.g., ventilation) outside an engineered confinement barrier, unless the facility or its lab spaces were previously radiologically contaminated, used for work involving unsealed radioactive material, or is covered under the 325 Building Safety Basis.

In addition, the Contractor shall notify the DOE Site Office Manager at least 30 days before changing the Facility Use Agreements (FUAs), if the change causes additional liabilities to the federal government (including but not limited to, increasing fire zone levels, adding or raising permit levels, and usage for additional hazards not previously allowed). No work with dispersible radioactive material or waste shall be allowed unless at an authorized DOE-owned facility identified in the Section J Appendix H of the contract or specifically approved by the DOE Site Office Manager. For the purposes of this section only, the PNNL Sequim campus shall be considered a DOE-owned facility. **[M1348]**

2.6.2 Hazards/Risks

The Contractor as part of its Integrated Safety Management System (ISM) will maintain a risk analysis system acceptable to DOE that addresses institutional/reputational, environment, safety, health or business risks and legacy considerations created by the acceptance of work under this Contract. All proposed work shall clearly identify risks and legacy considerations as part of the work authorization package along with justification for performing the work and controls that will be instituted to mitigate the risks and legacy considerations and where necessary the approvals required to initiate the work. Work will be conducted on the PNNL campus with protection of the public and environment in mind such that higher risk activities are conducted with the greatest buffer and separation practical.

The Contractor shall not conduct research with biological agents that exceed biosafety level II or involve Tier I select agents without prior DOE Site Office Manager approval. The Contractor will maintain individual facility chemical inventories below Threshold Planning Quantities. The Contractor will maintain radiological materials within authorized operating limits. The Contractor shall maintain business systems within compliance of applicable laws, regulations and directives.

DOE maintains its right to not authorize the proposed work based upon analysis of the hazards/risks and legacy considerations involved.

2.6.3 Security

The Contractor shall conduct work in a manner that protects sensitive unclassified information, classified information, special nuclear material, cyber systems and Government property, from sabotage, espionage, loss or theft. The Contractor shall obtain approval of safeguards and security plans from the cognizant security authority (i.e., Site Office Manager) which describes protective measures appropriate to the work being performed. Any significant changes or deviations from the approved safeguards and security plans require the cognizant security authority's review and approval.

2.6.4 Safety Management Strategy (SMS) for the Testing and Validation Area 2 (T&V2)

The Contractor, as part of operating the Grid Storage Launchpad (GSL) facility, shall manage and perform work in accordance with a documented Safety Management Strategy (SMS) for the Testing and Validation Area 2 (T&V2). The T&V2 SMS will address:

1. GSL T&V2 facility description and research overview.
2. Hazard analysis and control derivation.
3. Facility operating limits and administrative controls.
4. Engineered controls summary and the administrative program.

The Contractor shall provide the T&V2 SMS to DOE for review and approval. The Contractor shall review the strategy on an annual basis and obtain DOE approval if changes are made.

C-3 Performance Expectations, Objectives, and Measures

3.1 Core Expectations

3.1.1 General

The relationship between DOE and its national laboratory management and operating contractors is designed to bring best

practices for research and development to bear on the DOE's missions. Through application of these best practices, DOE seeks to assure programmatic and operational performance of today's research programs and the long-term quality, relevance, and productivity of the laboratories against tomorrow's needs. Accordingly, DOE has substantial expectations of the Contractor in the areas of: program delivery and mission accomplishment; laboratory stewardship; and laboratory operations and financial management.

3.1.2 Program Delivery and Mission Accomplishment Expectations

The Contractor is expected to provide effective planning, management, and execution of assigned research and development programs. The Contractor is expected to execute assigned programs so as to strive for the greatest possible impact on achieving DOE's mission objectives, to aggressively manage PNNL's science and technology capabilities and intellectual property to meet these objectives, and to bring forward innovative concepts and research proposals that are well-aligned with DOE missions. The Contractor shall propose work that is aligned with, and likely to advance, DOE's mission objectives, and that is well matched to Laboratory capabilities. The Contractor shall strive to meet the highest standards of scientific quality and productivity, "on-time, on budget, as-promised" delivery of program deliverables, and first-rate service to the research community through user facility operation.

3.1.3 Operating Principles

The Contractor is accountable for providing reasonable assurance to the DOE that PNNL'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 PNNL's mission and Contract requirements.

Laboratory management is to provide and report in a timely manner performance data to Governance processes, which ultimately provide assurance to DOE.

The Contractor will be responsible for penalties and fines arising from work conducted by Contractor staff which is not consistent with work authorization clause(s) of the Contract which outline the

scope of work the Contractor may appropriately perform under this Contract. DOE shall not be liable for special, consequential, or incidental damages attributed to such actions.

3.1.4 Laboratory Stewardship Expectations

The Contractor is expected to be an active partner with DOE in assuring that PNNL is renewed and enhanced to meet future mission needs. Within the constraints of available resources and other Contract requirements, the Contractor, in partnership with DOE, shall:

(a) Maintain a Laboratory vision and long-term strategic plan to meet anticipated DOE and national needs.

(b) Attract, develop, and retain an outstanding work force, with the skills and capabilities to meet DOE's evolving mission needs.

(c) Renew and enhance research facilities and equipment so that PNNL remains mission ready and is well-positioned to meet future DOE needs.

(d) Build and maintain a financially viable portfolio of research programs that generates the resources required to renew and enhance Laboratory research capabilities over time.

(e) Maintain a positive relationship with the broader research community, to enhance the intellectual vitality and research relevance of PNNL, and to bring the best possible capabilities to bear on DOE mission needs through collaborative relationships with the research community.

(f) Build a positive, supportive relationship founded on openness and trust with the community and region in which PNNL is located.

(g) Maintain the "Living Laboratory Innovation Initiative" (L^2I^2) in accordance with the L^2I^2 Plan. Formally notify PNSO of any changes to the scope in the L^2I^2 Plan. **[1644]**

3.1.5 Operational and Financial Management Expectations

The Contractor is expected to effectively and efficiently manage and operate PNNL through management practices designed to enable research. The Contractor shall assure the protection and proper maintenance of DOE research and information assets, the health and safety of staff, the public, and the environment. The

Contractor is also to develop and deploy management systems and practices that are compliant, efficient and enhance research productivity and mission accomplishment.

3.1.6 Expectations for Program and Project Management for the Acquisition of Capital Assets

DOE's Project Management Principles apply to all capital asset projects using a tailored approach as defined or approved by the sponsoring project office. This includes Construction as defined in DOE Order 430.1 (current version). The Contractor is expected to provide for:

a. Line management accountability

b. Sound, disciplined, up-front project planning.

c. Well-defined and documented project requirements.

d. Development and implementation of sound acquisition strategies that incorporate effective risk handling mechanisms.

e. Well-defined and managed project scope and risk-based Performance Baselines (PBs) and stable funding profiles that support original cost baseline execution.

f. Development of reliable and accurate cost estimates using appropriate cost methodologies and databases.

g. Properly resourced and appropriately skilled project staffs.

h. Effective implementation of all management systems supporting the project (e.g., quality assurance, integrated safety management, risk management, change control, performance management, and contract management).

i. Early integration of safety into the design process.

j. Effective communication among all project stakeholders.

k. Utilization of peer reviews throughout the life of a project to appropriately assess and make course corrections.

l. Process to achieve operational readiness is defined early in the project for Hazard Category 1, 2, and 3 nuclear facilities.

For all capital asset projects with a Total Project Cost (TPC) equal to or greater than $50 million, the Contractor shall comply with the requirements as set forth in DOE Order 413.3B Contractor Requirements Document (CRD). **[1644]**

3.1.7 Sustainable Practices for the Institution

The Contractor shall assist DOE through direct participation and other support in achieving DOE's energy efficiency goals and objectives in electricity, water, and thermal consumption, conservation, and savings.

3.2 Performance Objectives and Measures

The performance objectives and measures of this contract are stated in the annual Performance Evaluation and Measurement Plan for the Management and Operations of the Pacific Northwest National Laboratory.

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Reserved

Part I – The Schedule

Section E

Inspection and Acceptance

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E – 1 FAR 52.246-9 Inspection of Research and Development (Short Form) (Apr 1984)

The Government has the right to inspect and evaluate the work performed or being performed under the Contract, and the premises where the work is being performed, at all reasonable times and in a manner that will not unduly delay the work. If the Government performs inspection or evaluation on the premises of the Contractor or a subcontractor, the Contractor shall furnish and shall require subcontractors to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

[M1067]

(End of Clause)

Part I – The Schedule

Section F

Deliveries or Performance

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F – 1 Period of Performance

(a) This Contract shall be effective as specified in Block No. 3 – Effective Date, of the Standard Form 30, for this modification, except as otherwise provided, and shall continue up to and including September 30, 2027, unless sooner terminated according to its terms and conditions, or extended in accordance with the appropriate FAR and DEAR provisions.

(b) This contract shall be extended for a period of five (5) years effective October 1, 2022 and shall continue up to and including September 30, 2027 unless sooner terminated according to its terms and conditions, or extended in accordance with the appropriate FAR and DEAR provisions.

[M1414]

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

(a) The Contracting Officer may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this Contract for a period of 90 days after the order is delivered to the Contractor, and for any further period to which the Parties may agree. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Contractor, or within any extension of that period to which the Parties shall have agreed, the Contracting Officer shall either:

(1) Cancel the stop-work order; or

(2) Terminate the work covered by the order as provided in ***the Termination clause of this Contract***.

(b) If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Contractor shall resume work. The Contracting Officer shall make ***an equitable adjustment in the delivery schedule, the estimated cost, the fee, or a combination thereof, and in any other terms of the Contract that may be affected,*** and the Contract shall be modified, in writing, accordingly, if:

(1) The stop-work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this Contract; and

(2) The Contractor asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided that, if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon the claim submitted at any time before final payment under this Contract.

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

(4) If a stop-work order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

[M1067]

F – 3 Deliverables

The Contractor will provide to the Contracting Officer the routine deliverables identified in the following table. These deliverables are in addition to those required elsewhere in this Contract.

Deliverable	Source Requirement	Description
A	CO Letter 02-FMD-0060, dated October 23, 2002, subject "Reconciliation of Activities Charged to Suspense Debits and Budget and Reporting YN01".	Provide by the 10th of every month a reconciliation of activities charged to suspense accounts.
B	DOE HQ	As required by DOE HQ, provide input into the DOE Workforce Information System (WFIS): 1) Annual workforce restructuring report, and 2) quarterly EEO reports.
C	CO letter 06-PD-187 dated May 10, 2006, subject "Field Office Integrated Contactor Trial Balance Reconciliation Certification".	By the 15th calendar day of each month, provide a trial balance monthly recertification. Additionally, provide a biannual reconciliation and certification at the full Accounting Flex Field level for specific Standard General Ledger accounts.
D	CO letter 08-PNSO-0601 dated Sept. 29, 2008, subject “Letter of Credit”.	Quarterly review of payments cleared financing arrangement with the financial institution, to be provided within 30 days of end of each quarter, plus semi-annual analysis that demonstrates the adequacy of funds on deposit for the previous six-month period consistent with DOE Accounting Handbook, section 6-11.

Deliverable	Source Requirement	Description
E	CO letter 09-PNSO-0158 dated Jan. 16, 2009, subject "Washington State University Use of DOE Owned Equipment.	Consistent with DOE Order 522.1A required analysis of pricing data, provide annual report detailing DOE equipment in BSEL, WSU usage of equipment in the service center and equipment that meets the criteria for a service center, and an analysis showing WSU non-collaborative usage no later than 30 days after the end of each fiscal year. **[M1281]**
F	CO Letter, 25-PNSO-0086, dated (March 19, 2025), subject "Proposed Changes to Part I, Section F – Deliveries or Performance, Deliverable F".	Provide SC FY Budget Call annually to PNSO every June or as otherwise provided with annual guidance. **[1600]**
G	CO Letter 13-PNSO-0248, dated July 8, 2013, subject "Capitalizing Software Development Costs	As required by DOE HQ's Guidance related to Capitalizing Software Development Costs dated May 21, 2013 & October 1, 2000 related to SFFAS 10 requirements, provide a yearly report of all capitalized software developments costs by August 20th of every year and record all capitalized software in STARS in the third and fourth quarter of every fiscal year. **[M991]**
H	PNSO Letter 18-PNSO-0136, March 20, 2018, subject "Review and Approval Process for Non-Department of Energy (DOE) Funded Work Involving Animal Use at Office of Science (SC) Laboratories, Transmittals of Surveillance S-19-PSNO-PNNL-003, and Notification of Proposed Changes to Section F – Deliveries or Performance".	Per updated guidance by DOE-SC, maintain a list of all animal use projects (mammals and non-mammals, excluding sponges funded by DOE, including NNSA, and non-DOE sponsors, and provide a year-end report to DOE-SC, using the DOE-SC provided format. The report shall be submitted electronically to PNSO, using the current template, for transmittal to SC-HQ every year. **[M1281]**
I	PNSO Letter 18-PNSO-0302, August 13, 2018, subject "Improper Payment and Payment Recapture Audit Reporting Requirements"	Per updated guidance, OMB Circular A-123, Appendix C, Requirements for Payment Integrity Improvement as part of annual payment auditing reporting are required. Risk assessments/reporting templates and Certifications will be due annually to PNSO with a copy to the Oak Ridge Office, every August or as identified in the annual guidance. **[M1182]**

J	CO Letter 21-PNSO-0030, December 2, 2020, subject "FY 2020 Institutional Cost Report (ICR) Requirements"	Provide Institutional Fiscal Year Cost Report annually to PNSO every December or as otherwise provided in annual guidance. **[M1291]**
K	CO Letter 21-PNSO-0001, October 20, 2020, subject "Unallowable Cost Yearly Report"	Provide Unallowable Cost Yearly Report annually to PNSO 60 days after the end of each fiscal year. **[M1291]**
L	CO Letter 21-PNSO-0189, July 9, 2021, "Monthly Reconciliation Report for both Strategic Partnership Program (SPP) and Agreements for Commercializing Technology (ACT)"	Provide to DOE Contracting Officer 30 days after the end of each month. **[M1403]**
M	CO Letter 25-PNSO-0258, July 15, 2025, "Proposed Changes to Part I, Section F – Deliveries or Performance, Deliverable F".	Provide pension and post-retirement benefit submissions, an annual management representation letter by September, and DOE Enterprise Risk Management deliverables, all in accordance with Office of Science and PNSO annual guidance. Additionally, submit an annual indirect rate request for Contracting Officer review and approval by August 1st, and integrated contractor financial submittals and financial statement reporting requirements (monthly, quarterly, and year-end), including subsequent events, consistent with Office of Science and PNSO annual guidance and contractual requirements. These deliverables formalize routine requirements into the contract, with guidance to be managed via email from the PNSO POC to relevant PNNL personnel. [1627]

[M1403]

F – 4 Stop Work and Shutdown Authority

FAR 52.242-15 – Stop Work Order (Alternate I), allows only the Contracting Officer to stop work or shutdown facilities for reasons other than harm or imminent danger to the environment or health and safety of employees and the public.

Due to the immediate need to stop work due to situations where the Contractor's acts or failures to act cause substantial harm or present an imminent danger to the environment or health and safety of employees or the public, any DOE employee may exercise the stop work authority contemplated in Section I Clause entitled "DEAR 970.5223-1 – Integration of Environment, Safety, and Health into Work Planning and Execution."

[M1067]

F – 5 Principal Place of Performance

The principal place of contract performance is at the site of the Pacific Northwest National Laboratory located in Richland, Washington (Benton County).

[M1067]

Part I – The Schedule

Section G

Contract Administration Data

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G-1 DOE Contracting Officer (CO)

For the definition of Contracting Officer see FAR 2.101 – Definitions. The Contracting Officer is the only individual who has the authority on behalf of DOE to take the following actions under the contract:

(a) Assign additional work within the general scope of the Statement of Work of the contract;
(b) Issue a change as defined in the "Changes" clause of the contract;
(c) Change any of the expressed terms, conditions or specifications of the contract;
(d) Accept non-conforming work; or
(e) Waive any requirement of this contract.

(End of Clause)
[M1414]

G-2 Contracting Officer's Representative(s) (COR)

The Contracting Officer's Representative(s) will be designated by separate letter and will represent the Contracting Officer in the technical phases of the work. A copy of this designation letter shall be furnished to the Contractor. The COR is not authorized to change any of the terms and conditions of this contract. Changes in the Scope of Work will be made only by the Contracting Officer by properly written modification(s) to the contract. Additional Contracting Officer's Representative(s) for other purposes as required may be designated in writing by the Contracting Officer.

(End of Clause)
[M1414]

G–3 DEAR 952.242-70 Technical Direction (DEC 2000)

(a) Performance of this work under this Contract shall be subject to the technical direction of the Contracting Officer's Representative (COR). The term "technical direction" is defined to include, without limitation:

(1) Providing direction to the Contractor that redirects Contract effort, shift work emphasis between work areas or tasks, require pursuit of certain lines of inquiry, fill in details, or otherwise serve to accomplish the contractual Statement of Work.

(2) Providing written information to the Contractor that assists in interpreting drawings, specifications, or technical portions of the work description.

(3) Reviewing and, where required by the Contract, approving, technical reports, drawings, specifications, and technical information to be delivered by the Contractor to the Government.

(b) The Contractor will receive a copy of the written COR designation from the Contracting Officer. It will specify the extent of the COR's authority to act on behalf of the Contracting Officer.

(c) Technical direction must be within the scope of the work stated in the Contract. The COR does not have the authority to, and may not, issue any technical direction that:

(1) Constitutes an assignment of additional work outside the Statement of Work;

(2) Constitutes a change as defined in the Contract clause entitled "Changes;"

(3) In any manner causes an increase or decrease in the total estimated Contract cost, the fee (if any), or the time required for Contract performance;

(4) Changes any of the expressed terms, conditions or specifications of the Contract; or

(5) Interferes with the Contractor's right to perform the terms and conditions of the Contract.

(d) All technical directions shall be issued in writing by the COR.

(e) The Contractor must proceed promptly with the performance of technical direction duly issued by the COR in the manner prescribed by this clause and within its authority under the provisions of this clause. If, in the opinion of the Contractor, any instruction or direction by the COR falls within one of the categories defined in (c) (1) through (c) (5) of this clause, the Contractor must not proceed and must notify the Contracting Officer in writing within five (5) working days after receipt of any such instruction or direction and must request the Contracting Officer to modify the Contract accordingly. Upon receiving the notification from the Contractor, the Contracting Officer must:

(1) Advise the Contractor in writing within thirty (30) days after receipt of the Contractor's letter that the technical direction is within the scope of the Contract effort and does not constitute a change under the Changes clause

of the Contract;

(2) Advise the Contractor in writing within a reasonable time that the Government will issue a written change order; or

(3) Advise the Contractor in writing within a reasonable time not to proceed with the instruction or direction of the COR.

(f) A failure of the Contractor and Contracting Officer either to agree that the technical direction is within the scope of the Contract or to agree upon the Contract action to be taken with respect to the technical direction will be subject to the provisions of the clause entitled "Disputes."

(End of Clause)

G–4 Correspondence Procedure

Acting as a representative of the DOE Office of Science, the Pacific Northwest Site Office (PNSO) has the overall lead responsibility for oversight and administration of the programs and activities conducted by the Laboratory. To promote timely and effective administration, correspondence, submitted under the Contract, shall contain a subject line commencing with the Contract number and shall be subject to the following procedures:

(a) Technical Correspondence

Technical correspondence shall be addressed to the DOE Program Manager, COR, or other duly authorized Government representative, with an information copy of the correspondence to the PNSO. For the purpose of this paragraph, technical correspondence does not include technical correspondence where patent issues are involved; correspondence which proposes or otherwise involves waivers, deviations, or modifications to the requirements, terms, or conditions, of this Contract; and correspondence associated with approval requirements of the Contracting Officer.

(b) Other Correspondence

Other than technical correspondence shall be addressed to the Contracting Officer with information copies of the correspondence to the PNSO and as appropriate to the DOE Program Manager, COR, or other authorized Government representatives.

End

G–5 Modification Authority

Notwithstanding any of the other provisions of this Contract, a Contracting Officer shall be the only individual on behalf of the Government authorized to:

1) Assign additional work within the general scope of the Statement of Work of the contract;
2) Issue a change as defined in the "Changes" clause of the Contract;
3) Change any of the expressed terms, conditions or specifications of the Contract;
4) Accept non-conforming work; or
5) Waive any requirement of this Contract;

[M1067]
(End of Clause)

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Section H

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H-1 Pacific Northwest National Laboratory Land/Facilities

DOE agrees to furnish and make available to the Contractor, for the performance of work under this Contract, the Laboratory land/facilities designated as follows:

(a) The Government-owned or leased land, buildings, utilities, equipment and other facilities situated at the Pacific Northwest National Laboratory Site at Richland, Benton County, Washington and Sequim, Clallam County, Washington; and

(b) Government-owned or leased facilities at such other locations as may be approved by DOE for use under this Contract.

DOE reserves the right to make part of the above-mentioned land or facilities in paragraphs (a) and (b) available to other Government agencies or other users on the basis that the responsibilities and undertakings of the Contractor will not be unreasonably interfered with.

In order to assure non-interference on Battelle-retained lands, the following shall be recorded within the deed language:

(1) Grantee is prohibited from undertaking any activity that is prohibited on this property by the Richland Municipal Zoning Regulations in effect in 2021. This property was zoned B-RP, Business Research Park, and as such, grantee is permanently restricted from undertaking any activity prohibited by these standards unless specifically waived by the Department of Energy.

(2) No change in local zoning regulations or the zoning on this property shall alter these restrictions.

(3) The intent of this restriction is to avoid any interference with the operation of the Pacific Northwest National Laboratory.

Before exercising its right to make any part of the land or facilities available to another agency or user, DOE will confer with the Contractor.

Unless otherwise authorized by this Contract or as agreed to by the Parties, the Contractor agrees to provide to DOE the exclusive use of the Contractor-owned facilities and the beneficial use of the Contractor-owned land for the operations of the Pacific Northwest National Laboratory, in accordance with the rights and obligations set forth in Section J, Appendix I, Advance Agreement on Costs and Associated Use of Battelle Owned Facilities and Real Property.

A list of current approved Government-owned and leased and Contractor-owned and Contractor-leased Laboratory land/facilities is contained in Section J, Appendix H – List of Approved Laboratory Land/Facilities (Owned and Leased).

Subject to mutual agreement land/facilities may be authorized or removed in the performance of the work under this Contract.

The Contractor may use the above-mentioned Government-owned or leased land, facilities and property in its custody under this Contract to conduct research and development activities under the Contract Clause entitled "Non-Federal Agreements for Commercializing Technology (Pilot)".

(End of Clause)
[M1414]

H-2 Source and Special Nuclear Materials

The Contractor shall comply with all applicable regulations and instructions of DOE relative to the control of and accounting for source and special nuclear material (as these terms are defined in applicable regulations). The Contractor shall make such reports and permit such inspections as DOE may require with reference to source and special nuclear materials. The Contractor shall take all reasonable steps and precautions to protect such materials against theft and misappropriations and to minimize all losses of such materials. The Contractor shall also submit to DOE, as requested for all specified nuclear materials, the annual Nuclear Materials Inventory Assessment and the Nuclear Materials Forecast.

(End of Clause)

H-3 Workers' Compensation

(a) Pursuant to State of Washington Revised Code (RCW) Title 51, the Department of Energy (DOE), Richland Operations Office (RL) is a group self-insurer for purposes of workers' compensation coverage. The coverage afforded by those workers' compensation statutes shall, for work under this Contract in the state of Washington, be subject to the following:

(1) Under the terms of a Memorandum of Understanding (MOU) with the Washington Department of Labor and Industries (L&I), DOE has agreed to perform all functions required by self-insurers in the State of Washington. While this MOU is in effect, the Contractor is not required to pay for workers compensation coverage or benefits except as otherwise provided below or as directed by the Contracting Officer.

(2) The Contractor shall submit to DOE (or other party as designated by DOE for transmittal to the L & I), such payroll records required by the workers compensation laws of the State of Washington.

(3) The Contractor shall submit to DOE (or other party as designated by DOE), for transmittal to the Department, the accident reports provided for by RCW Title 51, Section 51.28.010, or any other documentation

requested by DOE or the L&I pursuant to the workers compensation laws of the State of Washington.

(4) The Contractor shall take such action, and only such action, as DOE requests in connection with any accident reports, including assistance in the investigation and disposition of any claim thereunder and, subject to the direction and control of DOE, the conduct of litigation in the Contractor's own name in connection therewith.

(5) Under RCW Title 51.32.073, DOE is the self-insurer and is responsible for making quarterly payments to the State Department of L&I. In support of this arrangement, the Contractor is responsible for withholding appropriate employee contributions and forwarding on a timely basis these contributions plus the employer-matching amount to DOE.

(6) The workers' compensation program shall operate in partnership with Contractor employee benefits, risk management, and environmental, safety, and health management programs. The Contractor shall cooperate with DOE for the management and administration of DOE, Richland Operations Office (RL) self-insurance program that provides workers' compensation benefit coverage to Contractor employees at PNNL.

(7) The Contractor must certify to the accuracy of the payroll record used by the Department in establishing the self-insurance claims reserves, and cooperate with any state audit.

(8) The Contractor shall submit to the Contracting Officer, a yearly evaluation and analysis of workers' compensation cost as a percent of payroll compared with the percentage of payroll cost reported by a nationally recognized Cost of Risk Survey that has been pre-approved by the Department (once DOE has provided the Contractor with the necessary data to perform the analysis required in this paragraph).

(b) The Contractor will provide statutory worker's compensation coverage for staff members performing work under this Contract outside of the State of Washington and not otherwise covered by the State of Washington worker's compensation laws.

(c) Subcontractors performing work under this Contract on behalf of the Contractor are not covered by the provision of the Agreement referenced in (a)(1) of this clause. The Contractor shall flow-down to its subcontractors the requirement to provide statutory worker's compensation coverage for the subcontractor's employees. The Contractor shall have no responsibility for subcontractor worker's compensation when it includes this requirement in the subcontract.

(End of Clause)

H-4 Contractor Acceptance of Notices of Violation or Alleged Violations, Fines, and Penalties

(a) The Contractor shall accept, in its own name, service of notices of violation or alleged violations (NOVs/NOAVs) issued by Federal or State regulators to the Contractor resulting from the Contractor's performance of work under this Contract, without regard to liability. The allowability of the costs associated with fines and penalties shall be subject to the other provisions of this Contract.

(b) The Contractor shall notify DOE promptly when it receives service from the regulators of NOVs/NOAVs and fines and penalties.

(End of Clause)

H-5 Allocation of Responsibilities for Contractor Environmental Compliance Activities

(a) The Parties commit to full cooperation with regard to acquiring any necessary permits or licenses required by environmental, safety and health (ES&H) laws, codes, ordinances, and regulations of the United States, states or territories, municipalities or other political subdivisions, and which are applicable to the performance of work under this Contract. It is recognized that certain ES&H permits will be obtained jointly as co-permittees, and other permits will be obtained by either party as the sole permittee. The Contractor, unless otherwise directed by the Contracting Officer, shall procure all necessary non-ES&H permits or licenses.

(b) This clause allocates the responsibilities of DOE and the Contractor, referred to collectively as the "Parties", for implementing the environmental requirements at facilities within the scope of the Contract. In this Clause, the term "environmental requirements" means requirements imposed by applicable Federal, State, and local environmental laws and regulations, including, without limitation, statutes, ordinances, regulations, court orders, consent decrees, administrative orders, or compliance agreements, including the *Hanford Federal Facility Agreement and Consent Order*, consent orders, permits, and licenses.

(c) (i) Liability and responsibility for civil fines or penalties arising from or related to violations of environmental requirements shall be borne by the party causing the violation irrespective of the fact that the cognizant regulatory authority may assess any such fine or penalty upon either party or both Parties without regard to the allocation of responsibility or liability under this Contract. This contractual allocation of liability for any such fine or penalty is effective regardless of which party signs permit applications, manifests, reports, or other required documents, is a permittee, or is the named subject of an enforcement action or assessment of a fine or penalty. The allowability of the costs associated with fines and penalties

assessed against the Contractor shall be subject to the other provisions of this Contract.

(ii) In the event that the Contractor is deemed to be the primary party causing the violation, and the costs of fines and penalties proposed by the regulatory agency to be assessed against the Government (or the Government and Contractor jointly) are determined by the Government to be presumptively unallowable if allocated against the Contractor, then the Contractor shall be afforded the opportunity to participate in negotiations to settle or mitigate the penalties with the regulatory authority. If the Contractor is the sole party of the enforcement action, the Contractor shall take the lead role in the negotiations and the Government shall participate and have final authority to approve or reject any settlement involving costs charged to the Contract.

(d) DOE agrees that if bonds, insurance, or administrative fees are required as a condition for permits obtained by the Contractor under this Contract, and the Contractor has been directed in by the Contracting Officer to obtain such permits after the Contractor has notified the Contracting Officer of the costs of complying with such conditions, such costs shall be allowable. In the event such costs are determined by DOE to be excessive or unreasonable, DOE shall provide the regulatory agency with the acceptable form of financial responsibility. Under no circumstances shall the Contractor be required to provide any corporate resources or corporate guarantees to satisfy such regulatory requirements.

(End of Clause)

H-6 Other Intellectual Property Related Matters

(a) Transfer of Patent Rights to a Successor Contractor

As consideration for the Contractor's commitment to expend private monies in its privately-funded technology transfer effort under this Contract at a level at least commensurate with such expenditures under its prior contracts, including an average of five hundred thousand dollars ($500,000) per year for activities under the privately-funded technology transfer program which includes a combination of the filing of an average of 7 patent applications, and no fewer than 5, per year during the period of this Contract, including expenses related to the patenting, marketing, licensing and development of Subject Inventions, the Parties agree that at the termination or expiration of this Contract, the following terms and conditions shall apply to Subject Inventions which were elected to be pursued under the Contractor's privately-funded technology transfer program, and to the licenses and royalties generated therefrom: **[M881]**

(1) In the event Contractor has executed a license, assignment or other commercialization agreement to a Subject Invention prior to termination or expiration of this Contract in which royalties, fees, equity or other consideration is to be or has been paid (hereinafter "agreement"), the

distribution of net income from royalties, equity, or any other consideration received or to be received under such agreement shall remain as prior to Contract termination or expiration and shall continue for the duration of such agreement. As set forth in paragraph (d) below, fifty-one percent (51%) of such net income shall go to the Successor Contractor at the Facility for use at the Facility pursuant to its contract or, in the absence of a Successor Contractor, to such other entity designated by the Government, and forty-nine percent (49%) may be retained by the Contractor for use in accordance with 35 USC Section 200 et seq. Administration of agreements related to such Subject Invention, shall remain with the Contractor. Title to such Subject Invention shall remain with the Contractor provided the Contractor has fulfilled the commitments set forth in paragraph (a) above. If the Contractor has not fulfilled the commitments set forth in paragraph (a) above, upon request, title to such Subject Invention shall be transferred to the Successor Contractor, or such other entity designated by the Government.

(2) In the event Contractor has not executed an agreement (as defined in paragraph (1) above) to a Subject Invention, upon request, title to such Subject Invention shall be transferred to the Successor Contractor, or to such other entity designated by the Government, unless Contractor can demonstrate that it has expended at least twenty thousand dollars ($20,000) of private monies in its privately funded technology transfer program toward the patenting, licensing, marketing and/or development of such Subject Invention, and the Contractor has fulfilled the commitments set forth in paragraph (a) above. In the event Contractor retains title to a Subject Invention under this paragraph, the distribution of royalties, fees, equity or other consideration from such agreement shall be as set forth in paragraph (1) above.

(3) In the event Contractor retains title to Subject Inventions under paragraphs (1) or (2) above, and executes an agreement (as defined in paragraph (1) above) to such Subject Inventions after the termination or expiration of this Contract, the distribution of royalties, fees, equity or other consideration from such agreement shall be as set forth in paragraph (1) above.

(4) The Contractor and the Government shall enter negotiations prior to such termination or expiration with respect to retention of the title to Subject Inventions. Such negotiations shall consider the equities of the Parties with respect to each Subject Invention and shall take into consideration the presence of private investment, DOE's need for continued operation of the Facility, potential commercial use, assumption of patent related liabilities, effective technology transfer, and the need to market the technology. Such negotiations shall not change the disposition of title provided for in

paragraphs (1) and (2) above unless mutually agreed by the Contractor and the Government.

(5) For any Subject Invention to which the Contractor maintains title or administration of an agreement under paragraphs (a)(1)-(2) above, the Contractor agrees that, to the extent it is able to do so in view of prior licenses or assignments, it will negotiate in good faith to enable the Successor Contractor to practice such subject invention in the form of CRADAs, Strategic Partnerships Projects agreements, licenses or other appropriate agreements, in order to fulfill the missions and programs of the Facility. It is the intention of the Contractor to enable the Successor Contractor to continue operation of the Facility, including the Facility's technology transfer program. In any event, the Successor Contractor retains the nonexclusive royalty-free right to practice the Subject Invention on behalf of the U.S. Government.

(b) Costs

(1) Except as otherwise specified in the clause of this Contract entitled, "Technology Transfer Mission," as allowable costs for conducting activities pursuant to provisions of that clause, no costs are allowable as direct or indirect costs for the preparation, filing, or prosecution of patent applications or the payment of maintenance fees or licensing and marketing costs after the Contractor elects to pursue commercialization of a Subject Invention under its privately-funded technology transfer program pursuant to paragraph (f) below. Should the Contractor make such election after allowable costs have been incurred with respect to the patenting of a particular Subject Invention, such costs shall be repaid from private funds concurrent with such election. **[M1067]**

(c) Liability of the Government

(1) It is understood that the privately-funded technology transfer activities of the Contractor under this clause are not subject to the clause entitled, "Insurance–Litigation and Claims."

(2) The Contractor shall not include in any license agreement or assignment any guarantee or requirement, which would obligate the Government to pay any costs or create any liability on behalf of the Government.

(3) The Contractor shall include in all licensing agreements and in any assignment of title the following clauses unless otherwise approved or directed by the Contracting Officer following consultation with the DOE Patent Counsel:

(i) "This agreement is entered into by Battelle Memorial Institute (BMI) in its private capacity. It is understood and agreed that the U.S. Government is not a party to this agreement and in no manner whatsoever shall be liable for nor assume any responsibility or obligation for any claim, cost or damages arising out of or resulting from this agreement or the subject matter licensed assigned."

(ii) "Nothing in this Agreement shall be deemed to be a representation or warranty by the U.S. Government of the validity of any of the patents or the accuracy, safety, or usefulness for any purpose, of any TECHNICAL INFORMATION, techniques, or practices at any time made available by BMI. The U.S. Government shall have no liability whatsoever to LICENSEE or any other person for or on account of any injury, loss, or damage of any kind or nature sustained by, or any damage assessed or asserted against, or any other liability incurred by or imposed upon LICENSEE or any other person, arising out of or in connection with or resulting from:

(A) The production, use, or sale of any apparatus or product, or the practice of the INVENTIONS;

(B) The use of any TECHNICAL INFORMATION, techniques, or practices disclosed by BMI; or

(C) Any advertising or other promotional activities with respect to any of the foregoing, and LICENSEE shall hold the U.S. Government harmless in the event the U.S. Government is held liable. BMI represents that it has the right to grant all of the rights granted herein, except as to such rights as the Government of the United States of America may have or may assert."

(d) Distribution of net income

In the event the Contractor engages in a privately funded technology transfer program under the clause of this Contract entitled, "Patent Rights – Management and Operating Contracts, Nonprofit Organization or Small Business Firm Contractor" or the clause of this Contract entitled, "Rights in Data – Technology Transfer, " such that private funds are utilized for technology transfer after the Contractor elects to pursue privately-funded commercialization of a Subject Invention or after the Contractor has received permission from the Contracting Officer to assert statutory copyright in a software program and received DOE approval to commercialize such software under its privately funded technology transfer program under paragraph (h) below, net income from such privately funded technology transfer program shall be distributed as follows:

(1) Fifty-one percent (51%) of net income shall be used at the Facility for scientific research, development and education consistent with the research and development mission and objectives of the Facility. Forty-nine percent (49%) of such net income may be used by the Contractor at a location other than the Facility if such use is for scientific research, development, and education consistent with the research and development mission and objectives of the Facility in accordance with 35 USC Section 200 et seq.

(2) "Net income" is defined as that amount remaining after the expense of patenting costs, licensing and marketing costs, payments to inventors, and other expenses incidental to the administration of Subject Inventions is deducted from gross income received.

(e) Equity Plan

It is the intent of the Government and the Contractor that the Contractor shall, in its discretion, take reasonable and prudent actions from both a commercial and stewardship of the Facility's technology transfer perspective related to the ownership of equity received from third parties under this Contract. The Contractor shall submit to the Contracting Officer a plan, which shall set forth principles for the Contractor's acquisition, retention and disposition of equity received from third parties as consideration for licenses or assignments granted to such third party. Such plan shall consider, at a minimum,

(1) the manner in which the Contractor shall acquire such equity in a third party, including the manner in which the Contractor shall apportion capital contributions to such third party between the relative value of private Contractor contributions and the value of contributions representing a license under a Subject Invention;

(2) the manner in which the Contractor shall hold such equity, given that the Government has an undivided 51% interest in that portion of such equity representing the value of contributions resulting from a license to such Subject Invention;

(3) the manner in which the Contractor shall dispose of such equity, giving due consideration to the potential for a conflict of interest between the interests of the Government and the Contractor; and

(4) the manner in which the Contractor's inventors are compensated.

(f) The Contractor shall indicate whether a Subject Invention will be pursued under its government-funded technology transfer program or its privately-funded technology transfer program within six (6) months after the Subject Invention is reported to the Contractor, unless otherwise agreed in writing by the DOE Patent

Counsel.

(g) In its privately-funded technology transfer program, the Contractor shall be substantially guided by the principles of U.S. Competitiveness and Fairness of Opportunity as set forth herein.

(h) When requesting approval from DOE to assert statutory copyright in a particular software package pursuant to the clause entitled "Rights in Data—Technology Transfer", Contractor may request that commercialization of such software proceed under the provisions of this Clause. If approved, no costs of such commercialization thereafter shall be allowable, and the proceeds of such commercialization shall be treated in accordance with paragraph (a) above as if such proceeds had resulted from the commercialization of a Subject Invention.

(End of Clause)
[M1067]

H-7 Continued Improvement Initiative

It is the intent of the Parties to continue to work together during the term of this Contract to develop and implement innovative approaches and techniques for improving Contractor performance and Contract administration. This initiative for continued improvement will focus on improving Contractor efficiency and effectiveness, enhancing Contractor accountability, gaining savings in Laboratory programs, improving cost-effective management of risks, and increasing efficiencies in Federal oversight of the Contract. Areas that the Parties will evaluate, include, but are not limited to, the following:

(a) Management/reduction of mandatory Hanford Site Services and ensure cost allocation equity;

(b) Policies and procedures related to the Technology Transfer mission of the Laboratory; and

(c) Incentive Compensation and/or other enhancements to variable pay programs.

(End of Clause)
[M881]

H-8 Standards of Contractor Performance Evaluation

(a) Use of objective standards of performance, self-assessment and performance evaluation

(1) The Parties agree that the Contractor will utilize a comprehensive performance-based management approach for overall Laboratory

management. The performance-based management approach will include the use of standardized performance goals and objectives as the measurement basis against which the Contractor's overall performance of the scientific and technical mission obligations under this Contract will be assessed. The performance criteria will focus on results to drive improved performance and increased effective and efficient management of the Laboratory.

(2) The Parties agree to utilize the process described within Section J, Appendix E "Performance Evaluation and Measurement Plan" (PEMP) to evaluate the performance of the Laboratory. The Parties further agree that the evaluation process described in Appendix E will be reviewed annually and modified, if necessary, by agreement of the Parties. If agreement of the Parties cannot be reached, the Contracting Officer has the unilateral right to establish the evaluation process.

(3) The Parties agree that the Contractor will conduct an ongoing self-assessment process as a principal means of determining its compliance with the Contract Statement of Work and performance objectives identified within Section J, Appendix E. To assist the DOE in accomplishing the appropriate level of oversight, the Contractor shall work in partnership and cooperation with DOE and other external organization, as appropriate, in the self-assessment process. This work includes, but is not limited to, the development and execution of self-assessments and the utilization of the results for continuous improvement.

(4) The Contractor shall provide formal status briefings for performance against Appendix E, as agreed to by the Laboratory Director and the Manager, PNSO. **[M813]**

(5) DOE, as a part of its responsibility for oversight, evaluation, and information exchange, shall provide an annual programmatic appraisal and other appraisals, and reviews of the Contractor's performance of authorized work in accordance with the terms and conditions of this Contract. The Office of Science, through the PNSO, has the lead responsibility for oversight of the programs and activities conducted by the Contractor.

(6) The Contracting Officer shall annually provide a written assessment of the Laboratory's performance to the Contractor, which shall be based upon the process described in Appendix E. The Parties acknowledge that the performance levels achieved against the specific performance objectives and measures shall be the primary, but not sole, criteria for determining the Contractor's final performance evaluation and rating for each goal. The Contractor's self-assessment results, to include results of any third party reviews which may have been conducted during the evaluation

period, will be considered at all levels to assess and evaluate the Contractor's performance. The Contracting Officer may also consider other relevant information not specifically measured by the objectives and measures established within Appendix E that is deemed to have an impact (either positive or negative) on the Contractor's performance. Other relevant information that may be used by the Contracting Officer may include, but is not limited to, information gained from peer reviews, operational awareness, outside agency reviews (i.e., OIG, GAO, DCAA, etc.) conducted throughout the year, annual reviews (if needed), and DOE "for cause" reviews. With exception of "for cause" reviews, the DOE Pacific Northwest Site Office will conduct no more than one management and operations review per year. The on-site portion of such reviews will normally last no more than two weeks.

(b) Standards of performance measure review

(1) The Parties agree to review the PEMP elements (measurement basis and performance measures/targets) contained in Appendix E annually and to modify them upon the agreement of the Parties; provided, however, that if the Parties cannot reach agreement on all the measurement basis and/or performance measures/targets for the next period, the Contracting Officer shall have the unilateral right to establish reasonable new measurement basis and/or performance measures/targets and/or to modify and/or delete existing measurement basis and/or performance measures/targets of performance. It is expected that the measurement basis and performance measures/targets for objectives will be modified by the Contractor and the DOE as new areas of emphasis or priorities emerge which the Parties may agree warrant recognition in the performance-based integrated management approach.

(2) Failure to include an objective or performance measure/target in the Contract Appendix E does not eliminate the Contractor's obligation to comply with all applicable terms and conditions as set forth elsewhere within the Contract.

(3) In the event the Contracting Officer or HCA decides to exercise the rights set forth in paragraphs (a)(6) or (b)(1) above, he/she will notify the Contractor, in writing, of the intended decision ten days prior to issuance. **[M432]**

(End of Clause)

H-9 Care of Laboratory Animals

(a) Before undertaking performance of any contract involving the use of Laboratory animals, the Contractor shall register with the Secretary of Agriculture of the United States in accordance with Section 6, Public Law 89-544, Laboratory Animal Welfare Act, August 24, 1966, as amended. The Contractor shall furnish evidence of such registration to the Contracting Officer.

(b) The Contractor shall acquire animals used in research and development programs from a dealer licensed by the Secretary of Agriculture, or from exempted sources in accordance with the Public Laws enumerated in (a), above, of this provision.

(c) In the care of any animals used or intended for use in the performance of this Contract, the Contractor shall comply with USDA regulations governing animal care and usage, as well as all other relevant local, State, and Federal regulations concerning animal care and usage. In addition the Contractor will ensure that research will be conducted in a facility that either: (i) has a current National Institutes of Health (NIH) assurance number for animal care and usage, or (ii) is currently accredited for animal care and usage by an appropriate organization such as the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC) International, or (iii) has a DOE Assurance Plan Number.

(End of Clause)

H-10 Protection of Human Subjects

Before undertaking the performance of any research involving the use of human subjects, the provisions of 10 CFR 745, 45 CFR Part 46, and the applicable DOE requirements regarding Protection of Human Subjects as incorporated into this Contract in Section J, Appendix D, must be complied with. This requirement applies to research undertaken with DOE support, strategic partnership projects, and collaborations with other institutions. Intelligence-related projects with potential human subjects research (HSR) and/or Human Terrain Mapping (HTM) tasks, will be reviewed by the Central DOE Institutional Review Board - Classified (IRB-C), regardless of the classification level. The DOE Institutional Official's approval is required following IRB-C approval, and prior to initiation, of any HSR and/or HTM projects that are classified in whole or in part, regardless of whether they can be reviewed by the IRB-C in an unclassified manner.

(End of Clause)
[M1110]

H-11 Notice Regarding the Purchase of American-Made Equipment and Products – Sense of Congress

It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this award should be American-Made.

(End of Notice)

H-12 Privacy Act Records

In accordance with the Privacy Act of 1974, 5 U.S.C. 552a (Public Law 93-579) and implementing DOE regulations (10 CFR 1008), the Contractor shall maintain the following "Systems of Records" on individuals in order to accomplish the United States Department of Energy functions:

(a) Intelligence Related Access Authorization (DOE-15)

(b) Personnel Radiation Exposure Records (DOE-35)

(c) Security Education and/or Infraction Reports (DOE-48)

(d) Access Control Records of International Visits, Assignments, and Employment at DOE Facilities and Contractor Sites (DOE-52)

(e) Counterintelligence Administrative and Analytical Records and Reports (DOE-81)

(f) Counterintelligence Investigative Records (DOE-84)

The parenthetical DOE number designations for each system of records refer to the official "System of Records" number published by the DOE in the Federal Register pursuant to the Privacy Act.

(End of Clause)

H-13 Administration of Subcontracts

(a) The administration of all subcontracts entered into and/or managed by the Contractor, including responsibility for payment hereunder, shall remain with the Contractor unless assigned at the direction of DOE.

(b) The DOE reserves the right to direct the Contractor to assign to the DOE, or another Contractor, any subcontract awarded under this Contract.

(c) The DOE reserves the right to identify specific work activities in Section C "Description/Specifications" to be removed (de-scoped) from the Contract in

order to contract directly for the specific work activities. The Department will work with the Contractor to identify the areas of work that can be performed by small businesses in order to maximize direct federal contracts with small businesses. **[M1100]**

(d) To the extent that DOE removes (de-scopes) work from this Contract, any such removed or withdrawn work shall be treated as a change in accordance with the clause of this Contract, titled Changes (Dec 2000). A "material change" for the purpose of this clause is defined as cumulative changes during a fiscal year that result in a plus or minus 10% change to the Laboratory's Estimated Fee Base. To the extent that DOE assigns the administration of a contract to the Contractor, or removes (de-scopes) work, the Parties reserve the right to negotiate an equitable adjustment in the Contractor's annual available performance fee. The negotiation of fee will be in accordance with the Contract clause entitled "Determining Total Available Performance Fee and Fee Earned". The Parties will also negotiate appropriate adjustments to the Contractor's Subcontracting Plan or any other applicable Contract terms and conditions impacted by such withdrawal or addition of work scope to recognize the changes to the Contractor's subcontracting base and goals. **[M1017]**

(End of Clause)

H-14 Contracts for Materials, Supplies, Articles, and Equipment Exceeding $15,000

Except as otherwise may be approved, in writing, by the Contracting Officer, the Contractor agrees to insert the following provision in noncommercial Purchase Orders and subcontracts under this contract. "If this contract is for the manufacture or furnishing of materials, supplies, articles, or equipment in an amount which exceeds or may exceed $15,000.00 and is otherwise subject to the Walsh-Healey Public Contracts Act, as amended (41 U.S. Code 35-45), there are hereby incorporated by reference all representations and stipulations required by said Act and regulations issued thereunder by the Secretary of Labor, such representations and stipulations being subject to all applicable rulings and interpretations of the Secretary of Labor which are now or may hereafter be in effect."

(End of Clause)
[M1067]

H-15 Service Contract Labor Standards

The Service Contract Act of 1965 is not applicable to this contract. However, in accordance with Section I Clause entitled "DEAR 970.5244-1 – Contractor Purchasing System," subcontracts awarded by the Contractor are subject to the Act to the same extent and under the same conditions as contracts awarded by DOE. The Contractor and the Contracting Officer shall develop a procedure whereby DOE will determine if the

Service Contract Act is applicable to particular subcontracts. In cases determined to be covered by the Service Contract Act, the Contractor shall prepare SF-98 and 98A "Notice of Intention to Make a Service Contract" (or documentation considered equivalent by the Contracting Officer) and forward it to the Contracting Officer or his designee to obtain a wage determination.

(End of Clause)
[M1067]

H-16 Cap on Liability (DOE-H-7015) (Sep 2017)

(a) The Parties have agreed that the Contractor's liability, for certain obligations it has assumed under this contract, shall be limited as set forth in paragraph (b) below. These limitations or caps shall only apply to obligations the Contractor has assumed pursuant to the following clauses:

(1) The Section I Clause entitled "DEAR 970.5245-1 – Property", paragraph (f)(1)(i)(C);

(2) The Section I Clause entitled "DEAR 970.5228-1 – Insurance--Litigation and Claims", paragraph (f); with respect to prudent business judgment only; and

(3) The Section I Clause entitled "DEAR 970.5228-1 – Insurance--Litigation and Claims", paragraph (g)(2); except for punitive damages resulting from the willful misconduct or lack of good faith on the part of the Contractor's managerial personnel as defined in the Section I Clause entitled "DEAR 970.5245-1 – Property".

(b) Unless otherwise prohibited by law or regulation, the Contractor shall be liable each fiscal year for an amount not-to-exceed 1.25 times the maximum performance fee available for that fiscal year. The annual cap which will apply shall be based on the fiscal year in which the Contractor's act or failure to act was the proximate cause of the liability assumed by the Contractor. In the event the Contractor's act or failure to act overlaps more than one (1) fiscal year, the limitation will be the annual limitation for the last fiscal year in which the Contractor's act or failure to act occurred. If the Contractor's cumulative obligations for a fiscal year equal the amount of the annual limitation of liability, the Contractor shall have no further responsibility for the costs of the liabilities it has assumed for that fiscal year pursuant to (a)(1) through (3) above.

(End of Clause)
[M1414]

H-17 Performance Based Management and Oversight

(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]**

(b) The performance-based management system shall be the primary vehicle for addressing issues associated with performance expectations. In the event of a substantive performance shortfall in any area, the appropriate improvement expectations and measures/targets will be incorporated into the PEMP and tracked through self-assessment and independent oversight, as appropriate.

(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]**

(End of Clause)

H-18 Shared Services

(a) Alternative Proposals

The Contractor may submit to the Contracting Officer alternative proposals for obtaining services currently provided by other contractors as Shared Services. All proposals will reflect innovative cost-effective approaches whereby the Contractor will obtain services in a manner reflecting the best interests of the Government and the Contractor. The Contractor will consider contractual and regulatory constraints in all proposals. The Contractor must submit proposals under this clause to the Contracting Officer a minimum of 90 calendar days in advance of the proposed date for transitioning services. The Contracting Officer shall accept, reject, or conditionally accept the proposal, in writing, within 90 calendar days of receipt. The Contracting Officer shall provide an explanation for any rejection.

(b) Cost-Efficiency Comparison Information

To facilitate the cost-efficiency comparisons required under paragraph (a) above, DOE agrees to provide the contractor's allocation methodology information associated with services provided by other Hanford Site contractors to the fullest extent possible and at the highest level sufficient to perform such analysis. DOE will deliver the information to the Contractor within 30 days of the Contractor's request or such time period as agreed to by the Parties.

(End of Clause)
[M1067]

H-19 Lobbying Restriction

The Contractor agrees that none of the funds obligated on this award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913. The Contractor also agrees that none of the funds obligated on this award shall be made available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which Congressional action is not complete. This restriction is in addition to those prescribed elsewhere in statute and regulation.

(End of Clause)
[M1067]

H-20 Intellectual and Scientific Freedom

(a) The Parties recognize the importance of fostering an atmosphere at the Laboratory conducive to scientific inquiry and the development of new knowledge and creative and innovative ideas related to national interests.

(b) The Parties further recognize that the free exchange of ideas among scientists and engineers at the Laboratory and colleagues at universities, colleges, and other laboratories or scientific facilities is vital to the success of scientific, engineering, and technical work performed by Laboratory personnel.

(c) The Parties also recognize that protecting proprietary and national security interest, information and assets is a paramount concern and duty of the Laboratory and its personnel.

(d) In order to further the goals of the Laboratory and the national interest, as well as protect proprietary information and national security, it is agreed by the Parties that the scientific and engineering personnel at the Laboratory shall be accorded the rights of publication or other dissemination of research, and participation in open public debate and in scientific, educational, or professional meetings and conferences, subject to limitations included in technology transfer agreements,

strategic partnership project agreements, and such other limitations as may be required by the terms of this contract. Nothing in this clause is intended to interfere with the obligations of the Parties, including all Laboratory personnel, to protect proprietary, classified, Privacy Act, or other sensitive information as provided for or required by law, regulation, Department of Energy Directive or Order, or elsewhere in this contract.

(End of Clause)
[M1089]

H-21 Advance Understandings on Allowable Costs

Allowable costs under this Contract shall be determined according to the requirements of DEAR 970.5232-2, Payments and Advances. For purposes of effective contract implementation, certain items of cost are being specifically identified below as allowable under this Contract to the extent indicated:

1) Foreign Rental Car Insurance - Foreign rental car insurance is allowable to the extent it is not covered by an existing insurance plan being billed to the government or is required by law and is not personal in nature.

2) Home Office Expenses - Home Office residual expenses are allowable to the extent that such expenses are allowable per FAR 31.2 and DEAR 970.3102 and are allocable consistent with FAR 31.2 and the Cost Accounting Standards. These costs are capped by Fiscal Year (FY) at: (a) **$1.0M** for Fiscal Year 2023 and (b) $**0.5M** for FY 2024. Home Office Expenses will no longer be allowed after FY 2024. Therefore, Home Office Expenses for FY 2025, FY 2026 and FY 2027 are **$0.0.**
[M1414]

3) Operational Support and Strategic Sourcing – In circumstances when there is a clear advantage to the Government for operational support to be sourced from Battelle Home Office* in a project or non-project (i.e., overhead) capacity or when Battelle Pacific Northwest Division performs non-project work for Battelle home office, whereas, the cost is charged to an indirect account that is allocated over a base to include Battelle Pacific Northwest Division will be deemed allowable to the extent the costs are in accordance with FAR Part 31.2, DEAR 970.3102 and Cost Accounting Standards under this Contract. Additionally, the following measures shall be taken for the described costs:

   a) Allocation of cost from Battelle Home Office for corporate provided services, such as contractor assurance, Laboratory Operations, insurance, risk management, payroll, benefits, taxes, corporate leases essential for the Contractor to operate PNNL. The Contractor will submit an annual true-up of these costs by July 31 of the following fiscal year.

b) Costs for Battelle Home Office provided software licenses, subscriptions, and memberships that are a part of the corporate allocations only require notification to DOE five (5) days prior to the expenditure of funds, to the extent practicable.

c) Costs of work performed by Battelle Home Office that are charged to a Battelle Pacific Northwest Division overhead account, such as logistics support, benefit claims, essential for the Contractor to operate PNNL. DOE notification is required five (5) days prior to the start of work to and/or to the expenditure of funds, to the extent practicable;

d) Costs for work performed by Battelle Home Office that are directly charged to projects, such as project Inter-Laboratory Agreements (ILA). DOE notification is required five (5) days prior to the start of work to the extent practicable and/or prior to the expenditure of funds, to the extent practicable;

e) Costs for work performed by Battelle Pacific Northwest Division for Battelle Home Office that are charged to a home office indirect account, such as labor costs of support staff and facility maintenance on Battelle-owned facilities. DOE notification is required five (5) days prior to the start of work and/or prior to the expenditure of funds, to the extent practicable.

* *For Clause H-21(3) ONLY, Battelle Home Office shall be defined as any Battelle segment, division, home office, subsidiary, or affiliate other than Battelle Pacific Northwest division.*

[M1163]

4) <u>Stipends and payments, if not otherwise unallowable under any other term of the contract, made to reimburse travel or other expenses</u> - Researchers and students who are not employed under this Contract but are participating in research, educational or training activities under this Contract are allowable to the extent such costs are incurred in connection with fellowship, international agreements, or other research, educational or training programs approved in writing by the Contracting Officer. (Deviation authorized from FAR 31.205-44 (e))

5) <u>Tuition Reimbursement</u> – Tuition and fees for staff who are employed under this Contract are allowable to the extent the staff continue their employment during the period of reimbursement and this cost is not otherwise unallowable.

6) <u>Payments, if not otherwise unallowable under any other term of the contract, to educational institutions</u> - Tuition and fees for researchers and students who are not employed under this Contract but are participating in

research, educational or training activities under this Contract, or institutional allowances in connection with fellowship or other research, educational or training programs are allowable. (Deviation authorized from FAR 31.205-44 (e))

7) Rewards & Recognition - The cost incurred by the Contractor will be allowable, to the extent specified under FAR 31.205-6 (f), and as applicable to work under this Contract for administering the Contractor's Recognition and Reward Program for the Commercialization of Intellectual Property as described in the program description. Such costs shall include cash awards and rewards and recognition events to the extent that they are not otherwise unallowable.

8) Imputed interest costs - Leases classified and accounted for as capital leases under generally accepted accounting principles (GAAP) are allowable, provided that the decision to enter into a capital leasing arrangement has been specifically authorized and approved in writing by the DOE Contracting Officer in accordance with applicable procedures and such interest costs are recorded in an appropriately specified DOE account established for such purpose.

9) ISM Awareness Program - PNNL has an Integrated Safety Management (ISM) Awareness Program (ISMAP) which is separate and distinct from the Laboratory's variable pay programs. ISMAP includes tangible awards valued at less than $35 each. The ISMAP awards are for PNNL staff for having participated in educational and survey safety activities that are linked to ISM program performance improvement and achievement or for supporting staff recognition and awareness in the areas of safety and wellness. Costs associated with the "ISM Awareness Program" are allowable subject to an annual ceiling amount of $80,000. ISM Awareness Program tangible awards will not promote the Battelle name or logo. However, the PNNL branding logo is acceptable (i.e. Pacific Northwest National Laboratory branding logo, along with Operated by Battelle for the U.S. Department of Energy). Allowable cost is limited to tangible awards for PNNL staff, and any awards to non-PNNL employees will be an unallowable cost. [1627]

10) Management and Operations Sustainability Program – The PNNL Site Sustainability Plan is to reduce Greenhouse Gas emissions in accordance with Departmental goals. To this end, Battelle is authorized up to $10,000 for use in creating and implementing sustainability initiatives to include tangible awards valued at less than $25 each. Tangible awards will not promote the Battelle name or logo. However, the PNNL branding logo is acceptable (i.e. Pacific Northwest National Laboratory branding logo, along with Operated by Battelle for the U.S. Department of Energy). Allowable cost is limited to tangible awards for PNNL staff, and any award to non-PNNL employees will be an unallowable cost. **[M881]**

11) Counterintelligence Awareness Program – PNNL has a Counterintelligence Awareness Program which is separate and distinct from the Laboratory's variable pay programs. This program includes tangible awards valued at less than $35 each. The awards are for PNNL staff who have participated in counterintelligence (CI) educational and awareness activities that are linked to CI program performance improvement and achievement or for supporting staff recognition and awareness in the areas of protecting sensitive information/critical assets, enhancing national security, and/or strengthening security culture, and to increase the visibility of counterintelligence with PNNL staff and to communicate key messages/objectives of the program. Costs associated with the "Counterintelligence Awareness Program" are allowable subject to an annual ceiling amount ($7,500). Counterintelligence Awareness Program tangible awards will not promote the Battelle name or logo. However, the PNNL branding logo is acceptable (i.e. Pacific Northwest National Laboratory branding logo, along with Operated by Battelle for the U.S. Department of Energy). Allowable cost is limited to tangible awards for PNNL staff, and any awards to non-PNNL employees will be an unallowable cost. **[1627]**

(End of Clause)
[1627]

H-22 Payments for Domestic Extended Personnel Assignments, DOE-H-2069 (Oct 2014)

(a) Definition. For purposes of this clause, "domestic extended personnel assignments" are defined as any assignment of contractor personnel to a domestic location different than their permanent duty station for a period expected to exceed 30 consecutive calendar days.

(b) For domestic extended personnel assignments, the Contractor shall be reimbursed the lesser of temporary relocation costs (Temporary Change of Station allowances as described in the Federal Travel Regulation at §302-3.400 - §302-3.429) or a reduced per diem (Extended Travel Duty) in accordance with the allowable cost provisions of the contract and the following:

(1) When a reduced per diem method (Extended Travel Duty) is utilized, the allowances are as follows:

(i) Lodging. For the first 60 days and last 30 days of the assignment, the Government will reimburse costs associated with lodging at the lesser of actual cost or 100% of the Federal per diem rate at the assignment

location. The intervening days lodging will be reimbursed at the lesser of actual cost or 55% of Federal per diem.

(ii) Meals and Incidental Expenses. For the first 30 days and last 30 days of the assignment, the Government will reimburse costs associated with meals and incidental expenses (M&IE) at 100% of the Federal per diem rate at the assignment location. The intervening days M&IE will be reimbursed at 55% of Federal per diem.

(2) The Government will not reimburse any costs associated with per diem (except for en-route travel) unless the contractor employee maintains a residence at the permanent duty station.

(3) The Government will not reimburse costs associated with salary premiums, per diem, lodging, or other subsidies for contractor employees on domestic extended personnel assignments after 3 years (except for the reimbursements described above during the last 30 days of the assignment).

(4) If an assignment has breaks within a three year period, the calculation of the total length of the assignment will be as follows: If the break between assignments is less than 12 months, the Government will consider the assignment continuous for purposes of the three year clock. For instance, if a contractor employee completes a 2 year assignment at location A and returns to his/her permanent duty station for 12 months, a subsequent new 2 year assignment back to location A will restart the 3 year clock. The assignments will be considered two separate 2 year assignments. On the other hand, if in the previous example the employee's return to his/her permanent duty station was 6 months, the Government would consider the second assignment to be a continuation of the first for purposes of the 3 year rule.

(5) The Government will not reimburse costs associated with salary premiums that exceed 10%.

(6) The Contractor shall include the substance of this clause in all subcontracts in which travel will be reimbursed at cost.

(End of Clause)

[1548]

H-23 Electronic Subcontracting Reporting System

The requirement for the submittal of paper versions of the Standard Form (SF) 294,

Subcontracting Reports for Individual Contracts, and SF 295, Summary Subcontract Reports, as provided in FAR 52.219-9(j) is hereby deleted and is replaced with the electronic submittal of data under the Electronic Subcontract Reporting System (eSRS).

The offeror's subcontracting plan shall include assurances that the offeror will (1) submit the Individual Subcontracting Reports and Summary Subcontracting Reports under the eSRS and (2) ensure that its subcontractors agree to submit Individual Subcontracting Reports and Summary Subcontracting Reports at all tiers, in eSRS.

The contractor or subcontractor shall provide such information that will allow applicable lower tier subcontractors to fully comply with the statutory requirements of FAR 19.702.

(End of Clause)
[M432]

H-24 Joint Global Climate Change Research Institute

The Department of Energy directive titled, "Use of Management and Operating or Other Facility Management Contractor Employees for Services to DOE in the Washington, D.C., Area", or its successor, is not applicable to PNNL employees whose permanent duty station is at the Joint Global Climate Change Research Institute in College Park, Maryland, provided that those employees are performing or supporting research and development work. However, if at any time any of those employees are assigned to a position to provide technical expertise and/or experience in support of program missions, the Contractor must meet all of the applicable requirements of the above-mentioned directive or its successor for those employees.

(End of Clause)
[M881]

H-25 Information Technology Acquisitions

All information technology acquisitions shall include the appropriate information technology security policies and requirements, including use of common security configurations available from the National Institute of Standards and Technology's website http://checklists.nist.gov or approved secure configurations that are commensurate with the mission of the contract and conducive to the research and development efforts of the laboratory. This requirement shall be included in all

subcontracts which are for information technology acquisitions; and the Laboratory CIO shall annually certify to the DOE Site Office Contracting Officer that this requirement is being incorporated into information technology acquisitions. **[M490]**

(End of Clause)

H-26 Definition of Unusually Hazardous or Nuclear Risk for FAR Clause 52.250-1 Indemnification Under Public Law 85-804

A. The term "a risk defined in this contract as unusually hazardous or nuclear" as used in FAR Clause 52.250-1 means the risk of legal liability to third parties (including legal costs as defined in paragraph (jj) of section 11 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. §2014(jj), notwithstanding the fact that the claim or suit may not arise under section 170 of said Act, 42 U.S.C. §2010) arising from actions or inactions in the course of the following work performed by the Contractor under the Contract:

(1) Providing assistance in implementing physical security at nuclear and radiological facilities worldwide to ensure effective safeguards and security of weapons-usable nuclear materials and high-risk radiological materials both domestically and internationally under Department of Energy's (DOE) Global Threat Reduction Initiative (GTRI). Supporting activities shall include vulnerability assessments; design and installation of physical security systems; material consolidation; secure transportation; materials disposition and conversion to less attractive forms; implementation of detection and measurement technologies; and security operations training.

(2) Providing assistance in DOE's Material Protection Control and Accounting (MPC&A) program including cooperative work outside the United States on the design and implementation of MPC&A systems for facilities processing, handling, and storing nuclear materials, and the transportation of nuclear materials; provision of U.S.-manufactured equipment, and procurement of equipment for installation in facilities in order to implement the above systems; training in the design, use and assessment of MPC&A systems, export control, and facility transition support.

(3) Participation in the DOE/National Nuclear Security Administration program(s) focusing on the complete denuclearization of the Democratic People's Republic of Korea (DPRK), including cooperative work outside the United States on the disablement and dismantlement of all declared and undeclared DPRK nuclear facilities and the verification of activities, equipment, and materials at said facilities; inspection, packaging, removal, securing in place, transportation, storage and disposition of spent nuclear fuel, nuclear materials (including uranium, highly-enriched uranium, and

plutonium), and other radiological materials and equipment; and the conversion of any reactors using highly-enriched uranium fuel to low-enriched uranium fuel.

(4) Participation in tasks or activities by the Contractor or its subcontractors on or after March 11, 2011 that is directed or authorized by the U.S. Department of Energy or the U.S. Department of Energy National Nuclear Security Administration as an element of activities taken in response to the Japanese earthquake and tsunami, including efforts to address and assess damage to nuclear power plants and potential radioactive releases from these plants now and into the future. **[M764]**

(5) Other activities relating to nonproliferation, emergency response, anti-terrorism activities, or critical national security activities that involve the use, detection, identification, assessment, control, containment, dismantlement, characterization, packaging, transportation, movement, storage or disposal of nuclear, radiological, chemical, biological, or explosive materials, facilities or devices, provided such activities are specifically requested or approved, in writing, by the President of the United States, the Secretary of Energy, the Deputy Secretary of Energy, or an Under Secretary, and further provided that the request or approval specifically identifies a particular project involving one of those activities and makes the indemnity provided by this clause applicable to that particular project under the contract.

(6) Participation in tasks or activities by the Contractor or its subcontractors on or after March 13, 2020 through June 30, 2020 that is directed or authorized by the U.S. Department of Energy or the U.S. Department of Energy National Nuclear Security Administration, including work for others, as an element of activities taken now and through June 30, 2020 in response to COVID-19, including but not limited to efforts to test for the presence of COVID-19, to provide equipment and resources to address COVID-19, and to develop treatments and vaccines for COVID-19, to the extent the task or activity is not exempt from liability under the Public Readiness and Emergency Preparedness Act (PREP Act) or other law, or the exemption under the PREP Act or other law is limited in scope or amount which is not sufficient to provide complete protection against the liability to which the contractor is exposed. **[M1264]**

(7) Participation by the Contractor or its domestic subcontractors in tasks or activities to provide technical expertise, advisement, and support to Ukraine related to the security, safety and viability of its energy sector, including the electricity grid and nuclear facilities, in response to the Russian Federation’s invasion of Ukraine; provided that, such tasks or activities are directed and authorized by the U.S. Department of Energy or

the U.S. Department of Energy National Nuclear Security Administration.
[1557]

B. The unusually hazardous or nuclear risks described above are indemnified only to the extent that they are not covered by the Price-Anderson Act (section 170d of the Atomic Energy Act of 1954, as amended 42 U.S.C. §2210d) or where the indemnification provided by the Price Anderson Act is limited by the restriction on public liability imposed by section 170e of the Atomic Energy Act of 1954, as amended, (42 U.S.C. §2210e) to an amount which is not sufficient to provide complete indemnification for the legal liability to which the Contractor is exposed.

End of Clause
[1557]

H-27 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.

End of Clause
[M600]

H-28 Implementation of Section I Clauses

(a) For purposes of implementation of Contract Clause entitled "Personal Identity Verification of Contractor Personnel", the Parties agree to the following:

1) The agency personal identity verification procedures that implement Homeland Security Presidential Directive-12 (HSPD-12), Office of Management and Budget (OMB) guidance M-05-24, and Federal Information Processing Standards Publication (FIPS PUB) Number 201 and that must be complied with, are the applicable DOE directives included in Appendix D, List of Applicable DOE Directives & External Requirements.

2) The Contractor shall only account for Government-provided identification issued through processes managed by the Contractor in connection with this Contract.

3) The Contractor shall return or disposition the Government-provided identification issued to Contractor employees in connection with HSPD-12 credentials in the manner approved by DOE.

(b) For purposes of implementation of Contract Clause entitled "Payments and Advances," the Parties agree to the following:

1) Monthly Provisional Fee Payments. The Contractor may withdraw against the payments cleared financing arrangement, up to one-twelfth (1/12) of 72% of the performance fee for the fiscal year, on the first day of each month, unless otherwise instructed in writing by the Contracting Officer.

2) Final Fee Payment. Following DOE's determination of Total Available Fee Amount Earned, the Contractor is authorized to withdraw any amount of earned fee over the amount previously paid on a provisional basis from the payments cleared financing arrangement. In the event DOE determines there has been an overpayment to the Contractor, such overpayment plus interest shall be redeposited to the payments cleared financing arrangement within 30 calendar days, or otherwise used as directed by the Contracting Officer. Interest shall be computed from the date of overpayment to the date of repayment using the interest rate specified by the Secretary of Treasury pursuant to Pub. L. 92-41 (85 Stat. 97).

(c) At this time, the FSRS system does not accept the information described in this Clause for reporting with respect to M&O contracts. If the FSRS system becomes operational for M&O contracts in the future then the following requirements of this Clause will be effective. For purposes of implementation of the Contract clause entitled "Reporting Executive Compensation and First-Tier Subcontract Awards", the Parties agree that the Contractor is not required to comply with the sections of the Clause that require reporting into FSRS. However, DOE requests that the Contractor maintain the data in case it is requested. Further, if first-tier subcontractors are unwilling to share executive compensation information with the Contractor, then the Contractor shall advise the first-tier subcontractor that it will be responsible for maintaining the information and will provide the information if requested.

[M1414]

(d) Pursuant to Contract Clause ***DEAR 970.5232-7 – Financial Management System,*** DOE approval is required for systems that have impact to DOE's financial reporting and/or systems where financial data quality is impacted via alteration of data or system calculations. For purposes of implementation, The Financial Management system includes the Laboratory's current existing integrated accounting system (FPS) and any subsystems that impact that following areas: budget (including funds control and management), payroll system, labor cost distribution, accounts receivable, accounts payable, acquisition, inventory, cost management (including project costing), general ledger, travel, and the financial aspects of the Asset Management Systems. **[M1089]**

The Plan as required in DEAR 970.5232-7 is applicable when new systems or subsystems are procured or developed. Submittal of the Plan for approval is also required when the procurement and development costs for enhanced system(s) or subsystem(s) will exceed $500,000.00 (estimate at completion (EAC)). The Plan

when required should provide a summary of proposed changes from the previously approved plan as well as adequate details for each system, subsystem or major enhancements to include a basic description of the project scope (i.e. purpose, issues, risks, and desired outcomes), including a high-level estimated budget and schedule

If approval of new systems, subsystems, major enhancements or upgrades to existing systems has been provided for in a previously approved plan, but work was not initiated or completed in the current year, the Contractor does not need to request subsequent approval. PNSO's expectation is that the Contractor will provide at a minimum an annual status report of the previously approved item and a status briefing shall be provided by October 30th.

If the Contractor's planned implementation for the systems described in the Plan deviates for scope, schedule or cost reasons and is requested by the Contracting Officer, the Contractor shall submit such deviation to the PNSO Contracting Officer for approval 30 days prior to implementing the change. **[M995]**

(e) 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 superseded or, if they are in conflict with any other terms and conditions of this Contract extension.

(f) 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.

(g) Prior to the issuance of a work authorization or direction concerning continuation of activities of the contract, the Contractor shall provide a detailed description of work, identification of hazards/risks and legacy considerations and controls that will be instituted to mitigate the hazards/risks and legacy considerations, a budget of estimated costs, and a schedule of performance for the work, and shall provide or make available those items through an approved approach or as directed by the Contracting Officer or designee. The "estimate" referred to in paragraph (e) of the clause entitled, "DEAR 970.5211-1, Work Authorization" shall be defined as total available funds, and standard monthly budget reports meet the notification requirements of this clause.

(h) For the purpose of the "Property" clause within this Contract, a controlled substance, as defined by 41 CFR § 102-40.30 in the "Federal Management Regulation" and meeting the criteria for Sensitive Personal Property under 41

CFR § 102-35.20, shall be handled in accordance with Title 41 CFR § 109 "Department of Energy Property Management Regulation."

(End of Clause)
[1514]

H-29 Agreements for Commercializing Technology

This H-clause authorizes the use of the mechanism: Agreements for Commercializing Technology (ACT). In accordance with the requirements specified in this H-clause, the M&O Contractor may conduct third party-sponsored research at the M&O Contractor's risk. While the Department believes ACT has the potential to greatly assist in the commercialization of technologies, it also specifically recognizes that ACT can be used for other engagements with outside entities that are not necessary aimed at commercialization (e.g., technical assistance, training, studies), but which facilitate access to DOE facilities. In performing ACT work, the M&O Contractor may use staff and other resources associated with this M&O contract for the purposes of conducting technical services1, training, studies, performing research and development, and/or furthering the technology transfer mission of the Department, only when such work does not interfere with DOE-funded activities conducted as authorized by other parts of this M&O contract. The resources that may be used include Government- owned or leased facilities, equipment, or other property that is either in the M&O Contractor's custody or available to the M&O Contractor under this M&O contract (unless specifically excluded by the Contracting Officer). For M&O Contractor activities conducted under authority of this H-clause, the M&O Contractor shall provide full-cost recovery, assume indemnification and liability as provided in paragraph 9 below, and may assume other risks normally borne by private parties sponsoring research at the DOE national laboratories and production plants. In exchange for accepting such risks, or for other private consideration provided by the M&O Contractor, the M&O Contractor is authorized to negotiate separate ACT agreements with the sponsoring third parties. Under ACT agreements, the M&O Contractor may charge those parties additional compensation beyond the full costs of the work at the facility.

The following applies to all work conducted under the ACT mechanism regardless of the source of funding:

1. *Authority to Perform work under this H-clause*. Pursuant to the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 et seq.) and other applicable authorities, the M&O Contractor may perform work for non-Federal entities, in accordance with the requirements of this H- clause.

2. *M&O Contractor's Implementation*. For ACT work conducted under the contract, the M&O Contractor must draft, implement, and maintain formal policies, practices, and procedures in accordance with this H-clause, which must be approved by the Contracting Officer, and such approval shall not be unreasonably

withheld.

3. *Conditions for Participation in ACT.* The M&O Contractor:

   a. Must not perform ACT activities that would place it in direct competition with the private sector;

   b. May only conduct work under this H-clause if the work does not interfere with or adversely affect projects and programs the M&O Contractor conducts on behalf of the DOE under this contract, and complies with the terms and conditions of the prime contract. If the Government determines that an activity conducted under this H-clause interferes with the Department's work under the M&O contract, or that termination/stay/suspension of work under an ACT agreement is in the best interest of the Government, the M&O Contractor must stop the interfering ACT work immediately to the extent necessary to resolve the interference. At any time, the Contracting Officer may require the use of specified Government-owned or leased property and facilities for the exclusive use of the DOE mission by providing a written notice excluding said property from the M&O Contractor's activities under this H- clause. Any cost incurred as a result of Contracting Officer decisions identified in this subparagraph shall be borne by the M&O Contractor. The Contracting Officer shall provide to the M&O Contractor in writing its decision, identifying the issues and reasons for the decisions. The M&O Contractor shall be provided with a reasonable opportunity to address and resolve the issues identified by the Contracting Officer;

   c. Except as otherwise excluded in this H-clause, must perform all ACT activities in accordance with the standards, policies, and procedures that apply to performance under this M&O contract, including but not limited to environmental, safety and health, security, safeguards and classification procedures, and human and animal research regulations;

   d. Must maintain and provide when requested by the DOE Contracting Officer, a summary of project information for each active ACT project, consisting of: sponsor name; total estimated costs; project title and description; project point of contact; and estimated start and completion dates;

   e. Is responsible for addressing the following items in ACT agreements as appropriate: disposition of property acquired under the agreement; export control; notice of intellectual property infringement; and a statement that the Government and/or the M&O Contractor shall have the right to perform similar services in the Statement of Work for other Parties as otherwise authorized by this M&O contract subject to applicable data restrictions;

   f. Must include a standard legal disclaimer notice on all publications

generated under ACT activities. Each DOE M&O Contractor has its own pre-approved publications statement, and this should be included; and

g. Must insert the following disclaimer in each agreement under ACT, which must be conspicuous (e.g. bold type, all capital letters, or large font) in all Agreements under ACT so as to meet the standards of due notice.

DISCLAIMER

THIS AGREEMENT IS SOLELY BETWEEN [INSERT NAME OF THE M&O CONTRACTOR] AND [THE OTHER IDENTIFIED PARTY]. THE UNITED STATES GOVERNMENT IS **NOT** A PARTY TO THIS AGREEMENT, THIS AGREEMENT DOES NOT CREATE ANY OBLIGATIONS OR LIABILITY ON BEHALF OF THE GOVERNMENT AND THE GOVERNMENT MAKES NO EXPRESS OR IMPLIED WARRANTY AS TO THE CONDITIONS OF THE RESEARCH OR ANY INTELLECTUAL PROPERTY, GENERATED INFORMATION, OR PRODUCT MADE OR DEVELOPED UNDER THIS AGREEMENT, OR THE OWNERSHIP, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE RESEARCH OR RESULTING PRODUCT; THAT THE GOODS, SERVICES, MATERIALS, PRODUCTS, PROCESSES, INFORMATION, OR DATA TO BE FURNISHED HEREUNDER WILL ACCOMPLISH INTENDED RESULTS OR ARE SAFE FOR ANY PURPOSE INCLUDING THE INTENDED PURPOSE; OR THAT ANY OF THE ABOVE WILL NOT INTERFERE WITH PRIVATELY OWNED RIGHTS OF OTHERS. THE GOVERNMENT SHALL NOT BE LIABLE FOR SPECIAL, CONSEQUENTIAL, OR INCIDENTAL DAMAGES ATTRIBUTED TO SUCH RESEARCH OR RESULTING PRODUCT, INTELLECTUAL PROPERTY, GENERATED INFORMATION, OR PRODUCT MADE OR DELIVERED UNDER THIS AGREEMENT. THIS DISCLAIMER DOES NOT AFFECT ANY RIGHTS THE GOVERNMENT MAY HAVE AGAINST THIRD PARTIES ARISING FROM WORK CONDUCTED IN CONNECTION WITH THIS AGREEMENT.

4. Contracting Authority.

a. Subject to DOE approval as described in this paragraph, the M&O Contractor is hereby authorized to negotiate terms and conditions between the M&O Contractor and third parties when entering into ACT agreements. The M&O Contractor will have no authority to bind the Government in any way with such terms and conditions. The Government will have no obligation to the M&O Contractor due to such terms and conditions.

b. The M&O Contractor shall submit an ACT proposal package (Package) to the Contracting Officer for approval prior to beginning work under an ACT agreement.

i. A complete Package will include at a minimum: the identity of the parties to the ACT agreement; the principal place of performance; any foreign ownership or control of the ACT agreement parties; a Statement of Work; an estimate of costs incurred under the M&O

contract; an anticipated schedule; identification of key Government equipment and facilities that will be used under the ACT agreement; a list of expected deliverables; identification of the Intellectual Property (IP) lead and proposed selection of IP rights, as defined in DOE Class Waiver W(C)-2011-013; a signed certification by the private party(ies) that the M&O Contractor offered the option to use CRADA and SPP alternatives (see paragraph 7a) sufficiently such that the private parties are aware of the relative costs and other differences between the ACT agreement and the CRADA and SPP alternatives; source of funds, including a statement that no Federal funds, including pass-through funds received as a subcontractor or partner, are being utilized to fund the agreement; applicable ES&H and NEPA documentation; a statement of consideration, summarizing the risk and/or consideration offered the ACT participants in exchange for charging beyond full cost recovery or for other compensation provided by the participants; and when multiple third parties are parties to the ACT agreement, or as otherwise requested by the Contracting Officer, an IP Management Plan that sets forth the proposed disposition of IP rights, and income and royalty sharing, among the parties to an ACT agreement.

ii. If the M&O Contractor, the M&O Contractor's parent, member, subsidiary, or other entity in which the M&O Contractor, the M&O Contractor's parent, member or subsidiary has an equity interest, is a party to the ACT agreement, the M&O Contractor shall include as necessary a project-specific addendum to the Master OCI Plan in the Package to address special circumstances not fully anticipated in the prior approved Master OCI Plan (see paragraph 7).

iii. If the ACT agreement includes a foreign entity as a party or the statement of work includes the use of human subjects, animal subjects, classified or sensitive subject matter or describes a work scope involving high risks or hazards including environmental issues, the M&O Contractor shall include additional information as necessary or as requested by the Contracting Officer.

c. The Contracting Officer shall use reasonable best efforts to review each complete Package submitted by the M&O Contractor under subparagraph 4.b. of this H-clause within ten (10) business days of receiving the Package and provide the M&O Contractor with approval or non-approval of the Package. The review of the complete Package by the Contracting Officer shall include a determination that the proposed work: (1) is consistent with or complementary to DOE missions and the contract statement of work; (2) will not adversely impact programs under the contract scope of work; (3) will not

place the contractor in direct competition with the domestic private sector; and (4) will not create a detrimental future burden on DOE resources.

d. Except as conditionally allowed under subparagraph i. below, the Contracting Officer must approve the Package before the M&O Contractor may begin work under the proposed ACT agreement. If the Contracting Officer rejects the Package then the Contracting Officer must provide said rejection to the M&O Contractor in writing including the reasons for the rejection. Upon receipt of the Contracting Officer's written rejection, the M&O Contractor agrees to not further pursue the work described in the package or incur additional costs under the M&O contract for the work described in the Package.

    i. The M&O Contractor may request a preliminary determination that the proposed scope of work is consistent with the contract statement of work and the Contracting Officer will use his/her best efforts to provide such a determination within three (3) business days. Upon such a determination from the Contracting Officer, the M&O Contractor may begin work under the ACT agreement at the M&O Contractor's risk pending final approval of the complete Package. The M&O Contractor must submit a complete Package, as identified in subparagraph 4.b. above, within (10) business days of the preliminary determination. All costs associated with the performance of work under a preliminary determination are the responsibility of the M&O Contractor, as no Federal funds will be used to fund any work conducted under this H-clause.

    ii. If the M&O Contractor, the M&O Contractor's parent, member, subsidiary, or other entity in which the M&O Contractor, the M&O Contractor's parent, member or subsidiary has an equity interest, is a party sponsoring work in connection with the ACT agreement, work may not commence until approval of the complete Package by the Contracting Officer.

5. *Advance Payment for ACT Projects.* The M&O Contractor shall be responsible for providing adequate advance payment for ACT work conducted under this H-clause consistent with procedures defined in the Department's Financial Management Handbook. The M&O Contractor shall be solely responsible for collecting payments from third parties for any work conducted under this H-clause and such collections shall be independent of providing advance payment. For such payments and for any costs, obligations, or liabilities arising due to the M&O Contractor's work under this H-clause, the M&O Contractor is entirely at risk and the Government shall have no risk.

6. *Costs.* All direct costs associated with the M&O Contractor's work conducted under this H- clause shall be directly charged to separate and identifiable accounts

in accordance with the requirements of the Department's Financial Management Handbook. An allocable portion of indirect costs normally applied to equivalent work under this M&O contract shall also be applied to work conducted under this H-clause in accordance with the requirements of the Financial Management Handbook. As required by the Financial Management Handbook, changes to the Handbook will be incorporated into this H-clause by a unilateral administrative modification to the contract. In addition, all work must be performed at full costs which would include Federal Administrative Charge (FAC).

a. Work conducted under this H-clause shall be excluded from the M&O contract award fee calculations and such fee shall not be allocable to work conducted under this H- clause.

b. Federal funds will not be used to fund work conducted under this H-clause.

7. *Organizational Conflict of Interest.* The M&O Contractor shall conduct work under this H- clause in a manner that minimizes the appearance of conflicts of interest and avoids or mitigates actual conflicts of interest with the M&O Contractor's functions under this M&O contract. Accordingly, the M&O Contractor shall develop an Organizational Conflict of Interest Mitigation Plan (OCI Plan). The OCI Plan should address OCI issues that arise as a result of the M&O Contractor taking a financial interest in ACT projects, especially in those cases where the M&O Contractor retains rights in ACT IP. Said OCI Plan shall be provided to the Contracting Officer for review and approval as soon as practicable after execution of the M&O contract modification incorporating this H-clause into the M&O contract. Unless provided otherwise by the Contracting Officer, no work on ACT agreements may commence before Contracting Officer approval of the OCI Plan. In addition to those elements expressly stated in the OCI Plan, the Department may condition any ACT transaction on such other mitigating conditions it determines are appropriate. The OCI Plan shall, at a minimum, include elements that address the following:

a. *Full Disclosure*. Before work can begin under an ACT transaction, all parties to ACT agreements must sign a DOE-approved certification that they have been fully informed about the availability of SPP agreements and CRADAs in addition to ACT. The certification at a minimum shall briefly describe SPP agreements, CRADAs and ACT, and will include the relative disposition of IP rights and the costs (including identification of any additional costs e.g. insurance, and other compensation to the M&O Contractor under ACT) for each type of agreement for the scope of work being proposed.

b. *Priority of Work*. The M&O Contractor shall not give work under ACT any special attention or priority over other work under the DOE M&O contract. Work under ACT shall be approved by the Contracting Officer and

assigned the same priority relative to other work under the DOE M&O contract that it would normally have if performed under a non-Federal SPP agreement. The Contracting Officer has discretion to determine the agency's priority of work, considering the M&O Contractor's input.

c. *Participation by Contractor-related Entity*: Where the M&O Contractor, the M&O Contractor's parent, member, subsidiary, or other entity in which the M&O Contractor, the M&O Contractor's parent, member or subsidiary has an equity interest, is a party to the ACT agreement, the M&O Contractor shall include as necessary an addendum to the OCI Plan to address special circumstances not fully anticipated in the OCI Plan.

d. *Right of Inquiry for ACT IP Designation.* DOE Patent Counsel may inquire into the M&O Contractor's designation of any invention or data as arising under an ACT transaction. The M&O Contractor is responsible for curing any defect identified in such inquiry, and if the M&O Contractor cannot adequately justify the designation or cure the defect, then the parties to the ACT agreement may receive modified rights in the IP to the degree necessary to resolve the issues identified by the inquiry.

8. *Intellectual Property.* Disposition of intellectual property (IP) arising from work conducted under this H-clause shall be governed by Class Waiver W(C)-2011-013 (ACT Class Waiver) which is incorporated herein by reference.

a. All Contractor ACT inventions shall be reported to DOE pursuant to the requirements of the [*cite Patent Rights –M&O contract, Nonprofit Organization or Small Business Firm Contractor*] clause of this M&O contract.

b. In reporting ACT inventions, the M&O Contractor shall identify the ACT agreement under which the invention was made and specify the rights reserved by the Government pursuant to the ACT Class Waiver.

c. All technical data identified by the ACT client as Protected ACT Information shall also be marked to identify the ACT agreement under which the data was generated.

d. The M&O Contractor shall ensure that all rights and obligations concerning ACT IP, including the appropriate IP provisions authorized in the ACT Class Waiver, are clearly provided in ACT agreements, and that all parties granted any rights in ACT IP are informed of the terms of the waived rights, including the rights reserved by the Government.

e. Where the M&O Contractor receives ownership or license rights to ACT IP, the M&O Contractor may elect to commercialize the ACT IP consistent

with the Technology Transfer Mission clause of this M&O contract.

f. As an alternative to subparagraph e., if the M&O Contractor has an authorized Private Funded Technology Transfer (PFTT) program, the M&O Contractor may elect to retain private ownership of the ACT IP and commercialize the IP under its applicable PFTT clause, using its private funds, where no costs for developing, patenting, and marketing will be allowable under this M&O contract. The M&O Contractor will share royalties collected on ACT IP with inventors in accordance with paragraph (h) of the Technology Transfer Mission clause of this M&O contract.

g. For ACT projects in which the terms of the Agreement provide that the Government reserves the right to use generated data after the particular project expires, the M&O Contractor must provide to OSTI computer software produced under the Agreement in both source and executable object code format.

h. Where terms and conditions governing Data and Subject Inventions under this Contract are inconsistent with the terms of the ACT Class Waiver, the ACT Class Waiver will control.

9. Contractor Liability and Indemnification.

a. *General Indemnity*.

(i) The M&O Contractor agrees to indemnify and hold harmless the Government, the Department, and persons acting on their behalf from all liability, including costs and expenses incurred, to any person, including the ACT participants, for injury to or death of persons or other living things or injury to or destruction of property arising out of the performance of an ACT transaction by the Government, the Department, the M&O Contractor, or persons acting on their behalf, or arising out of the use of the services performed, materials supplied, or information given hereunder by any person including the M&O Contractor, and not directly resulting from the fault or negligence of the Government, the Department, or persons (other than the M&O Contractor) acting on their behalf.

(ii) Subject to Contracting Officer approval, the General Indemnity set forth in (i) above may be modified or waived where: (1) ACT participants are not providing material or equipment to the M&O Contractor to be used in the performance of the Statement of Work under the ACT transaction; and (2) ACT participants are not sending their employees to the M&O facilities as part of the Statement of Work; and (3) the specific activities performed under the ACT transaction are normally performed by the DOE M&O Contractor under the DOE contract.

(iii) Notwithstanding the provisions in a (i) and a (ii) above, the M&O Contractor shall indemnify and hold harmless the Government, the Department, and persons acting on their behalf for loss, damage, or destruction of Government property resulting from the fault or negligence of the M&O Contractor. Such indemnification shall be subject to a liability limit of $2,000,000 (two million dollars) per year, or such greater liability limit approved by the cognizant DOE/NNSA Contracting Officer under the DOE contract. Above the applicable liability limit, the M&O Contractor's responsibility to the Government for such loss, damage or destruction, shall be as set forth in the "Property" clause of this contract.

b. *Intellectual Property Indemnity*. The M&O Contractor shall indemnify the Government, its agents, and employees against liability, including costs, for infringement of any United States patent, copyright, or other intellectual property arising out of any acts required or directed to be performed under the Statement of Work under an ACT transaction to the extent such acts are not already performed at the M&O contract facilities. Such indemnity shall not apply to a claimed infringement that is settled without the consent of the M&O Contractor unless required by a court of competent jurisdiction.

c. *Product Liability Indemnity*.

(i) Except for any liability resulting from any negligent acts or omissions of the Government, the M&O Contractor agrees to indemnify the Government for all damages, costs, and expenses, including attorney's fees, arising from personal injury or property damage occurring as a result of the making, using, or selling of a product, process, or service by or on behalf of the ACT participants or the M&O Contractor, their assignees, or licensees, which was derived from the work performed under ACT transactions. With respect to this H-clause, neither the Government nor the M&O Contractor shall be considered assignees or licensees as a result of reserved Government rights in ACT IP. The indemnity set forth in this paragraph shall apply only if the M&O Contractor shall have been informed as soon and as completely as practical by the Government of the action alleging such claim and shall have been given an opportunity, to the maximum extent afforded by applicable laws, rules, or regulations, to participate in and control its defense, and the Government shall have provided all reasonably available information and reasonable assistance requested by the M&O Contractor. No settlement for which the M&O Contractor would be responsible shall be made without the M&O Contractor's consent, unless required by final decree of a court of competent jurisdiction.

(ii) Where the M&O Contractor assigns the responsibility for indemnifying the Government under subparagraph c(i) above to other ACT participants, the M&O Contractor agrees to seek such indemnification from the other ACT participants.

d. *Claims and Liabilities*. Claims and liabilities resulting from the M&O Contractor's performance of work under an ACT transaction authorized pursuant to this H-clause shall not be subject to the M&O contract clause entitled "Insurance - Litigation and Claims." In no event shall the M&O Contractor be reimbursed under the M&O contract for liabilities (and expenses incidental to such liabilities, including litigation costs, counsel fees, and judgment and settlements) incurred as a result of third party claims related to the M&O Contractor's performance under this H-clause.

e. *Government Obligations*. The M&O Contractor shall not include any guarantee or requirement that will obligate the Government to pay or incur any costs or create any liability on behalf of the Government in any ACT agreement or commitment the M&O Contractor executes under authority of this H-clause. The M&O Contractor agrees if the Contractor does include such a guarantee or requirement, it will have no effect on the Government, such that, the M&O Contractor will be responsible for any costs or liability due to such a guarantee or requirement.

f. *Insurance*. Any cost of insurance to cover risks of the M&O Contractor associated with ACT agreements is unallowable under this contract.

10. *ACT Records.* All records associated with the M&O Contractor's activities conducted under the authority of this H-clause, with the exception of information required under paragraphs 3e, 4.b.i, and 13 shall be treated as M&O Contractor-owned records under the provisions of the Access to and Ownership of Records clause of this M&O contract. The Government or its designees shall use such records in accordance with applicable Federal laws (including the Privacy Act), as appropriate.

11. *Termination.* The Government or the M&O Contractor may terminate ACT authority under this contract by providing written notification of termination to the other party (Contracting Officer or the M&O Contractor) as appropriate, no less than 60 days prior to the requested termination date. In such cases, the M&O Contractor shall provide DOE a comprehensive list of active ACT projects. DOE anticipates work commitments under these agreements will be completed regardless of termination. All costs associated with early termination of any ACT agreements prior to the completion shall be the responsibility of the M&O Contractor.

12. *Successor M&O Contractor.* To minimize the potential for negative Government

programmatic impact and to facilitate seamless transition of work to a successor M&O Contractor, ACT agreement(s) executed under this H-clause and any contractual instruments associated therewith may be novated to the successor M&O Contractor with the mutual consent of the M&O Contractor, the successor M&O Contractor, and the parties to the affected ACT agreement(s). If the ACT agreement(s) cannot be novated, then the M&O Contractor as a private sponsor shall be permitted to enter into a Non-Federal SPP agreement with the successor M&O Contractor that will enable completion of the statement of work. Such agreements shall be entered into pursuant to DOE SPP policies. DOE shall make good faith efforts to incorporate the terms of the applicable ACT agreement.

13. *Minimum Reporting requirements.* The M&O Contractor shall maintain records of its activities related to ACT in a manner and to the extent satisfactory to DOE and specifically including, but not limited to the number of ACT agreements, the amount of funds reimbursed to DOE for work under ACT and aggregate funding received beyond costs in the performance of ACT, the number of third party entities engaged through ACT that had not previously sponsored projects under the M&O contract and the number that had not previously sponsored projects under any DOE/NNSA M&O contract, the amount of funds reimbursed to DOE by newly engaged entities, the number of parties and types of entities engaged in each individual ACT agreement, and the number of invention disclosures, licenses and start- ups arising from ACT. The M&O Contractor shall establish performance metric(s) to measure the time required to negotiate ACT agreements in a manner consistent with the time required to negotiate CRADAs and SPPs. The M&O Contractor shall obtain from each entity engaged in ACT the entity's reason(s) for selecting ACT for performance of work under the M&O contract. Also, the M&O Contractor shall report the above identified data annually to the DOE Contracting Officer and in such a format which will serve to adequately inform DOE of the Contractor's activities under ACT while protecting any data not subject to disclosure under this M&O contract. Such records shall be made available in accordance with the clauses of this M&O contract pertaining to inspection, audit and examination of records.

(End of Clause)
[M1348]

H-30 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.

(End of clause)

[M943]

H-31 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 consistent with FAR 31.205-6 and DEAR 970.3102-506, Compensation for Personal Services. 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 and consistently applied. Periodic appraisals of contractor performance with respect to the Contractors' Total Compensation System may be conducted.

Compensation costs will be audited annually to establish final allowable cost for the reportable fiscal year. The Contractor is required to submit an adequate annual final indirect cost rate proposal in accordance with DEAR 970.5216-7. The incurred claimed costs will be initially reviewed for adequacy and then audited. Included in the scope of the audit are direct and indirect compensation costs (e.g., salaries, health benefits, pensions, etc.). Failure to adequately support the incurred costs may result in the claimed costs being disallowed in part or in its entirety.

(b) Compensation and Benefit Report

The Contractor shall provide the Contracting Officer with an Annual Compensation and Benefits Report no later than March 15th of each year.

(c) Cash Compensation

(1) The Contracting Officer's approval of individual compensation actions will be required only for identified Key Personnel in the contract. For any Key Personnel not included in the contractors' internal Compensation Increase Plan (CIP), the approval is required upon the initial contract award, annually thereafter, and when they are replaced during the life of the contract. For all Key Personnel, besides the Laboratory Director, included in the internal CIP, approval is required upon the initial contract award and when they are replaced during the life of the contract. The base salary reimbursement level for the top contractor official establishes the maximum allowable salary reimbursement under the contract. The contractor shall not be reimbursed for

the top contractor official's incentive compensation. The base salary reimbursement level for the top contractor official establishes the maximum allowable salary reimbursement under the contract when compared to subordinate compensation, which would include base salary and any potential incentive compensation under an incentive compensation agreement. Unusual circumstances may require a deviation for an individual on a case-by-case basis. Any such deviations must be approved by the Contracting Officer.

(2) Severance Pay is not payable to an employee under this Contract if the employee:

- Voluntarily separates, resigns or retires from employment (unless associated with a workforce restructuring action in accordance with Appendix A, Section entitled Reductions in Contractor Employment),
- Is offered employment with a successor/replacement Contractor,
- Is offered employment with a parent or affiliated company, or
- Is discharged for cause.

(d) Pension and Other Post Retirement Benefit Programs

(1) Incumbent Employees shall remain in their existing pension plans (or comparable successor plans if continuation of the existing plans is not practicable) pursuant to pension plan eligibility requirements and applicable law.

(2) The Contractor shall submit for prior approval any benefit changes that result in increases to the Department's long-term pension and other actuarial liabilities that are reported in the Department's financial statement. Examples of benefits changes that increase the Department's long-term liabilities include defined benefit pension plan changes and postretirement benefits other than pensions.

(3) Cost reimbursement for post-retirement benefits other than pensions (PRBs) is contingent on DOE approved service eligibility requirements for PRB that shall be based on a minimum period of continuous employment service not less than 5 years under a DOE cost reimbursement contract(s) immediately prior to retirement. Unless required by Federal or State law, advance funding of PRBs is not allowable.

(4) Each Contractor sponsoring a defined benefit pension plan and/or postretirement benefit plan will participate in the annual plan management process which includes written responses to a questionnaire regarding plan management, providing forecasted estimates of future reimbursements in connection with the plan(s) and participating in a conference call to discuss the Contractor submission (see (g)(6) below for Pension Management Plan requirements).

(5) Each Contractor will respond to quarterly data calls issued through iBenefits, or its successor system.

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

(1) Employees working for the Contractor shall only accrue credit for service under this Contract and the prior Use Permit Agreement (1831 agreement) after the date of original Contract award.

(2) Except for Commingled Plans in existence as of the effective date of the Contract, any 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 that provides credit for service not performed under a DOE cost-reimbursement contract. When deemed appropriate by the Contracting Officer, Commingled Plans shall be converted to separate plans at the time of new contract award or the extension of a contract.

(f) Basic Requirements

The Contractor shall adhere to the requirements set forth below in the establishment and administration of Defined Benefit pension plans and Post Retirement Benefit Plans that are reimbursed by DOE pursuant to cost reimbursement contracts for management and operation of DOE facilities and pursuant to other cost reimbursement facilities contracts.

(1) The Contractor shall become a sponsor of the existing pension and other benefit plans (or comparable successor plans), including other PRB plans, as applicable, with responsibility for management and administration of the plans. The Contractor shall be responsible for maintaining the qualified status of those plans consistent with the requirements of ERISA and the Internal Revenue Code (IRC). The Contractor shall carry over the length of service credit and leave balances accrued as of the date of the Contractor's assumption of Contract performance.

(2) For existing Commingled Plans, the Contractor shall maintain and provide annual separate accounting of DOE liabilities and assets as for a Separate Plan.

(3) For existing Commingled Plans, the Contractor shall be liable for any shortfall in the plan assets caused by funding or events unrelated to DOE contracts.

(4) The Pension Management Plan (PMP) shall include a discussion of the Contractor's plans for management and administration of all pension plans consistent with the terms of the Contract. The PMP shall be submitted in the iBenefits system, or its successor system no later than February 15th of each applicable year. A full description of the necessary reporting will be provided in the annual management plan data request. If requested by the Contracting Officer, the Contractor representatives shall participate in a conference call to discuss the Contractor's PMP submission and any other current plan issues or concerns.

(g) Reimbursement of Contractors for Contributions to Defined Benefit (DB) Pension Plans

(1) Contractors that sponsor single employer, multiple employer, or multiemployer defined benefit pension plans will be reimbursed for the annual required minimum contributions. Reimbursement above the annual minimum required contribution will require prior approval of the Contracting Officer. For purposes of determining the minimum required contribution, the Contractor will take into consideration all pre-funding balances and funding standard carryover balances. Early in the fiscal year, but no later than the end of November, the Contractor requesting approval for contributions above the minimum, may submit or update a business case in advance of the Pension Management Plan process. The business case shall include a projection of the annual minimum required contribution and the proposed contribution in excess of that minimum. The submission of the business case will provide the opportunity for the Department to provide preliminary approval, within 30 days after contractor submission, pending receipt of final estimates, generally after January 1st of the calendar year. Final approval of funding will be communicated by the Head of Contracting Activity (HCA) when discount rates are finalized and any budget constraints are fully known.

(h) Changes to Pension and PRB Plans

No presumption of allowability will exist when the Contractor makes changes to existing pension plans or PRB plans that impact the Department's long-term liability, and the Contractor has not provided the Contracting Officer the opportunity to review the allowability of the changes prior to implementation. The Contractor shall submit for prior approval changes that result in increases to the Department's long-term pension and PRB liabilities that are reported in the Department's financial statement. At least sixty (60) days prior to the adoption of any changes to a pension plan, the Contractor shall submit the information required below, to the Contracting Officer. The Contracting Officer must approve plan changes that increase costs to the Department's long-term liabilities as part of a determination as to whether the costs are deemed allowable pursuant to FAR 31.205-6, as supplemented by DEAR 970.3102-506.

(1) For proposed changes to pension plans, the Contractor shall provide the following to the Contracting Officer:

(A) a copy of the current plan document (as conformed to show all prior plan amendments), with the proposed new amendment indicated in redline/strikeout;

(B) an analysis of the impact of any proposed changes on actuarial accrued liabilities and costs;

(C) except in circumstances where the Contracting Officer indicates that it is unnecessary, a legal explanation of the proposed changes from the counsel used by the plan for purposes of compliance with all legal requirements applicable to private sector defined benefit pension plans;

(D) the Summary Plan Description; and,

(E) any such additional information as requested by the Contracting Officer.

(i) Terminating Operations

When operations at a designated DOE facility are terminated and no further work is to occur under the prime contract, the following apply:

(1) No further benefits for service shall accrue.

(2) The Contractor shall provide a determination statement in its settlement proposal, defining and identifying all liabilities and assets attributable to the DOE contract.

(3) The Contractor shall base its pension liabilities attributable to DOE contract work on the market value of annuities or lump sum payments or dispose of such liabilities through a competitive purchase of annuities or lump sum payouts.

(4) Assets shall be determined using the "accrual-basis market value" on the date of termination of operations.

(j) Terminating Plans

(1) DOE Contractors shall not terminate any pension plan (Commingled or site specific) without requesting Departmental approval at least 60 days prior to the scheduled date of plan termination.

(2) On or before the same day as the Contractor notifies the IRS of the spinoff or plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.

(3) DOE liability to a Commingled pension plan shall not exceed that portion which corresponds to DOE contract service. The DOE shall have no other liability to the plan, to the plan sponsor, or to the plan participants.

(4) After all liabilities of the plan are satisfied, the Contractor shall return to DOE an amount equaling the net asset reversion after any taxes from the plan termination and any earnings which accrue on that amount because of a delay in the payment to DOE. Such amount and such earnings shall be subject to DOE audit. To effect the purposes of this paragraph, DOE and the Contractor may stipulate to a schedule of payments.

(k) Definitions

(1) Commingled Plans. Cover employees from the Contractor's private operations and its DOE contract work.

(2) Current Liability. The sum of all plan liabilities to employees and their beneficiaries. Current liability includes only benefits accrued to the date of valuation. This liability is commonly expressed as a present value.

(3) Defined Benefit Pension Plan. Provides a specific benefit at retirement that is determined pursuant to the formula in the pension plan document.

(4) Defined Contribution Pension Plan. Provides benefits to each participant based on the amount held in the participant's account. Funds in the account may be comprised of employer contributions, employee contributions, investment returns on behalf of that plan participant and/or other amounts credited to the participant's account.

(5) Designated Contract. For purposes of this clause, a contract (other than a prime cost reimbursement contract for management and operation of a DOE facility) for which the Head of the Departmental Contracting Activity determines that advance pension understandings are necessary or where there is a continuing Departmental obligation to the pension plan.

(6) Pension Fund. The portfolio of investments and cash provided by employer and employee contributions and investment returns. A pension fund exists to defray pension plan benefit outlays and (at the option of the plan sponsor) the administrative expenses of the plan.

(7) Separate Accounting. Account records established and maintained within a commingled plan for assets and liabilities attributable to DOE contract service. NOTE: The assets so represented are not for the exclusive benefit of any one group of plan participants.

(8) Separate Plan. Must satisfy IRC Sec. 414(l) definition of a single plan, designate assets for the exclusive benefit of employees under DOE contract, exist under a separate plan document (having its own Department of Labor plan number) that is distinct from corporate plan documents and identify the Contractor as the plan sponsor.

(9) Spun-off Plan. A new plan which satisfies IRC Reg. 1.414(l)-1 requirements for a single plan and which is created by separating assets and liabilities from a larger original plan. The funding level of each individual participant's benefits shall be no less than before the event, when calculated on a "plan termination basis."

(End of Clause)
[1603]

H-32 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) To the extent practicable all non-settlor 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.

(d) Payments and Transfers of Assets

(1) If transfers of Plan assets are made to a successor plan 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.

(2) 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.

(e) 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.

(f) 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.

(g) 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".

(End of Clause)
[M991]

H-33 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 trusteed 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.

(End of Clause)
[M943]

H-34 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.

(End of clause)
[M943]

H-35 Labor Relations (DOE-H-7025) (Sep 2017)

(a) The Contractor shall respect the right of employees to organize and to form, join, or assist labor organizations, to bargain collectively through their chosen labor representatives, to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and to refrain from any or all of these activities.

(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 notify the Contracting Officer before submitting or agreeing to any collective bargaining proposal which can be calculated to affect allowable costs under this contract or which could involve other items of special interest to the Government. During the collective bargaining process, the Contractor shall obtain the approval of the Contracting Officer before proposing or agreeing to changes in any pension or other benefit plans.

(c) The Contractor will seek to maintain harmonious bargaining relationships that reflect a judicious expenditure of public funds, equitable resolution of disputes and effective and efficient bargaining relationships consistent with the requirements of FAR 22.1 and DEAR 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 all labor relations issues and matters of local interest including organizing initiatives, unfair labor practice, work stoppages, picketing, labor arbitrations, and settlement

agreements (to be reported in iBenefits) and will furnish such additional information as may be required from time to time by the Contracting Officer.

(End of Clause)
[M1414]

H-36 Key Positions

(a) The key positions listed below are considered essential to the performance of the laboratory mission, operations and/or contractor assurance processes under this Contract and require advance notification of any replacement(s) to the Contracting Officer:

Associate Laboratory Directors;
Chief Information Officer;
General Counsel;
Chief Audit Executive;
Director, Environment, Health, Safety and Security Division;
Chief Human Resources Officer; and
Chief Financial Officer.

(b) DEAR 952.215-70, "Key Personnel," may invoke additional requirements if any of the above positions are collateral duties of Key Personnel.

(End of clause)
[1665]

H-37 Conference Management (Mar 2023)

The Contractor agrees that:

(a) The Contractor shall ensure that Contractor-sponsored conferences, and contractor participation in DOE conferences sponsored by a Departmental Element, reflect the DOE/NNSA's commitment to fiscal responsibility, appropriate stewardship of taxpayer funds and support the mission of DOE/NNSA as well as other sponsors of work. In addition, the Contractor will ensure conferences do not include any activities that create the appearance of taxpayer funds being used in a questionable manner.

(b) For the purposes of this clause, "conference" is first defined by the Federal Travel Regulation (FTR) as "

[a] meeting, retreat, seminar, symposium, or event that involves attendee travel. The term 'conference' also applies to training activities that are considered to be conferences under 5 C.F.R 410.404." Additionally, the Department's conference activity reporting guideline expands the FTR conference definition to disregard

attendee travel as a determining factor, i.e., reporting can be required without the existence of attendee travel.

(c) Contractor-sponsored conferences include those events that meet the Department's expanded conference definition, and a DOE contractor holds the role of primary decision-maker for key planning items such as conference theme, agenda, location/venue, dates, and conference participation.

(d) Merely providing the contractor's facility space for a conference, or contractor staff participating in a conference, or procuring conference booth space, giving a speech, or serving as an honorary chairperson does not connote contractor sponsorship.

(e) The Contactor will provide information on conferences they plan to sponsor with expected costs exceeding $100,000 in the net costs to the Department, in the Department's Conference Management Tool (CMT), including:

(1) Conference title, description, and date
(2) Location and venue
(3) Description of any unusual expenses (e.g., promotional items)
(4) Description of contracting procedures used (e.g., competition for space/support)
(5) Costs for space, food/beverages, audio visual, travel/per diem, attendee registration costs
(6) Number of attendees

(f) The Contractor will not expend funds on the proposed Contractor-sponsored conferences with expenditures estimated to exceed $100,000 until notified of approval by the Contracting Officer and approved by the corresponding federal executive oversight entity.

(g) For DOE-sponsored conferences (i.e., sponsored by a Departmental Element), the Contractor will not expend funds on the proposed conference that exceeds $100,000 in net estimated DOE cost, until it is approved in the CMT by the management of the Departmental Element sponsoring the conference,

(1) DOE-sponsored conferences include events that meet the Department's expanded conference definition, and a Departmental Element holds the role of primary decision-maker for key planning items such as conference theme, agenda, location/venue, dates and conference participation.
(2) Merely providing Federal facility space for a conference, or Federal staff participating in a conference, or procuring conference booth space, giving a speech, or serving as an honorary chairperson does not connote DOE sponsorship.

(3) The Contractor will provide cost and attendance information on their participation in all DOE-sponsored conference in the DOE Conference Management Tool.

(h) For conferences sponsored by a non-DOE external entity, the Contractor shall develop and implement a process to ensure costs related to such conferences are tracked, allowable, allocable, reasonable, and further the mission of DOE/NNSA.

(i) Contractors are not required to enter participation or cost information on conferences sponsored by a non-DOE external entity in DOE's Conference Management Tool.

(End of Clause)
[1485]

H-38 Management and Operating Contractor (M&O) Subcontract Reporting (Nov 2017)

(a) *Definitions.* As used in this clause—
"First-tier subcontract" means a subcontract awarded directly by the Contractor for the purpose of acquiring supplies or services (including construction) for performance of a prime contract. It does not include the Contractor's supplier agreements with vendors, such as long-term arrangements for materials or supplies that would benefit multiple contracts and/or the costs of which are normally applied to a Contractor's general and administrative expenses or indirect costs.

"Management and Operating Contractor Subcontract Reporting Capability (MOSRC)" means a DOE system and associated processes to collect key information about Management and Operating Contractor first-tier subcontracts for reporting to the Small Business Administration.

"Transaction" means any contract, order, other agreement or modification thereof (other than one involving an employer-employee relationship) entered into by the Contractor acquiring supplies or services (including construction) required solely for performance of the prime contract.

(b) *Reporting.* The Contractor shall collect and report data via MOSRC necessary for DOE to meet its agency reporting requirements, as determined by the Small Business Administration, in accordance with the most recent reporting instructions at https://energy.gov/management/downloads/mosrc-reporting-instructions. The Contractor shall report first-tier subcontract data in MOSRC. Classified subcontracts shall not be reported. Subcontracts with Controlled Unclassified Information marking shall not be reported if restricted by its category. Contact your Contracting Officer if uncertain of information reporting requirements. The MOSRC reporting requirement does not replace any other

reporting requirements (e.g. the Electronic Subcontracting Reporting System or the FFATA Subcontracting Reporting System.

(End of Clause)
[M1414]

H-39 Risk Management and Insurance Programs

Contractor officials shall ensure that the requirements set forth below are applied in the establishment and administration of DOE-funded prime cost reimbursement contracts for management and operation of DOE facilities and other designated long-lived onsite contracts for which the contractor has established separate operating business units.

1. BASIC REQUIREMENTS

   a. Maintain commercial insurance or a self-insured program, (i.e., any insurance policy or coverage that protects the Contractor from the risk of legal liability for adverse actions associated with its operation, including malpractice, injury, or negligence) as required by the terms of the contract. Types of insurance include automobile, general liability, and other third party liability insurance. Other forms of coverage must be justified as necessary in the operation of the Department facility and/or the performance of the contract, and approved by the DOE.

   b. Contractors shall not purchase insurance to cover public liability for nuclear incidents without DOE authorization (See DEAR 970.5070, Indemnification, and DEAR 950.70, Nuclear Indemnification of DOE Contractors).

   c. Insurance programs and costs comply with the cost limitations and exclusions at FAR 28.307, Insurance Under Cost Reimbursement Contracts, FAR 31.205-19, Insurance and Indemnification, DEAR 952.231-71 Insurance-Litigation and Claims, and DEAR 970.5228-1, Insurance-Litigation and Claims.

   d. The insurance program is being conducted in the government's best interest and at reasonable cost.

   e. Upon request the Contractor shall submit copies of all insurance policies or insurance arrangements to the Contracting Officer no later than 30 days after the purchase date.

   f. When purchasing commercial insurance, the contractor shall use a competitive process, when practical, to ensure costs are reasonable.

g. Ensure self-insurance programs include the following elements:

(1) Compliance with criteria set forth in FAR 28.308, Self-Insurance. This includes hybrid plans (i.e., commercially purchased insurance with self-insured retention (SIR) such as large deductible based on business size, matching deductible, retrospective rating cash flow plans, and other plans where insurance reserves are under the control of the insured). The SIR components of such plans are self-insurance and are subject to the approval and submission requirements of FAR 28.308, as applicable.

(2) If a self-insurance program is approve, it must be executed in full compliance with applicable state and federal regulations and related professional administration necessary for participation in alternative insurance programs.

(3) Safeguards to ensure third party claims and claims settlements are processed in accordance with approved procedures.

(4) Accounting of self-insurance charges in the approved cost accounting system.

(5) Accrual of self-insurance reserve. The Contracting Officer's approval is required if the contract holds a reserve in a contract-held account using DOE funds and would then be predicated upon the following:

(a) The claims reserve shall be held in a special fund or interest bearing account.
(b) Submission of a formal written statement to the Contracting Officer stating that use of the reserve is exclusively for the payment of insurance claims and losses, and that DOE shall receive its equitable share of any excess funds or reserve.
(c) Annual accounting and justification as to the reasonableness of the claims reserve submitted for Contracting Officer's review.
(d) Claim reserves, not payable within the year the loss occurred, are discounted to present value based on the prevailing Treasury rate.

h. If the Contractor purchases a letter of credit or other financial instrument, the Contractor shall separately identify and account for interest cost on a Letter of Credit used to guarantee self-insured retention, as an unallowable cost and omitted from charges to the DOE contract.

i. Comply with the Contracting Officer's written direction for ensuring the continuation of coverage and settlement of incurred and/or open claims and payments of premiums owed or owing to the insurer for prior DOE contractors.

2. PLAN EXPERIENCE REPORTING. The Contractor shall:

   a. Upon request, provide the Contracting Officer with annual experience reports for each type of insurance (e.g., automobile and general liability), listing the following for each category:

      (1) The amount paid for each claim.
      (2) The amount reserved for each claim.
      (3) The direct expenses related to each claim.
      (4) A summary for the year showing total number of claims.
      (5) A total amount for claims paid.
      (6) A total amount reserved for claims.
      (7) The total amount of direct expenses.

   b. Upon request, provide the Contracting Officer with an annual report of insurance costs and/or self-insurance charges. When applicable, separately identify total policy expenses (e.g., commissions, premiums, and costs for claims servicing) and major claims during the year, including those expected to become major claims (e.g., those claims valued at $100,000 or greater).

   c. Provide additional claim financial experience data as may be requested on a case-by-case basis.

3. TERMINATING OPERATIONS. The Contractor shall:

   a. Ensure protection of the government's interest through proper recording of cancellation credits due to policy terminations and/or experience rating, if applicable.

   b. Identify and provide insurance policy administration and management requirements to a successor, other DOE contractor, or as specified by the Contracting Officer.

   c. Reach agreement with DOE on the handling and settlement of self-insurance claims incurred but not reported at the time of contract termination; otherwise, the contractor shall retain this liability.

4. INSURANCE POLICY CANCELLATION. The Contractor shall:

   a. Obtain the written approval of the Contracting Officer for any change in program direction; and
   b. Ensure insurance coverage replacement is maintained as required and/or approved by the Contracting Officer.

(End of Clause)

[M1124]

H-40 Defense and Indemnification of Employees

(a) The Parties recognize that, under applicable State law, the Contractor could be required to defend and indemnify its officers and employees from and against civil actions and other claims which arise out of the performance of work under this contract. Except for defense costs made unallowable by law, Section I Clause entitled "DEAR 970.5232-2 – Payments and Advances," or the Major Fraud Act (41 U.S.C. §256(k)), the costs and expenses, including judgments, resulting from the defense and indemnification of employees from and against such civil actions and claims shall be allowable costs under this contract if incurred pursuant to the terms of Section I Clause entitled "DEAR 970.5228-1 – Insurance--Litigation and Claims."

(b) Costs and expenses, including judgments, resulting from the defense and indemnification of employees from civil fraud actions filed in federal court by the Government will be unallowable where the employee pleads nolo contendere or the action results in a judgment against the defendant.

(c) Where in accordance with applicable State law, the Contractor determines it must defend an employee in a criminal action, DOE will consider in good faith, on a case-by-case basis, whether the Contractor has such an obligation. If DOE concurs, the costs and expenses, including judgments, resulting from the defense and indemnification of employees shall be allowable.

(d) The Contractor shall immediately furnish the Contracting Officer written notice of any such claim or civil action filed against any employee of the Contractor arising out of the work under this contract together with copies of all pleadings filed. The Contractor shall furnish to the Contracting Officer a written determination by the Contractor's counsel that the defense or indemnity of the employee is required by the provisions of applicable State law, that the employee was acting within the course and scope of employment at the time of the acts or omissions which gave rise to the claim or civil action, and that any exclusions set forth under applicable State law for fraud, corruption, malice, willful misconduct, or lack of good faith on the part of the employee does not apply. A copy of any letter asserting a reservation of rights under applicable State law with respect to the defense or indemnification of such employee shall also be provided to the Contracting Officer. The costs associated with the settlement of any such claim or civil action shall not be treated as an allowable cost unless approved in writing by the Contracting Officer.

(End of clause)

[M1067]

H-41 Additional Labor Requirements

The Contractor shall conduct payroll and job-site audits and conduct investigations of complaints as authorized by DOE on all Davis-Bacon Act activity, including any subcontracts, as may be necessary to determine compliance with the Davis-Bacon Act. Where violations are found, the Laboratory shall report them to DOE Contracting Officer. The Contracting Officer may require that the Contractor assist in the determination of the amount of restitution and withholding of funds from a subcontractor so that sufficient funds are withheld to provide restitution for back wages due for workers inappropriately classified and paid, fringe benefits owed, overtime payments due, and liquidated damages assessed.

The Contractor shall notify the Contracting Officer of any complaints and significant labor standards violations whether caused by the Contractor or subcontractors. The Laboratory shall assist DOE and/or the Department of Labor in the investigation of any alleged violations or disputes involving labor standards. The Contractor shall furnish a Davis-Bacon Semi-Annual Enforcement Report to DOE by April 21 and October 21 each year.

(End of Clause)
[M1067]

H-42 EPACT Data Protection (DOE-H-7038) (APR 2022)

(a) Rights to Protected Data

(1) In addition to the data rights set forth in 48 CFR § 970.5227-2 - Rights in data-technology transfer, for work authorized under the Energy Policy Act of 2005 (EPAct 2005) or the Energy Policy Act of 1992 (EPAct 1992), the Contractor may, with the concurrence of DOE, claim and mark as EPAct Protected Data, any data first produced in the performance of such work that would have been treated as a trade secret if developed at private expense. Any such claimed "EPAct Protected Data" will be clearly marked with the following Protected Rights Notice, and will be treated in accordance with such Notice, subject to the provisions of paragraph (b) of this clause.

Protected Rights Notice
These protected data were produced under [INSERT WORK IDENTIFIER] with the U.S. Department of Energy and may not be published, disseminated, or disclosed to others outside the Government until [INSERT PERIOD OF PROTECTION END] (Note: The period of protection of such data is fully negotiable, but cannot exceed the applicable statutorily authorized maximum), unless express written authorization is obtained from the Contractor. Upon expiration of the period of protection set forth in this Notice, the Government shall have unlimited rights in this data. This Notice shall be marked on any reproduction of this data, in whole or in part.

(End of notice)

(2) Any such marked Protected Data may be disclosed under obligations of confidentiality for the following purposes:

(i) For evaluation purposes under the restriction that the "Protected Data" be retained in confidence and not be further disclosed; or

(ii) To subcontractors or other team members performing work under the Government's program in which this data was produced, for information or use in connection with the work performed under their activity, and under the restriction that the Protected Data be retained in confidence and not be further disclosed.

(3) The obligations of confidentiality and restrictions on publication and dissemination shall end for any Protected Data:

(i) At the end of the protected period;

(ii) If the data becomes publicly known or available from other sources without a breach of the obligation of confidentiality with respect to the Protected Data;

(iii) If the same data is independently developed by someone who did not have access to the Protected Data and such data is made available without obligations of confidentiality; or

(i) If the Contractor disseminates or authorizes another to disseminate such data without obligations of confidentiality.

(4) However, the Contractor shall not claim or mark as EPACT Protected Data, any lists of data identified by the funding program to be provided with unlimited rights. The Contractor agrees that notwithstanding the lists of types of data, nothing precludes the Government from seeking delivery of additional data in accordance with the requirements of the Contractor's contract, or from making publicly available unlimited rights data, nor does the lists of data constitute any admission by the Government that technical data not on the list is EPACT Protected Data.

(5) When a Cooperative Research and Development Agreement (CRADA) is used with an EPAct Awardee, the CRADA Protected Information clause may be modified to incorporate the Protected Rights Notice of this clause. When a Strategic Partnership Project (SPP) is used with an EPAct Awardee, the Rights in Technical Data clause may be modified to incorporate the Protected Rights Notice of this clause.

(6) The Government's sole obligation with respect to any EPACT Protected Data shall be as set forth in this clause.

(b) Unauthorized or Omitted Marking of Data

(1) Notwithstanding any other provisions concerning inspection or acceptance, if any data developed is authorized by EPAct 1992 or 2005 bears any restrictive or limiting markings not authorized by this clause, the Contracting Officer has the right to remove, cancel, correct, or ignore any markings not authorized by this clause on any data furnished hereunder if, in response to a written inquiry by DOE concerning the

propriety of the markings, the Contractor fails to respond within 60 days or fails to substantiate the propriety of the markings. In either case, DOE will notify the Contractor of the action taken.

(2) The Government assumes no liability for the disclosure, use or reproduction of any data provided to the Government by the Contractor that lacks any protected rights notice or other restrictive or limiting markings authorized by the Contractor's prime contract with DOE.

(End of Clause)
[M1438]

H-43 Contractor's Obligations Concerning U.S. Manufacturing Requirements of a Determination of Exceptional Circumstances (DEC) (DOE-H-7039) (APR 2022)

(a) Applicability
This clause is applicable to work performed by the Contractor subject to a Determination of Exceptional Circumstance (DEC) under 35 U.S.C. 202(a) (ii) and in accordance with 37 CFR Part 401.3(e) having U.S. manufacturing requirements.

(b) U.S. Manufacturing Requirements for Subject Inventions

(1) In addition to the U.S. Preference provision in Patent Rights clause (48 CFR 970.5227-10 including any modifications) and the U.S. Industrial Competitiveness provision in the Technology Transfer Mission clause (48 CFR 970.5227-3 including any modifications) in the Contractor's prime contract with DOE, the Contractor agrees to comply with the manufacturing requirements of all applicable DECs, including any remedies for breach of the applicable manufacturing requirements.

(2) The Contractor is required to comply with requirements of applicable DECs including, but not limited to, any U.S. Manufacturing Plans or Commercialization Plans. If the Contractor fails to comply with an applicable DEC or any related/required U.S. Manufacturing or Commercialization Plans, the Contractor is subject to any enforcement provisions of the applicable DEC, including, but not limited forfeiture of rights to subject inventions.

(3) Request for a waiver of any U.S. manufacturing requirements, including the U.S. Preference provision in the Patent Rights clause (48 CFR 970.5227-10 including any modifications), the U.S. Industrial Competitiveness provision in the Technology Transfer Mission clause (48 CFR 970.5227-3 including any modifications), and any applicable U.S. Manufacturing or Commercialization Plan must be approved by the funding program in addition to the Contracting Officer. Such waiver requests must be accompanied by substantial evidence that it is not commercially feasible to comply with the U.S. manufacturing requirement and provide commitments that benefit the U.S. economy. These conditions shall be binding on any subsequent

assignee, sublicensee, or any entity acquiring rights to any elected subject inventions.

(End of Clause)
[M1438]

H-44 Real Property Asset Management

A. The Contractor shall comply with Departmental requirements and guidance involving the acquisition, management, maintenance, disposition, or disposal of real property assets to ensure that real property assets are available, utilized, and in a suitable condition to accomplish DOE's missions in a safe, secure, sustainable, and cost-effective manner. Contractors shall meet these functional requirements through tailoring of their business processes and management practices, and use of standard industry practices and standards as applicable. The contractor shall flow down these requirements to subcontracts at any tier to the extent necessary to ensure the contractor's compliance with the requirements.

B. Contractor shall:

1. Submit all real estate actions to acquire, utilize, and dispose of real property assets to DOE for review and approval and maintain complete and current real estate records.

2. Perform physical condition and functional utilization assessments on each real property assets at least once every five-year period or at another risk-based interval as approved by SC-1 based on industry leading practices, voluntary consensus standards, and customary commercial practices.

3. Establish a maintenance management program including: a computerized maintenance management system (CMMS); a condition assessment system; a master equipment list; maintenance service levels; a method to determine for each asset the minimum acceptable level of condition; methods for categorizing deficiencies as either deferred maintenance and repair (DM) or repair needs; management of the DM backlog; a method to prioritize maintenance work; and a mechanism to track direct and indirect funded expenditures for maintenance, repair, and renovation at the asset level.

4. Maintain Facilities Information Management System (FIMS) data and records for all lands, buildings, trailers, and other structures and facilities. FIMS data must be current and verified annually.

(End of Clause)
[M1124]

H-45 Foreign Engagements with DOE National Laboratories

The contractor shall maintain a process to ensure they meet the following expectations for entering into collaborative engagement with foreign entities under the following mechanisms:

1. Memorandum of Understanding (MOU);
2. Strategic Partnership Projects (SPPs);
3. Cooperative Research and Development Agreements (CRADAs); and
4. Agreements for Commercializing Technology (ACT) and/or other contractual instrument.

Prior to negotiation of the proposed laboratory MOU with one or more foreign entities, the draft text of the proposed MOU must undergo review by the Senior Counterintelligence Officer (SCIO) for the laboratory, the laboratory export control office, and DOE Site Office (SO) counsel, followed by HQ review. HQ review of such MOUs requires pre-negotiation review and concurrence from each of the following offices:

1. Cognizant Secretarial Office (CSO);
2. Program Secretarial Office (PSO);
3. Office of International Science & Technology Collaboration (IA-42);
4. Cognizant General Counsel Office (GC);
5. Office of Intelligence and Counterintelligence (IN);
6. Office of Nonproliferation and Arms Control (NA-20); and
7. Office of Classification (AU-60), if involving potential access to or use of classified information.

As part of the package submitted for HQ review, laboratories must indicate in writing how the MOU aligns with each of the following principles:

1. In the long-term, there must be a benefit to DOE and/or the U.S. Government from the partnership;
2. The partnership must be consistent with the foreign policy and national security interests and priorities of the U.S. Government;

3. Work under the MOU must comply with all applicable laws, U.S. Government policies and regulations, and DOE procedures;

4. Work under any proposed MOU must be consistent with the long-term goals and objectives of DOE and the relevant DOE programs must be notified;

5. The collaboration should not create a resource burden on a DOE Program Office or DOE Laboratory;

6. The partnership should aim to leverage domestic capabilities to advance U.S. scientific achievement or clean energy technologies and potentially enhance the Department's or laboratory's stature and global leadership;

7. The partnership should aim to advance global efforts in areas related to DOE's missions including, for example, environmental protection and remediation, energy security, development or adoption of clean energy technologies, or nuclear security and nonproliferation; and

8. The partnership should aim to provide benefit to the U.S. economy through lower cost technologies for consumers, export markets for domestic companies, U.S.-based jobs, or similar economic advantages.

In some cases, a foreign entity may require a copy of the agreement in its own language, in addition to English. In such cases, language conformance will be required to ensure the English and foreign language versions agree precisely in meaning. These services must be provided by the Department of State's Office of Language Services, and be coordinated by IA-42, with the costs for such services borne by the cognizant DOE program or laboratory. No laboratory MOU may be signed in a foreign language until the HQ review has been completed and the State Department's Office of Language Services issues DOE an official comparison memo indicating that the two texts have the same meaning in all substantive respects.

An MOU with a foreign entity must be reviewed by HQ at least every five years to ensure these activities remain consistent with U.S. national security and other policies.

HQ review of proposed laboratory work under a contractual mechanism (SPP, CRADAs, Agreements for Commercializing Technology Act, or other Contractual Instrument) with one or more foreign entities is initiated by the laboratory through the Site Office, and requires review and concurrence from each of the following offices:

1. Cognizant Secretarial Office (CSO);

2. Program Secretarial Office (PSO);

3. Office of International Science & Technology Collaboration (IA-42);

4. Cognizant General Counsel Office (GC);

5. Office of Intelligence and Counterintelligence (IN); and

6. Office of Nonproliferation and Arms Control (NA-20).

Based on information provided by the laboratory, the Site Office provides to the appropriate HQ offices, a copy of the abbreviated proposal and any supporting documents, which may include the agreement itself and a full or summary statement of work. A project with a foreign entity must be reviewed by HQ at least every five years to ensure these activities remain consistent with U.S. national security and other policies.

All DOE HQ reviews for both MOUs and contractual instruments should be completed within 20 business days following receipt of the request. A response will be provided by HQ to the SO within the 20 business day timeframe that indicates approval, disapproval, or the need for more time to review the request since some proposals may require additional time to review due to special circumstances. All issues identified by the SO and HQ reviewing offices and communicated to the laboratory must be satisfactorily resolved before negotiation and signature of the proposed MOU or contractual instrument will be authorized.

For MOUs, the laboratory may negotiate and sign the MOU with the foreign entity or entities after all the required reviews are completed and concurrences are received. Any substantive departures from the approved MOU text must be reviewed by SO counsel before the MOU may be signed. Any changes in the identity of the foreign entity or entities must be reviewed by the laboratory's SCIO. A pdf copy of each final, fully executed MOU must be submitted to the IA-42 (at labagreements@hq.doe.gov) within 20 days of signature.

(End of Clause)
[M1124]

H-46 Authorization of Activities Supporting the Institution – Agreement on Costs

1. **Onsite and Offsite Hazardous Material Movement** - In performance of the Contract, notification to DOE is required in advance of any approval to allow the hand carrying onsite material movement between PNNL facilities that exceeds Material of Trade (MOT) hazardous material limits, has a does rate greater than 4 mrem/hour, is greater than 3% of a minimum critical mass of fissile material, is a select agent or greater than BSL1 quantity, or is safeguards accountable.

(End of Clause)
[M1357]

H-47 Applied Technology Markings

Information resulting from U.S. Department of Energy, Office of Nuclear Energy (NE) funded efforts at the Pacific Northwest National Laboratory must be reviewed by the Contractor for any distribution restrictions. Applied Technology Information (AT) markings will no longer be required to be managed by the Contractor for NE legacy documents performed from 1970 to June 2006. After removal of AT markings, the legacy documents will require a Derivative Classifier and Export Control review for possible further restrictions and/or public release. The Contractor is required to establish a defined process for managing legacy documents marked as "AT" under NE authority.

(End of Clause)
[M1246]

H-48 Paid Leave under Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to Maintain Employees and Subcontractors in a Ready State

(a) The Contractor may submit for reimbursement and the Government will treat as allowable (if otherwise allowable per federal regulations) the costs of paid leave (including sick leave) the Contractor or its subcontractors provide to keep employees in a ready state if--

(1) The employees: cannot perform work on a site approved by the Federal Government (including a federally-owned or leased facility or site) due to facilities closures or other restrictions; and cannot telework because their job duties cannot be performed remotely during the public health emergency declared on January 31, 2020 for COVID–19.

(2) The costs are incurred from January 31, 2020 through September 30, 2021.

(3) The costs do not reflect any amount exceeding an average of 40 hours per week for paid leave.

(b) Where other relief provided for by the CARE Act or any other Act would benefit the contractor or the contractor's subcontractors, including, but not limited to, funds available under sections 1102 and 1106 of the CARES Act, the contractor should evaluate the applicability of such benefits in seeking reimbursement under the contract.

(c) The Contractor must represent in any request for reimbursement--

(1) Either it: has not received, has not claimed, and will not claim any other reimbursement, including claims for reimbursement via letter of credit, for federal funds available under the CARES Act for the same purpose, including, but not limited to, funds available under sections 1102 and 1106 of the CARES Act; or if it has received, claimed, or will claim other reimbursement, that reimbursement has been reflected, or will be

reflected when known, in requests for reimbursement but in no case reflected later than in its final proposal to determine allowable incurred costs.

(2) Its request reflects or will reflect as soon as known, all applicable credits, including

(i) Tax credits, including credits allowed pursuant to division G of Public Law 116-127; and

(ii) Applicable credits allowed under the CARES Act, including applicable credits for loan guarantees.

(End of clause)
[M1336]

H-49 DOE-H-2059 Preservation of Antiquities, Wildlife, and Land Areas (Oct 2014) (Revised) (Nov 2025)

(a) Federal Law protects antiquities located on land owned or controlled by the U.S. Government. Antiquities include Indian graves (e.g., human remains, funerary objects, sacred objects), or campsites, relics, and artifacts.

(b) The Contractor shall ensure that its activities and those of its subcontractors protect antiquities existing or discovered thereon. It shall be the duty of the Contractor to report to the Contracting Officer the existence of antiquities so discovered.

(c) When ground disturbing activities on the PNNL Richland and Sequim Campuses, and PNNL operated facilities on the 300 Area of the Hanford Site require cultural resources monitoring, the Contractor shall provide an individual to monitor the activity that meets the Secretary of Interior (SOI) standards, or an individual that is under the supervision of an SOI qualified individual.

(d) For ground disturbing activities on the PNNL Richland Campus that require cultural resources monitoring, the Contractor shall provide PNSO at least 10 calendar days advance notice.

For ground disturbing activities on the PNNL Sequim Campus that require cultural resources monitoring, the Contractor shall provide PNSO with advance notice as follows: at least 10 calendar days for activities associated with new development and at least 16 calendar days for activities associated with operations and management.

(1) The notification must include the following information:

i. Project name
ii. Description of the proposed activity
iii. Date and time of the activity
iv. Meeting location and time, if attending the activity

v. Personal Protective equipment required to attend the activity
vi. Expected duration of the activity
vii. A map of the activity area and the meeting location

(2) The Contractor's failure to provide the appropriate advance notice may delay ground-disturbing activities. If failure to provide the advance notice occurs, the Contractor shall conduct a review to determine the cause of the failure and take corrective actions to prevent reoccurrence. The Contractor shall provide to PNSO both the review and documentation of the corrective actions within 25 days of identifying the failure.

(e) The Contractor shall facilitate tribal member access to PNNL Richland and Sequim Campuses or other sites where work is being performed under this Contract.

(1) Facilitation includes ensuring that tribal members receive appropriate badging, escorting, and safety briefings as required by the terms and conditions of the Contract.

(2) If the Contractor denies access to tribal members, it shall provide a description and the reason for the denial to PNSO within 96 hours.

(End of clause)
[1627]

H-50 DOE-H-2089 Compliance With Federal Anti-Discrimination Laws

(a) Definition. As used in this clause—
Program promoting diversity, equity, and inclusion means a program whose purpose is to promote preferences based on race, color, religion, sex, or national origins, such as in training or hiring.

(b) Compliance. The Contractor shall comply with all applicable Federal anti-discrimination laws. These laws apply whether or not the company is a Government contractor. Compliance with applicable Federal anti-discrimination laws is material to eligibility for and payment under this contract for purposes of 31 U.S.C. 3729(b)(4).

(c) Certification. By requesting payment under this award, the contractor certifies that, to the best of its knowledge and belief, it does not operate programs promoting diversity, equity, and inclusion that violate any applicable Federal anti-discrimination laws.

(End of Clause)
[1673]

H-51 Contractor's Obligations Regarding Funding Opportunity Announcement DE-FOA-0003612 Genesis Mission (July 2026)

The following requirements are applicable to all National Laboratory Awardees and Subawardees for the purposes of executing duly authorized work resulting from Funding Opportunity Announcement DE-FOA-0003612 only (these requirements do not apply to any other aspect of prime contract performance).

The National Laboratory Awardee is responsible for ensuring inclusion of these requirements into all subcontracts/agreements with Subawardees.

The following flow downs must be suitably modified to correctly identify the parties.

Section I. Data Rights

The Laboratory's Rights in Data clause (e.g. 48 CFR § 970.5227-2) and any rights described in a DOE approved Bridge Agreement (using CRADA authority) (the "Agreement") shall apply to the Laboratory for all work performed under DE-FOA-0003612, unless otherwise directed by Patent Counsel. Notwithstanding the foregoing, the Limited Rights Notice listed below and incorporated in a Laboratory subcontract must be used in lieu of the notice provided in 48 CFR § 970.5227-2(h), unless otherwise approved by Patent Counsel; additionally, any notice approved by DOE/NNSA in a Bridge Agreement or corresponding data use agreement may be used by the Laboratory as authorized therein.

For subcontractors, Patent Counsel hereby directs one of the following Rights in Data clauses suitably modified to identify the parties to be included in any subcontract under DE-FOA-0003612. These clauses are consistent with the Laboratory's Rights in data-technology transfer clause (See 48 CFR § 970.5227-2(g)(1)). Any questions should be directed at the Laboratory patent counsel who should coordinate with the cognizant Patent Counsel as necessary.
For projects including open research, the following data clause must be used suitably modified to identify the parties. Additionally, a Bridge Agreement – OPEN must be executed.

[BEGIN OPEN DATA CLAUSE]

Open Data Rights Clause

(a) The Awardee:

(1) shall have the right to establish claim to copyright subsisting in any Data first produced in the performance of this Agreement, without the prior approval of the DOE/NNSA.

(2) shall ensure that all Data it provides or delivers under this Agreement are accompanied by rights and permissions sufficient to allow the Government and other Project participants to use such Data as required by this Agreement,

including any rights necessary for reproduction, derivative works, distribution, public performance, and public display.

(3) shall negotiate and execute a Bridge Agreement including the allocation of data rights comprising at least a requirement herein, unless otherwise approved by DOE/NNSA.

(b) The Government shall:

(1) have Unlimited Rights in all delivered Data.

(2) at its sole discretion, disregard and remove any protective markings on any Data delivered. However, the Awardee shall be provided with at least 30 days to redeliver such data with corrected markings.

(3) have a paid-up nonexclusive, irrevocable, worldwide license to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government, for all Data delivered.

(c) Publication Clause

a. Awardee is encouraged to publish or otherwise make publicly available the results of the work conducted under the award.

b. An acknowledgment of Federal support and a disclaimer must appear in the publication of any material, whether copyrighted or not, based on or developed under this project, as follows:
Acknowledgment: "This material is based upon work supported by the Department of Energy under Award Number(s) [Enter the award number(s)]."

Disclaimer: "This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof."

c. Subject to this Agreement, either party may release general information regarding activities conducted under this award. Awardee, however, shall not issue any press release resulting from activities conducted under this Agreement without DOE/NNSA approval, which shall not be unreasonably withheld or delayed.

d. The terms and conditions of this clause shall survive this Agreement.

[END OPEN DATA CLAUSE]

For other projects, the following data clause must be used suitably modified to identify the parties. The protection period in (b)(2) may be up to 5 years, unless otherwise authorized by DOE/NNSA. Additionally, a Bridge Agreement that does not use the "OPEN" template needs to be executed with a Data Use Agreement (DUA).

[BEGIN PROPRIETARY DATA CLAUSE]

Data Rights

(a) Definitions

(1) Limited rights Data, as used in this clause, means data (other than computer software) developed at private expense and first produced outside the performance of this agreement that embody trade secrets or are commercial or financial and confidential or privileged.

(2) Restricted Computer Software, as used in this clause, means computer software developed at private expense and that is a trade secret; is commercial or financial and confidential or privileged; or is published copyrighted computer software; including modifications of such computer software.

(b) The Awardee shall:

(1) have the right to protect the Limited Rights Data with the following notice.

Limited Rights Notice

(a) These data are submitted with limited rights under Government agreement No. (and subaward/ contract No.). These data may be reproduced and used by the Government with the express limitation that they will not, without written permission of the Awardee, be used or disclosed outside the Government; except that the Government may disclose these data outside the Government for the following purposes, provided that the Government makes such disclosure subject to prohibition against further use and disclosure:

(i) Use by Federal support services contractors within the scope of their contracts, including, but not limited to, DOE/NNSA laboratories, plants, and sites; or

(ii) for evaluation purposes to DOE/NNSA laboratories, plants, and sites, and non-profit research institutions.

(b) This Notice shall be marked on any reproduction of this data, in whole or in part.

(End of notice)

(2) have the right to protect Curated Data and Model Data developed in the performance of work under the Bridge Agreement (under the authority of 15 USC 3710a) consistent with 15 USC 3710a(c)(7)(B) with the following notice.

Protected Rights Notice

These protected data were produced under agreement no. (INSERT BRIDGE AGREEMENT NUMBER) *between (INSERT THE SUBCONTRACTOR NAME) and (INSERT THE LABORATORY NAME) operated for the Government* by (Inserted Contractor Operator) under Contract no. ____ and may not be published, disseminated, or disclosed to others outside the Government or its contractors until [Insert term authorized by DOE/NNSA] years after the date the data were first produced except for: (1) evaluation of work under the restriction that this data will be retained in confidence and not be further disclosed or (2) disclosure to a DOE/NNSA contractor under the restriction that this data will be retained in confidence and not be further disclosed, unless express written authorization is obtained from the Awardee. Upon expiration of the period of protection set forth in this Notice, the Government shall have unlimited rights in this data. This Notice shall be marked on any reproduction of this data, in whole or in part.

(End of notice)

(3) Have the right to establish claim to copyright subsisting in any Data first produced in the performance of this Agreement, without the prior approval of the DOE.

(4) Obtain all Data and rights therein necessary to fulfill its obligations to the Government under this Agreement.

(5) Negotiate and execute a Bridge Agreement including the allocation of data rights comprising at least the following elements before beginning work under this agreement, unless otherwise approved by DOE/NNSA:

(i) RESERVED

(ii) Each party shall ensure that any Data it provides under this Agreement is accompanied by the rights and permissions necessary for use as required by this Agreement and shall provide data source or license documentation

upon request.

(iii) The protection of any data shared amongst the parties consistent with this Agreement, including any Appendices.

(iv) Allocation of rights in AI Artifacts generated in the performance of work under this Agreement.

(c) The Government shall:

(1) Have unlimited rights in all delivered Data not having a protective marking authorized by (b)(1) and (b)(2) of this Clause.

(2) At its sole discretion, disclose any delivered Data for use solely in the evaluation of work under this Agreement under the restriction that any Data provided with the above Protected Rights Notice will be retained in confidence and not be further disclosed.

(3) At its sole discretion, disregard and remove any protective markings not authorized by (b)(1) and (b)(2) of this Clause. However, the Awardee shall be provided with at least 30 days to redeliver such data with corrected markings.

(4) At its sole discretion, disregard and remove any protective markings on Data delivered:

(i) at the end of the protection period;

(ii) upon breach of Section (d) entitled "Access Restrictions and Limited U.S. First Deployment";

(iii) if the data becomes publicly known or available from other sources; or

(iv) if the Awardee disseminates or authorizes DOE/NNSA or another to disseminate such data without obligations of confidentiality.

(5) Have a paid-up nonexclusive, irrevocable, worldwide license to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government, for all Data delivered. Notwithstanding the foregoing, Data properly marked with the above Protected Notice shall be prohibited from disclosure outside the Government as required by the Protected Rights Notice.

(d) **Access Restrictions and Limited U.S. First Deployment**

(1) Definitions

(i) "AI Artifact" shall mean any dataset, code, scripts, pipelines, models (including architectures, parameters, and weights), prompts, outputs, documentation, metadata, test/evaluation suites, synthetic data, and system/model/data cards created, used, or improved under the Bridge Agreement.

(ii) "Data" shall mean recorded information, regardless of form or the media on which it may be recorded, including Technical Data. The term does not include information incidental to this Agreement administration, such as financial, administrative, cost or pricing or management information.

(iii) "Foreign Country of Concern" shall mean the People's Republic of China, the Russian Federation, the Democratic People's Republic of Korea, the Islamic Republic of Iran, and Belarus, or any other country determined to be a foreign country of concern by the Secretary of State, and including countries of risk designated by DOE. This list is subject to change. DOE reserves the right, in the exercise of its absolute discretion, to add or subtract any foreign country determined to be of risk consistent with DOE policies by a unilateral amendment to this Agreement.

(iv) "Foreign Entity" shall mean any corporation, business association, partnership, trust, society, or any other entity or group that is not incorporated or organized to do business in the United States, as well as international organizations, foreign governments and any agency or subdivision of foreign governments including state-owned enterprises. The term "Foreign Countries of Concern" and "Foreign National" are separate terms and not necessarily covered under the definition of a Foreign Entity although "Foreign Countries of Concern" are also "Foreign Entities".

(v) "Foreign National" shall mean any individual other than a U.S. citizen.

(vi) "Government" shall mean the Federal government of the United States of America including its agencies and departments.

(vii) "Intellectual Property" shall mean any and all subject inventions, copyrights, and trademarks developed by an Awardee.

(viii) "Non-Public Data" shall mean Data that has not been publicly distributed to others without restriction on further dissemination. Specifically excluded from this definition is data shared at a conference, public talk or other public forum if the data shared is shared without restriction on further dissemination.

(ix) "Bridge Agreement" means an agreement between the Awardee and their partners/collaborators in the performance of the Milestones, which is intended to address all data rights, including allocation of rights to AI Artifacts. The Bridge Agreement includes agreements with DOE/NNSA contractors, preferably using the preapproved AI BRIDGE AGREEMENT containing a Data Use Agreement (DUA) template.

(x) "AI Artifact" shall mean AI Artifacts developed in performance of the Milestones, including a Bridge Agreement.

(2) **Access and Transfer Prohibition**. Awardee agrees not to provide or allow others to provide access to any Non-Public Data or to license, assign or otherwise transfer any rights in Intellectual Property or Non-Public Data generated under this Agreement, at any tier, to entities with foreign ownership, interest, or control by a government or entity subject to the jurisdiction of a Foreign Country of Concern, without DOE/NNSA's prior written approval. Any failure to comply with this provision will be a breach of this Agreement and subject to available remedies for noncompliance. Specifically excluded from this restriction is a royalty free grant of a non-exclusive license of intellectual property to the general public (e.g. an open-source license or public domain).

(3) **U.S. First Deployment**. For a period of two years from the completion or termination of this Agreement with DOE/NNSA, the Awardee agrees not to provide or allow others to provide access to any Non-Public Data or to license, assign or otherwise transfer any rights in Intellectual Property or Non-Public Data generated under this Agreement, at any tier, to entities with foreign ownership, interest, or control by a government or entity not subject to the jurisdiction of the United States of America, without DOE/NNSA's prior written approval. Specifically excluded from this restriction is a royalty free grant of a non-exclusive license of Intellectual Property or Non-Public Data to the general public (e.g. an open-source license or public domain). Any failure to comply with this provision will be a breach of this Agreement and subject to available remedies for noncompliance.

(4) **Immediate Access Termination**. Any access or transfer of rights in violation of the above terms shall be immediately null and void. In the event of any rights holder's bankruptcy or related financial proceeding, insolvency, or other material financial distress that, in the sole judgment of DOE/NNSA, creates an unmanageable risk of unauthorized transfer or disclosure of Intellectual Property and/or Non-Public Data to a Foreign Country of Concern, all rights granted or access provided shall terminate immediately, and the Awardee shall take all necessary steps to secure and prevent further dissemination of such Intellectual Property and/or Non-Public Data.

(5) The Awardee shall include this clause, suitably modified to identify the parties, in all subawards/contracts, regardless of tier, that may include the exchange of Non-Public Data.

(e) The terms and conditions of this clause shall survive this Agreement.

[END PROPRIETARY DATA CLAUSE]

Section II. Research, Technology and Economic Security (RTES)

(1) Foreign Entity Participation

A Foreign Entity is not eligible to participate as either an Awardee or Subawardee. In limited circumstances the Laboratory may request a waiver from DOE/NNSA to allow a foreign entity to participate, through the Contracting Officer (CO).

(2) Prohibition on Incorporation in or Ownership or Control by Foreign Countries of Concern

Throughout the life of the Agreement, the Awardee, parent company, Subawardees, and project team members shall not be solely incorporated in, or owned or controlled by, or subject to the direction of a Foreign Country of Concern. If there is a change in ownership or control that increases foreign ownership or control by Foreign Country of Concern or a change that effectively makes the entity subject to the direction of a Foreign Country of Concern, the Awardee must immediately alert the CO.

(3) Entity of Concern Prohibition

No Entity of Concern as defined in Section 10114 of Public Law 117-167 (42 USC 18912) may participate in the performance of the Milestones.

(4) Malign Foreign Talent Recruitment Program Prohibition

Individuals participating in a Malign Foreign Talent Recruitment Program, as defined in Section 10638(4) of P.L. 117-167 (42 USC 19237(4), 19232), are prohibited from participating in the performance of the Milestones.

(5) Due Diligence Reviews and Disclosures

The Agreement is subject to a post-selection and ongoing research, technology, and economic security risk review and monitoring to identify potential risks of undue foreign influence. As part of the review, the Awardee must cooperate with DOE/NNSA requests for information, including the following required disclosures and certifications for all

covered individuals listed on the application and entities which must be updated within fifteen (15) business days of any changes except advanced notice to DOE/NNSA must be given for changes relating to a Foreign Country of Concern: DOE Common Form for Current and Pending (Other) Support (42 USC 6605) including a Malign Foreign Talent Recruitment Program certification (see RFA), DOE Common Form for Biosketch (NSPM-33), and Transparency of Foreign Connections Transparency of Foreign Connections | Department of Energy (NSPM-33). New covered individuals listed on the application and entities added during the term of the Agreement must provide the disclosures above and receive DOE approval before participating. All information provided must be inclusive of the Subawardees. DOE/NNSA may share information regarding the risks identified as part of the RTES due diligence review process or monitoring with other Federal agencies.

In the event an RTES risk is identified, or the required disclosures, certifications, or updates, are not submitted, or there is non-compliance with any provision of this Section, DOE/NNSA may require risk mitigation measures, including but not limited to, requiring that an individual or entity not participate in the performance of the Milestones, or implementing other controls such as data access restrictions, enhanced monitoring, or project scope adjustments, as determined necessary by DOE/NNSA to safeguard national security and economic interests. If significant risks are identified and cannot be sufficiently mitigated, DOE/NNSA may withhold Payment or terminate the Agreement.

DOE/NNSA decision regarding a due diligence review is not appealable.

(6) Performance of Work in the United States

All work performed under DOE agreements must be performed in the United States unless the DOE CO grants a written waiver. This requirement does not apply to the purchase of supplies and equipment; however, the Awardee and Subawardees should make every effort to purchase supplies and equipment within the United States. The Awardee must flow down this requirement to its Subawardees and subcontractors. The Awardee is responsible should any work under this agreement be performed outside the United States, absent a waiver, regardless if the work is performed by the Awardee, Subawardees, subcontractors or other project partners. There may be limited circumstances where it is in the interest of the project to perform a portion of the work outside the United States. To seek a waiver of the Performance of Work in the United States requirement, the Awardee must submit a written waiver request to the DOE/NNSA CO.

(7) Notice Regarding the Purchase of American-Made Equipment and Products – Sense of Congress

It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this agreement should be American-made.

(8) Conflicts of Interest

The Awardee shall adopt and maintain a conflict of interest policy under this Agreement, which shall be provided to DOE/NNSA upon request. This conflict of interest policy shall address both individual conflicts of interest as related to Key Personnel and Organizational Conflicts of Interest, including but not limited to financial conflicts of interest (FCOI) (i.e., managed and unmanaged/unmanageable).

The Awardee shall disclose in writing to the DOE/NNSA CO any potential or actual Conflict of Interest as soon as reasonably practical after discovery thereof. The Awardee and the DOE/NNSA shall jointly develop a mitigation plan to address Conflicts of Interest as they arise.

(9) Annual List of Personnel

The Awardee shall submit an updated list of all personnel working on the project on an annual basis to the DOE/NNSA CO, including all Subawardees.

Section IV. Communication

A. Administration. Unless otherwise provided in this Agreement, approvals permitted or required to be made by DOE/NNSA, or any other document that binds the government, may be made on by the DOE/NNSA CO. Contractual matters under this agreement shall be referred to the following representatives of the Parties:

DOE/NNSA Contracting Officer: Name, Phone, Email
Patent Counsel: Name, Phone, Email
Laboratory Awardee Point of Contact: Name, Phone, Email

B. Technical and Milestone Deliverables. Technical matters and milestone deliverable matters under this Agreement shall be referred to the following representative:

DOE Technical Representative: Name, Phone, Email

C. Change of Designated Representative. Each party may change its representatives named in this Article by written notification to the other parties.

Section V. Termination

The Department of Energy reserves the right to terminate this award. In the event of any termination of the award made under DE-FOA-0003612, DOE/NNSA reserves the right to unilaterally withhold funding not yet distributed pursuant to the Milestones outlined in the Work Authorization. Mutual termination does not impose any requirements that

DOE/NNSA pay in whole or part for milestones not achieved.

In the event of any termination by DOE/NNSA, neither DOE/NNSA nor the Awardee/Subawardee shall be liable for any loss of profits, revenue, or any indirect or consequential damages incurred by the other Party, its contractors, subcontractors, or customers as a result of any termination of this Agreement. DOE/NNSA's or the Awardee's liability for any damages under the Agreement is limited solely to direct damages, incurred by the other Party, as a result of any termination of this Agreement subject to mitigation of such damages by the complaining party. However, in no instance shall DOE/NNSA's liability for termination exceed the total amount due under the milestone towards which the Awardee/Subawardee is currently working under this Agreement.

Section VI. Defined Terms

In addition to terms defined in other provisions of this Agreement, the terms and phrases as defined below, when used herein as the defined term shall have the following meanings:

"AI Artifact" shall mean any dataset, code, scripts, pipelines, models (including architectures, parameters, and weights), prompts, outputs, documentation, metadata, test/evaluation suites, synthetic data, and system/model/data cards created, used, or improved under the Bridge Agreement.

"Covered Individual" means an individual who (a) contributes in a substantive, meaningful way to the scientific development or execution of the scope of work of the agreement, and (b) is designated as a covered individual by DOE. DOE designates as covered individuals any principal investigator (PI); project director (PD); co-principal investigator (Co-PI); co-project director (Co-PD); project manager; and any individual regardless of title that is functionally performing as a PI, PD, Co-PI, Co-PD, or project manager. Submission of a current and pending support disclosure and/or biosketch/resume for a particular person serves as an acknowledgement that DOE designates that person as a covered individual. DOE may further designate covered individuals during the agreement period of performance.

"Curated Data" shall mean any Data generated in the performance of Milestone 2 or Technical Objective 2.

"Data" shall mean recorded information, regardless of form or the media on which it may be recorded, including Technical Data. The term does not include information incidental to agreement administration, such as financial, administrative, cost or pricing or management information.

"Data and Intellectual Property Rights Certification" shall mean a formal written statement, signed by an authorized representative of the Awardee, delivered as part of a Milestone, which attests that the Awardee has the necessary legal and contractual rights

to all data, software, and intellectual property used in a delivered AI Artifact, sufficient to enable its deployment and use as contemplated under this Agreement.

“Effective Date” shall mean the date upon which the Agreement will enter into force which will be the date of the last signatory to the Agreement.

“Foreign Country of Concern” shall mean the People's Republic of China, the Russian Federation, the Democratic People's Republic of Korea, the Islamic Republic of Iran, and the Republic of Belarus, or any other country determined to be a foreign country of concern by the Secretary of State and including countries of risk designated by DOE. This list is subject to change. DOE reserves the right, in the exercise of its absolute discretion, to add or subtract any foreign country determined to be of risk consistent with DOE policies by a unilateral amendment to this Agreement.

“Foreign Entity” shall mean any corporation, business association, partnership, trust, society, or any other entity or group that is not incorporated or organized to do business in the United States, and does not have a physical location for business in the United States. The term “Foreign Entity” also includes international organizations, foreign governments and any agency or subdivision of foreign governments including state-owned enterprises. The term “Foreign Countries of Concern” and “Foreign National” are separate terms and not necessarily covered under the definition of a Foreign Entity although “Foreign Countries of Concern” are also “Foreign Entities”.

“Foreign National” shall mean any individual other than a U.S. citizen.

“Government” shall mean the Federal government of the United States of America including its agencies and departments.

“Intellectual Property” shall mean any and all subject inventions, copyrights, and trademarks developed by an Awardee.

*“*Limited rights Data*”* shall mean data developed at private expense and first produced outside the performance of this agreement that embody trade secrets, or are commercial, or financial, and confidential or privileged.

“Material Breach” shall mean a breach by the Awardee/Subawardee or DOE of any of its obligations under this Agreement including those which result, or are likely to result, in the inability of the Awardee or DOE to effectively complete the Milestones. This includes but is not limited to the failure to achieve Milestones, breach of provisions included in the Agreement.

“Model Data” shall mean any data generated in the performance of Milestone 3- Creation of an AI Model.

“Non-Public Data” shall mean Data that has not been publicly distributed to others without restriction on further dissemination. Specifically excluded from this definition is

data shared at a conference, public talk or other public forum if the data shared is shared without restriction on further dissemination.

"Organizational Conflicts of Interest" shall mean where the Awardee is unable, or appears to be unable, to be impartial in conducting activities under this agreement due to its relationships with affiliates, organizations, or any other interested party.

"Unlimited Rights" shall mean the right of the Government to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

(End of Clause)
[1673]

Part II – Contract Clauses

Section I

Contract Clauses

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I–1 FAR 52.202-1 Definitions (Jun 2020) (As Modified by DEAR 952.201-1) (Feb 2011)

When a solicitation provision or contract clause uses a word or term that is defined in the Federal Acquisition Regulation (FAR), the word or term has the same meaning as the definition in FAR 2.101 in effect at the time the solicitation was issued, unless-

(a) The solicitation, or amended solicitation, provides a different definition;

(b) The contracting parties agree to a different definition;

(c) When a solicitation provision or contract clause uses a word or term that is defined in the Department of Energy Acquisition Regulation (DEAR) (48 CFR chapter 9), the word or term has the same meaning as the definition in 48 CFR 902.101 or the definition in the part, subpart, or section of 48 CFR chapter 9 where the provision or clause is prescribed in effect at the time the solicitation was issued, unless an exception in (a) applies.

(d) When a solicitation provision or contract clause uses a word or term that is defined in the Department of Energy Acquisition Regulation (DEAR) (48 CFR chapter 9), the word or term has the same meaning as the definition in 48 CFR 902.101 or the definition in the part, subpart, or section of 48 CFR chapter 9 where the provision or clause is prescribed in effect at the time the solicitation was issued, unless an exception in (a) applies, or;

(e) The word or term is defined in FAR Part 31, for use in the cost principles and procedures.

(f) The word or term defines an acquisition-related threshold, and if the threshold is adjusted for inflation as set forth in FAR 1.109(a), then the changed threshold applies throughout the remaining term of the contract, unless there is a subsequent threshold adjustment; see FAR 1.109(d).

(End of Clause)
[M1414]

I–2 FAR 52.203-3 Gratuities (Apr 1984)

(a) The right of the Contractor to proceed may be terminated by written notice if, after notice and hearing, the agency head or a designee determines that the Contractor, its agent, or another representative --

(1) Offered or gave a gratuity (e.g., an entertainment or gift) to an officer, official, or employee of the Government; and

(2) Intended, by the gratuity, to obtain a contract or favorable treatment under a contract.

(b) The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

(c) If this Contract is terminated under paragraph (a) of this clause, the Government is entitled --

(1) To pursue the same remedies as in a breach of the Contract; and

(2) In addition to any other damages provided by law, to exemplary damages of not less than 3 nor more than 10 times the cost incurred by the Contractor in giving gratuities to the person concerned, as determined by the agency head or a designee. (This subparagraph (c)(2) is applicable only if this Contract uses money appropriated to the Department of Defense.)

(d) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

(End of Clause)

I–3 FAR 52.203-5 Covenant Against Contingent Fees (May 2014)

(a) The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or to deduct from the contract price or consideration, or otherwise recover, the full amount of the contingent fee.

(b) “Bona fide agency,” as used in this clause, means an established commercial or selling agency, maintained by a contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.

“Bona fide employee,” as used in this clause, means a person, employed by a contractor and subject to the contractor’s supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

"Contingent fee," as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

"Improper influence," as used in this clause, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

(End of Clause)
[M1067]

I–4 FAR 52.203-6 Restrictions on Subcontractor Sales to the Government (June 2020)

(a) Except as provided in (b) of this clause, the Contractor shall not enter into any agreement with an actual or prospective subcontractor, nor otherwise act in any manner, which has or may have the effect of restricting sales by such subcontractors directly to the Government of any item or process (including computer software) made or furnished by the subcontractor under this contract or under any follow-on production contract.

(b) The prohibition in (a) of this clause does not preclude the Contractor from asserting rights that are otherwise authorized by law or regulation.

(c) The Contractor agrees to incorporate the substance of this clause, including this paragraph (c), in all subcontracts under this contract which exceed the simplified acquisition threshold, as defined in Federal Acquisition Regulation 2.101 on the date of subcontract award.

I–5 FAR 52.203-7 Anti-Kickback Procedures (Jun 2020)

(a) Definitions.

Kickback, as used in this clause, means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided to any prime Contractor, prime Contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

Person, as used in this clause, means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

Prime contract, as used in this clause, means a contract or contractual action entered into by the United States for the purpose of obtaining supplies, materials, equipment, or services of any kind.

Prime Contractor as used in this clause, means a person who has entered into a prime contract with the United States.

Prime Contractor employee, as used in this clause, means any officer, partner, employee, or agent of a prime Contractor.

Subcontract, as used in this clause, means a contract or contractual action entered into by a prime Contractor or subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under a prime contract.

Subcontractor, as used in this clause,

(1) means any person, other than the prime Contractor, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract, and

(2) includes any person who offers to furnish or furnishes general supplies to the prime Contractor or a higher tier subcontractor.

Subcontractor employee, as used in this clause, means any officer, partner, employee, or agent of a subcontractor.

(b) The 41 U.S.C. chapter 87, Kickbacks, prohibits any person from --

(1) Providing or attempting to provide or offering to provide any kickback;

(2) Soliciting, accepting, or attempting to accept any kickback; or

(3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.

(c) (1) The Contractor shall have in place and follow reasonable procedures designed to prevent and detect possible violations described in paragraph (b) of this clause in its own operations and direct business relationships.

(2) When the Contractor has reasonable grounds to believe that a violation described in paragraph (b) of this clause may have occurred, the Contractor shall promptly report in writing the possible violation. Such reports shall be made to the inspector general of the contracting agency, the head of the contracting agency if the agency does not have an inspector general, or the Attorney General.

(3) The Contractor shall cooperate fully with any Federal agency investigating a possible violation described in paragraph (b) of this clause.

(4) The Contracting Officer may (i) offset the amount of the kickback against any monies owed by the United States under the prime contract and/or (ii) direct that the Prime Contractor withhold from sums owed a subcontractor under the prime contract the amount of the kickback. The Contracting Officer may order that monies withheld under subdivision (c)(4)(ii) of this clause be paid over to the Government unless the Government has already offset those monies under subdivision (c)(4)(i) of this clause. In either case, the Prime Contractor shall notify the Contracting Officer when the monies are withheld.

(5) The Contractor agrees to incorporate the substance of this clause, including this paragraph (c)(5) but excepting paragraph (c)(1) of this clause, in all subcontracts under this contract that exceed the threshold specified in Federal Acquisition Regulation 3.502-2(i) on the date of subcontract award.

(End of Clause)
[M1291]

I–6 FAR 52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (May 2014)

(a) If the Government receives information that a contractor or a person has violated 41 U.S.C. 2102-2104, Restriction on Obtaining and Disclosing Certain Information, the Government may --

(1) Cancel the solicitation, if the contract has not yet been awarded or issued; or

(2) Rescind the contract with respect to which --

(i) The Contractor or someone acting for the Contractor has been convicted for an offense where the conduct violates 41 U.S.C. 2102 for the purpose of either --

(A) Exchanging the information covered by such subsections for anything of value; or

(B) Obtaining or giving anyone a competitive advantage in the award of a Federal agency procurement contract; or

(ii) The head of the contracting activity has determined, based upon a preponderance of the evidence, that the Contractor or someone acting for the Contractor has engaged in conduct punishable under 41 U.S.C. 2105(a).

(b) If the Government rescinds the contract under paragraph (a) of this clause, the Government is entitled to recover, in addition to any penalty prescribed by law, the amount expended under the contract.

(c) The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law, regulation, or under this contract.

(End of Clause)
[M1067]

I–7 FAR 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (May 2014)

(a) The Government, at its election, may reduce the price of a fixed-price type contract and the total cost and fee under a cost-type contract by the amount of profit or fee determined as set forth in paragraph (b) of this clause if the head of the contracting activity or designee determines that there was a violation of 41 U.S.C. 2102 or 2103, as implemented in section 3.104 of the Federal Acquisition Regulation.

(b) The price or fee reduction referred to in paragraph (a) of this clause shall be --

(1) For cost-plus-fixed-fee contracts, the amount of the fee specified in the contract at the time of award;

(2) For cost-plus-incentive-fee contracts, the target fee specified in the contract at the time of award, notwithstanding any minimum fee or "fee floor" specified in the contract;

(3) For cost-plus-award-fee contracts --

(i) The base fee established in the contract at the time of contract award;

(ii) If no base fee is specified in the contract, 30 percent of the amount of each award fee otherwise payable to the Contractor for each award fee evaluation period or at each award fee determination point.

(4) For fixed-price-incentive contracts, the Government may --

(i) Reduce the contract target price and contract target profit both by an amount equal to the initial target profit specified in the contract at the time of contract award; or

(ii) If an immediate adjustment to the contract target price and contract target profit would have a significant adverse impact on the incentive price revision relationship under the contract, or adversely affect the contract financing provisions, the Contracting Officer may defer such adjustment until establishment of the total final price of the contract. The total final price established in accordance with the incentive price revision provisions of the contract shall be reduced by an amount equal to the

initial target profit specified in the contract at the time of contract award and such reduced price shall be the total final contract price.

(5) For firm-fixed-price contracts, by 10 percent of the initial contract price or a profit amount determined by the Contracting Officer from records or documents in existence prior to the date of the contract award.

(c) The Government may, at its election, reduce a prime contractor's price or fee in accordance with the procedures of paragraph (b) of this clause for violations of the statute by its subcontractors by an amount not to exceed the amount of profit or fee reflected in the subcontract at the time the subcontract was first definitively priced.

(d) In addition to the remedies in paragraphs (a) and (c) of this clause, the Government may terminate this contract for default. The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law or under this contract.

(End of Clause)
[M1067]

I–8 FAR 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (Jun 2020)

(a) *Definitions*. As used in this clause-

Agency means "*executive agency*" as defined in Federal Acquisition Regulation (FAR) 2.101.

Covered Federal action means any of the following actions:

(1) Awarding any Federal contract.

(2) Making any Federal grant.

(3) Making any Federal loan.

(4) Entering into any cooperative agreement.

(5) Extending, continuing, renewing, amending, or modifying any Federal contract, grant, loan, or cooperative agreement.

Indian tribe and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b) and include Alaskan Natives.

Influencing or attempting to influence means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

Local government means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

Officer or employee of an agency includes the following individuals who are employed by an agency:

(1) An individual who is appointed to a position in the Government under Title 5, United States Code, including a position under a temporary appointment.

(2) A member of the uniformed services, as defined in subsection 101(3), Title 37, United States Code.

(3) A special Government employee, as defined in section 202, Title 18, United States Code.

(4) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, Title 5, United States Code, appendix 2.

Person means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit, or not for profit. This term excludes an Indian tribe, tribal organization, or any other Indian organization eligible to receive Federal contracts, grants, cooperative agreements, or loans from an agency, but only with respect to expenditures by such tribe or organization that are made for purposes specified in paragraph (b) of this clause and are permitted by other Federal law.

Reasonable compensation means, with respect to a regularly employed officer or employee of any person, compensation that is consistent with the normal compensation for such officer or employee for work that is not furnished to, not funded by, or not furnished in cooperation with the Federal Government.

Reasonable payment means, with respect to professional and other technical services, a payment in an amount that is consistent with the amount normally paid for such services in the private sector.

Recipient includes the Contractor and all subcontractors. This term excludes an Indian tribe, tribal organization, or any other Indian organization eligible to receive Federal contracts, grants, cooperative agreements, or loans from an agency, but only with respect

to expenditures by such tribe or organization that are made for purposes specified in paragraph (b) of this clause and *are* permitted by other Federal law.

Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, an officer or employee who is employed by such person for at least 130 working days within 1 year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract. An officer or employee who is employed by such person for less than 130 working days within 1 year immediately preceding the date of the submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

State means a State of the United States, the District of Columbia, or an outlying area of the United States, an agency or instrumentality of a State, and multi-State, regional, or interstate entity having governmental duties and powers.

(b) *Prohibition*. 31 U.S.C. 1352 prohibits a recipient of a Federal contract, grant, loan, or cooperative agreement from using appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal actions. In accordance with 31 U.S.C. 1352 the Contractor shall not use appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the award of this contractor the extension, continuation, renewal, amendment, or modification of this contract.

(1) The term *appropriated funds* does not include profit or fee from a covered Federal action.

(2) To the extent the Contractor can demonstrate that the Contractor has sufficient monies, other than Federal appropriated funds, the Government will assume that these other monies were spent for any influencing activities that would be unallowable if paid for with Federal appropriated funds.

(c) *Exceptions*. The prohibition in paragraph (b) of this clause does not apply under the following conditions:

(1) *Agency and legislative liaison by Contractor employees*.

(i) Payment of reasonable compensation made to an officer or employee of the Contractor if the payment is for agency and legislative liaison activities not directly related to this contract. For purposes of this paragraph, providing any information specifically requested by an agency or Congress is permitted at any time.

(ii) Participating with an agency in discussions that are not related to a specific solicitation for any covered Federal action, but that concern-

(A) The qualities and characteristics (including individual demonstrations) of the person's products or services, conditions or terms of sale, and service capabilities; or

(B) The application or adaptation of the person's products or services for an agency's use.

(iii) Providing prior to formal solicitation of any covered Federal action any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(iv) Participating in technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(v) Making capability presentations prior to formal solicitation of any covered Federal action by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Pub. L. 95-507, and subsequent amendments.

(2) *Professional and technical services*.

(i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(ii) Any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(iii) As used in paragraph (c)(2) of this clause, "professional and technical services" are limited to advice and analysis directly applying any

professional or technical discipline (for examples, see FAR 3.803 (a)(2)(iii)).

(iv) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation and any other requirements in the actual award documents.

(3) Only those communications and services expressly authorized by paragraphs (c)(1) and (2) of this clause are permitted.

(d) *Disclosure*.

(1) If the Contractor did not submit OMB Standard Form LLL, Disclosure of Lobbying Activities, with its offer, but registrants under the Lobbying Disclosure Act of 1995 have subsequently made a lobbying contact on behalf of the Contractor with respect to this contract, the Contractor shall complete and submit OMB Standard Form LLL to provide the name of the lobbying registrants, including the individuals performing the services.

(2) If the Contractor did submit OMB Standard Form LLL disclosure pursuant to paragraph (d) of the provision at FAR 52.203-11, Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions, and a change occurs that affects Block 10 of the OMB Standard Form LLL (name and address of lobbying registrant or individuals performing services), the Contractor shall, at the end of the calendar quarter in which the change occurs, submit to the Contracting Officer within 30 days an updated disclosure using OMB Standard Form LLL.

(e) *Penalties*.

(1) Any person who makes an expenditure prohibited under paragraph (b) of this clause or who fails to file or amend the disclosure to be filed or amended by paragraph (d) of this clause shall be subject to civil penalties as provided for by 31 U.S.C 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(2) Contractors may rely without liability on the representation made by their subcontractors in the certification and disclosure form.

(f) *Cost allowability*. Nothing in this clause makes allowable or reasonable any costs which would otherwise be unallowable or unreasonable. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any other provision.

(g) *Subcontracts*.

(1) The Contractor shall obtain a declaration, including the certification and disclosure in paragraphs (c) and (d) of the provision at 52.203-11, Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions, from each person requesting or receiving a subcontract under this contract that exceeds the threshold specified in FAR 3.808 on the date of subcontract award. The Contractor or subcontractor that awards the subcontract shall retain the declaration.

(2) A copy of each subcontractor disclosure form (but not certifications) shall be forwarded from tier to tier until received by the prime Contractor. The prime Contractor shall, at the end of the calendar quarter in which the disclosure form is submitted by the subcontractor, submit to the Contracting Officer within 30 days a copy of all disclosures. Each subcontractor certification shall be retained in the subcontract file of the awarding Contractor.

(3) The Contractor shall include the substance of this clause, including this paragraph (g), in any subcontract that exceeds the threshold specified in FAR 3.808 on the date of subcontract award.

(End of clause)
[M1291]

I–9 FAR 52.203-13 Contractor Code of Business Ethics and Conduct (Jun 2020)

(a) *Definitions*. As used in this clause--

"Agent" means any individual, including a director, an officer, an employee, or an independent Contractor, authorized to act on behalf of the organization.

"Full cooperation"—

(1) Means disclosure to the Government of the information sufficient for law enforcement to identify the nature and extent of the offense and the individuals responsible for the conduct. It includes providing timely and complete response to Government auditors' and investigators' request for documents and access to employees with information;

(2) Does not foreclose any Contractor rights arising in law, the FAR, or the terms of the contract. It does not require—

(i) A Contractor to waive its attorney-client privilege or the protections afforded by the attorney work product doctrine; or

(ii) Any officer, director, owner, or employee of the Contractor, including a sole proprietor, to waive his or her attorney client privilege or Fifth Amendment rights; and

(3) Does not restrict a Contractor from—

(i) Conducting an internal investigation; or

(ii) Defending a proceeding or dispute arising under the contract or related to a potential or disclosed violation.

"Principal" means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (*e.g.*, general manager; plant manager; head of a division or business segment; and similar positions).

"Subcontract" means any contract entered into by a subcontractor to furnish supplies or services for performance of a prime contract or a subcontract.

"Subcontractor" means any supplier, distributor, vendor, or firm that furnished supplies or services to or for a prime contractor or another subcontractor.

"United States" means the 50 States, the District of Columbia, and outlying areas.

(b) Code of business ethics and conduct.

(1) Within 30 days after contract award, unless the Contracting Officer establishes a longer time period, the Contractor shall—

(i) Have a written code of business ethics and conduct; and

(ii) Make a copy of the code available to each employee engaged in performance of the contract.

(2) The Contractor shall—

(i) Exercise due diligence to prevent and detect criminal conduct; and

(ii) Otherwise promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

(3)

(i) The Contractor shall timely disclose, in writing, to the agency Office of the Inspector General (OIG), with a copy to the Contracting Officer, whenever, in connection with the award, performance, or closeout of this contract or any subcontract thereunder, the Contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed—

(A) A violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or

(B) A violation of the civil False Claims Act (31 U.S.C. 3729-3733).

(ii) The Government, to the extent permitted by law and regulation, will safeguard and treat information obtained pursuant to the Contractor's disclosure as confidential where the information has been marked "confidential" or "proprietary" by the company. To the extent permitted by the law and regulation, such information will not be released by the Government to the public pursuant to a Freedom of Information Act request, 5 U.S.C. Section 552, without prior notification to the Contractor. The Government may transfer documents provided by the Contractor to any department or agency within the Executive Branch if the information relates to matters within the organization's jurisdiction.

(iii) If the violation relates to an order against a Governmentwide acquisition contract, a multi-agency contract, a multiple-award schedule contract such as the Federal Supply Schedule, or any other procurement instrument intended for use by multiple agencies, the Contractor shall notify the OIG of the ordering agency and the IG of the agency responsible for the basic contract.

(c) *Business ethics awareness and compliance program and internal control system.* This paragraph (c) does not apply if the Contractor has represented itself as a small business concern pursuant to the award of this contract or if this contract is for the acquisition of a commercial item as defined at FAR 2.101. The Contractor shall establish the following within 90 days after contract award, unless the Contracting Officer establishes a longer time period:

(1) An ongoing business ethics awareness and compliance program.

(i) This program shall include reasonable steps to communicate periodically and in a practical manner the Contractor's standards and procedures and other aspects of the Contractor's business ethics awareness and compliance program and internal control system, by conducting effective training programs and otherwise disseminating information appropriate to an individual's respective roles and responsibilities.

(ii) The training conducted under this program shall be provided to the Contractor's principals and employees, and as appropriate, the Contractor's agents and subcontractors.

(2) An internal control system.

(i) The Contractor's internal control system shall—

(A) Establish standards and procedures to facilitate timely discovery of improper conduct in connection with Government contracts; and

(B) Ensure corrective measures are promptly instituted and carried out.

(ii) At a minimum, the Contractor's internal control system shall provide for the following:

(A) Assignment of responsibility at a sufficiently high level and adequate resources to ensure effectiveness of the business ethics awareness and compliance program and internal control system.

(B) Reasonable efforts not to include an individual as a principal, whom due diligence would have exposed as having engaged in conduct that is in conflict with the Contractor's code of business ethics and conduct.

(C) Periodic reviews of company business practices, procedures, policies, and internal controls for compliance with the Contractor's code of business ethics and conduct and special requirements of Government contracting, including—

(1) Monitoring and auditing to detect criminal conduct;

(2) Periodic evaluation of the effectiveness of the business ethics awareness and compliance program and internal control system, especially if criminal conduct has been detected; and

(3) Periodic assessment of the risk of criminal conduct, with appropriate steps to design, implement, or modify the business ethics awareness and compliance program and the internal control system as necessary to reduce the risk of criminal conduct identified through this process.

(D) An internal reporting mechanism, such as a hotline, which allows for anonymity or confidentiality, by which employees may report suspected instances of improper conduct, and instructions that encourage employees to make such reports.

(E) Disciplinary action for improper conduct or for failing to take reasonable steps to prevent or detect improper conduct.

(F) Timely disclosure, in writing, to the agency OIG, with a copy to the Contracting Officer, whenever, in connection with the award, performance, or closeout of any Government contract performed by the Contractor or a subcontract thereunder, the Contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 U.S.C. or a violation of the civil False Claims Act (31 U.S.C. 3729-3733).

(1) If a violation relates to more than one Government contract, the Contractor may make the disclosure to the agency OIG and Contracting Officer responsible for the largest dollar value contract impacted by the violation.

(2) If the violation relates to an order against a Governmentwide acquisition contract, a multi-agency contract, a multiple-award schedule contract such as the Federal Supply Schedule, or any other procurement instrument intended for use by multiple agencies, the contractor shall notify the OIG of the ordering agency and the IG of the agency responsible for the basic contract, and the respective agencies' contracting officers.

(3) The disclosure requirement for an individual contract continues until at least 3 years after final payment on the contract.

(4) The Government will safeguard such disclosures in accordance with paragraph (b)(3)(ii) of this clause.

(G) Full cooperation with any Government agencies responsible for audits, investigations, or corrective actions.

(d) Subcontracts.

(1) The Contractor shall include the substance of this clause, including this paragraph (d), in subcontracts that exceed the threshold specified in FAR 3.1004(a) on the date of subcontract award and a performance period of more than 120 days.

(2) In altering this clause to identify the appropriate parties, all disclosures of violation of the civil False Claims Act or of Federal criminal law shall be directed to the agency Office of the Inspector General, with a copy to the Contracting Officer.

(End of clause)
[M1291]

I–10 FAR 52.203-14 Display of Hotline Poster(s) (Nov 2021)

(a) *Definition.*

United States, as used in this clause, means the 50 States, the District of Columbia, and outlying areas.

(b) *Display of fraud hotline poster(s).* Except as provided in paragraph (c)—

(1) During contract performance in the United States, the Contractor shall prominently display in common work areas within business segments performing work under this contract and at contract work sites-

(i) Any agency fraud hotline poster or Department of Homeland Security (DHS) fraud hotline poster identified in paragraph (b)(3) of this clause; and

(ii) Any DHS fraud hotline poster subsequently identified by the Contracting Officer.

(2) Additionally, if the Contractor maintains a company website as a method of providing information to employees, the Contractor shall display an electronic version of the poster(s) at the website.

(3) Any required posters may be obtained as follows:

_____	https://www.energy.gov/ig/downloads/office-inspector-general-hotline-poster
_____	_____

(*Contracting Officer shall insert—*

(i) Appropriate agency name(s) and/or title of applicable Department of Homeland Security fraud hotline poster); and

(ii) The website(s) or other contact information for obtaining the poster(s).)

(c) If the Contractor has implemented a business ethics and conduct awareness program, including a reporting mechanism, such as a hotline poster, then the

Contractor need not display any agency fraud hotline posters as required in paragraph (b) of this clause, other than any required DHS posters.

(d) *Subcontracts.* The Contractor shall include the substance of this clause, including this paragraph (d), in all subcontracts that exceed the threshold specified in Federal Acquisition Regulation 3.1004(b)(1) on the date of subcontract award, except when the subcontract—

(1) Is for the acquisition of a commercial product or commercial service; or

(2) Is performed entirely outside the United States.

(End of Clause)
[M1414]

I–11 FAR 52.203-16 Preventing Personal Conflicts of Interest (Jun 2020)

(a) *Definitions*. As used in this clause—

Acquisition function closely associated with inherently governmental functions means supporting or providing advice or recommendations with regard to the following activities of a Federal agency:

(1) Planning acquisitions.

(2) Determining what supplies or services are to be acquired by the Government, including developing statements of work.

(3) Developing or approving any contractual documents, to include documents defining requirements, incentive plans, and evaluation criteria.

(4) Evaluating contract proposals.

(5) Awarding Government contracts.

(6) Administering contracts (including ordering changes or giving technical direction in contract performance or contract quantities, evaluating contractor performance, and accepting or rejecting contractor products or services).

(7) Terminating contracts.

(8) Determining whether contract costs are reasonable, allocable, and allowable.

"Covered employee means an individual who performs an acquisition function closely associated with inherently governmental functions and is—

(1) An employee of the contractor; or

(2) A subcontractor that is a self-employed individual treated as a covered employee of the contractor because there is no employer to whom such an individual could submit the required disclosures.

Non-public information means any Government or third-party information that-

(1) Is exempt from disclosure under the Freedom of Information Act (5 U.S. C.552) or otherwise protected from disclosure by statute, Executive order, or regulation; or

(2) Has not been disseminated to the general public and the Government has not yet determined whether the information can or will be made available to the public.

Personal conflict of interest means a situation in which a covered employee has a financial interest, personal activity, or relationship that could impair the employee's ability to act impartially and in the best interest of the Government when performing under the contract. (A de minimis interest that would not "impair the employee's ability to act impartially and in the best interest of the Government" is not covered under this definition.)

(1) Among the sources of personal conflicts of interest are-

(i)Financial interests of the covered employee, of close family members, or of other members of the covered employee's household;

(ii)Other employment or financial relationships (including seeking or negotiating for prospective employment or business); and

(iii)Gifts, including travel.

(2) For example, financial interests referred to in paragraph (1) of this definition may arise from-

(i) Compensation, including wages, salaries, commissions, professional fees, or fees for business referrals;

(ii) Consulting relationships (including commercial and professional consulting and service arrangements, scientific and technical advisory board memberships, or serving as an expert witness in litigation);

(iii) Services provided in exchange for honorariums or travel expense reimbursements;

(iv)Research funding or other forms of research support;

(v)Investment in the form of stock or bond ownership or partnership interest (excluding diversified mutual fund investments);

(vi)Real estate investments;

(vii)Patents, copyrights, and other intellectual property interests; or

(viii)Business ownership and investment interests.

(b) *Requirements*. The Contractor shall—

(1) Have procedures in place to screen covered employees for potential personal conflicts of interest, by-

(i) Obtaining and maintaining from each covered employee, when the employee is initially assigned to the task under the contract, a disclosure of interests that might be affected by the task to which the employee has been assigned, as follows:

(A) Financial interests of the covered employee, of close family members, or of other members of the covered employee's household.

(B) Other employment or financial relationships of the covered employee (including seeking or negotiating for prospective employment or business).

(C) Gifts, including travel; and

(ii) Requiring each covered employee to update the disclosure statement whenever the employee's personal or financial circumstances change in such a way that a new personal conflict of interest might occur because of the task the covered employee is performing.

(2) For each covered employee—

(i) Prevent personal conflicts of interest, including not assigning or allowing a covered employee to perform any task under the contract for which the Contractor has identified a personal conflict of interest for the employee that the Contractor or employee cannot satisfactorily prevent or mitigate in consultation with the contracting agency;

(ii) Prohibit use of non-public information accessed through performance of a Government contract for personal gain; and

(iii) Obtain a signed non-disclosure agreement to prohibit disclosure of non-public information accessed through performance of a Government contract.

(3) Inform covered employees of their obligation-

(i) To disclose and prevent personal conflicts of interest;

(ii) Not to use non-public information accessed through performance of a Government contract for personal gain; and

(iii) To avoid even the appearance of personal conflicts of interest;

(4) Maintain effective oversight to verify compliance with personal conflict-of-interest safeguards;

(5) Take appropriate disciplinary action in the case of covered employees who fail to comply with policies established pursuant to this clause; and

(6) Report to the Contracting Officer any personal conflict-of-interest violation by a covered employee as soon as it is identified. This report shall include a description of the violation and the proposed actions to be taken by the Contractor in response to the violation. Provide follow-up reports of corrective actions taken, as necessary. Personal conflict-of-interest violations include-

(i) Failure by a covered employee to disclose a personal conflict of interest;

(ii) Use by a covered employee of non-public information accessed through performance of a Government contract for personal gain; and

(iii) Failure of a covered employee to comply with the terms of a non-disclosure agreement.

(c) Mitigation or waiver.

(1) In exceptional circumstances, if the Contractor cannot satisfactorily prevent a personal conflict of interest as required by paragraph (b)(2)(i) of this clause, the Contractor may submit a request through the Contracting Officer to the Head of the Contracting Activity for-

(i) Agreement to a plan to mitigate the personal conflict of interest; or

(ii) A waiver of the requirement.

(2) The Contractor shall include in the request any proposed mitigation of the personal conflict of interest.

(3) The Contractor shall-

(i) Comply, and require compliance by the covered employee, with any conditions imposed by the Government as necessary to mitigate the personal conflict of interest; or

(ii) Remove the Contractor employee or subcontractor employee from performance of the contract or terminate the applicable subcontract.

(d) *Subcontracts*. The Contractor shall include the substance of this clause, including this paragraph (d), in subcontracts—

(1) That exceed the simplified acquisition threshold, as defined in Federal Acquisition Regulation 2.101 on the date of subcontract award; and

(2) In which subcontractor employees will perform acquisition functions closely associated with inherently governmental functions (*i.e.*, instead of performance only by a self-employed individual).

(End of clause)
[M1291]

I–12 FAR 52.203-17 Contractor Employee Whistleblower Rights (Nov 2023)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies established at 41 U.S.C. 4712 and Federal Acquisition Regulation (FAR) 3.900 through 3.905.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in FAR 3.900 through 3.905.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts.

(End of clause)
[1548]

I–13 FAR 52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (Jan 2017)

a) *Definitions*. As used in this clause-

Internal confidentiality agreement or statement means a confidentiality agreement or any other written statement that the contractor requires any of its employees

or subcontractors to sign regarding nondisclosure of contractor information, except that it does not include confidentiality agreements arising out of civil litigation or confidentiality agreements that contractor employees or subcontractors sign at the behest of a Federal agency.

Subcontract means any contract as defined in subpart 2.1 entered into by a subcontractor to furnish supplies or services for performance of a prime contract or a subcontract. It includes but is not limited to purchase orders, and changes and modifications to purchase orders.

Subcontractor means any supplier, distributor, vendor, or firm (including a consultant) that furnishes supplies or services to or for a prime contractor or another subcontractor.

(b) The Contractor shall not require its employees or subcontractors to sign or comply with internal confidentiality agreements or statements prohibiting or otherwise restricting such employees or subcontractors from lawfully reporting waste, fraud, or abuse related to the performance of a Government contract to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information (*e.g.*, agency Office of the Inspector General).

(c) The Contractor shall notify current employees and subcontractors that prohibitions and restrictions of any preexisting internal confidentiality agreements or statements covered by this clause, to the extent that such prohibitions and restrictions are inconsistent with the prohibitions of this clause, are no longer in effect.

(d) The prohibition in paragraph (b) of this clause does not contravene requirements applicable to Standard Form 312 (Classified Information Nondisclosure Agreement), Form 4414 (Sensitive Compartmented Information Nondisclosure Agreement), or any other form issued by a Federal department or agency governing the nondisclosure of classified information.

(e) In accordance with section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015, (Pub. L. 113-235), and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions) use of funds appropriated (or otherwise made available) is prohibited, if the Government determines that the Contractor is not in compliance with the provisions of this clause.

(f) The Contractor shall include the substance of this clause, including this paragraph (f), in subcontracts under such contracts.

(End of clause)

[1414]

I–14 FAR 52.204-4 Printed or Copied Double-Sided on Postconsumer Fiber Content Paper (May 2011)

(a) Definitions. As used in this clause—

Postconsumer fiber means—

(1) Paper, paperboard, and fibrous materials from retail stores, office buildings, homes, and so forth, after they have passed through their end-usage as a consumer item, including: used corrugated boxes; old newspapers; old magazines; mixed waste paper; tabulating cards; and used cordage; or

(2) All paper, paperboard, and fibrous materials that enter and are collected from municipal solid waste; but not

(3) Fiber derived from printers' over-runs, converters' scrap, and over-issue publications.

(b) The Contractor is required to submit paper documents, such as offers, letters, or reports that are printed or copied double-sided on paper containing at least 30 percent postconsumer fiber, whenever practicable, when not using electronic commerce methods to submit information or data to the Government.

(End of Clause)
[M1067]

I–15 FAR 52.204-9 Personal Identity Verification of Contractor Personnel (Jan 2011)

(a) The Contractor shall comply with agency personal identity verification procedures identified in the contract that implement Homeland Security Presidential Directive-12 (HSPD-12), Office of Management and Budget (OMB) guidance M-05-24, and Federal Information Processing Standards Publication (FIPS PUB) Number 201.

(b) The Contractor shall account for all forms of Government-provided identification issued to the Contractor employees in connection with performance under this contract. The Contractor shall return such identification to the issuing agency at the earliest of any of the following, unless otherwise determined by the Government;

(1) When no longer needed for contract performance.

(2) Upon completion of the Contractor employee's employment.

(3) Upon contract completion or termination.

(c) The Contracting Officer may delay final payment under a contract if the Contractor fails to comply with these requirements.

(d) The Contractor shall insert the substance of clause, including this paragraph (d), in all subcontracts when the subcontractor's employees are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system. It shall be the responsibility of the prime Contractor to return such identification to the issuing agency in accordance with the terms set forth in paragraph (b) of this section, unless otherwise approved in writing by the Contracting Officer.

(End of Clause)
[M779]

I–16 FAR 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (Jun 2020)

(a) *Definitions*. As used in this clause:

Executive means officers, managing partners, or any other employees in management positions.

First-tier subcontract means a subcontract awarded directly by the Contractor for the purpose of acquiring supplies or services (including construction) for performance of a prime contract. It does not include the Contractor's supplier agreements with vendors, such as long-term arrangements for materials or supplies that benefit multiple contracts and/or the costs of which are normally applied to a Contractor's general and administrative expenses or indirect costs.

Month of award means the month in which a contract is signed by the Contracting Officer or the month in which a first-tier subcontract is signed by the Contractor.

Total compensation means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

(1) *Salary and bonus*.

(2) *Awards of stock, stock options, and stock appreciation rights*. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Financial Accounting Standards Board's Accounting Standards Codification (FASB ASC) 718, Compensation-Stock Compensation.

(3) *Earnings for services under non-equity incentive plans*. This does not include group life, health, hospitalization or medical reimbursement plans that do not

discriminate in favor of executives, and are available generally to all salaried employees.

(4) *Change in pension value*. This is the change in present value of defined benefit and actuarial pension plans.

(5) *Above-market earnings on deferred compensation which is not tax-qualified*.

(6) Other compensation, if the aggregate value of all such other compensation (*e.g.*, severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds $10,000.

(b) Section 2(d)(2) of the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282), as amended by section 6202 of the Government Funding Transparency Act of 2008 (Pub. L. 110-252), requires the Contractor to report information on subcontract awards. The law requires all reported information be made public, therefore, the Contractor is responsible for notifying its subcontractors that the required information will be made public.

(c) Nothing in this clause requires the disclosure of classified information

(d) (1) Executive compensation of the prime contractor. As a part of its annual registration requirement in the System for Award Management (SAM) (Federal Acquisition Regulation (FAR) provision 52.204-7), the Contractor shall report the names and total compensation of each of the five most highly compensated executives for its preceding completed fiscal year, if–

(i) In the Contractor's preceding fiscal year, the Contractor received-

(A) 80 percent or more of its annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants), cooperative agreements, and other forms of Federal financial assistance; and

(B) $25,000,000 or more in annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants), cooperative agreements, and other forms of Federal financial assistance; and

(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at http://www.sec.gov/answers/execomp.htm.)

(2) *First-tier subcontract information*. Unless otherwise directed by the Contracting Officer, or as provided in paragraph (g) of this clause, by the end of the month following

the month of award of a first-tier subcontract valued at or above the threshold specified in FAR 4.1403(a) on the date of subcontract award, the Contractor shall report the following information at http://www.fsrs.gov for that first-tier subcontract. (The Contractor shall follow the instructions at http://www.fsrs.gov to report the data.)

(i) Unique entity identifier for the subcontractor receiving the award and for the subcontractor's parent company, if the subcontractor has a parent company.

(ii) Name of the subcontractor.

(iii) Amount of the subcontract award.

(iv) Date of the subcontract award.

(v) A description of the products or services (including construction) being provided under the subcontract, including the overall purpose and expected outcomes or results of the subcontract.

(vi) Subcontract number (the subcontract number assigned by the Contractor).

(vii) Subcontractor's physical address including street address, city, state, and country. Also include the nine-digit zip code and congressional district.

(viii) Subcontractor's primary performance location including street address, city, state, and country. Also include the nine-digit zip code and congressional district.

(ix) The prime contract number, and order number if applicable.

(x) Awarding agency name and code.

(xi) Funding agency name and code.

(xii) Government contracting office code.

(xiii) Treasury account symbol (TAS) as reported in FPDS.

(xiv) The applicable North American Industry Classification System code (NAICS).

(3) Executive compensation of the first-tier subcontractor. Unless otherwise directed by the Contracting Officer, by the end of the month following the month of award of a first-tier subcontract valued at or above the threshold specified in FAR 4.1403(a) on the date of subcontract award, and annually thereafter (calculated from the prime contract award date), the Contractor shall report the names and total compensation of each of the five most highly compensated executives for that first-tier subcontractor for the first-tier subcontractor's preceding completed fiscal year at http://www.fsrs.gov, if-

(i) In the subcontractor's preceding fiscal year, the subcontractor received-

(A) 80 percent or more of its annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants), cooperative agreements, and other forms of Federal financial assistance; and

(B) $25,000,000 or more in annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants), cooperative agreements, and other forms of Federal financial assistance; and

(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at http://www.sec.gov/answers/execomp.htm.)

(e) The Contractor shall not split or break down first-tier subcontract awards to a value below the threshold specified in FAR 4.1403(a), on the date of subcontract award, to avoid the reporting requirements in paragraph (d) of this clause.

(f) The Contractor is required to report information on a first-tier subcontract covered by paragraph (d) when the subcontract is awarded. Continued reporting on the same subcontract is not required unless one of the reported data elements changes during the performance of the subcontract. The Contractor is not required to make further reports after the first-tier subcontract expires.

(g) (1) If the Contractor in the previous tax year had gross income, from all sources, under $300,000, the Contractor is exempt from the requirement to report subcontractor awards.

(2) If a subcontractor in the previous tax year had gross income from all sources under $300,000, the Contractor does not need to report awards for that subcontractor.

(h) The FSRS database at http://www.fsrs.gov will be prepopulated with some information from SAM and the FPDS database. If FPDS information is incorrect, the contractor should notify the contracting officer. If the SAM information is incorrect, the contractor is responsible for correcting this information.

(End of clause)
[**M1414**]

I–17 FAR 52.204-13 System for Award Management Maintenance (Jul 2013)

(a) *Definition.* As used in this clause--

"Data Universal Numbering System (DUNS) number" means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities, which is used as the identification number for Federal Contractors.

"Data Universal Numbering System+4 (DUNS+4) number" means the DUNS number assigned by D&B plus a 4-character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern to establish additional SAM records for identifying alternative Electronic Funds Transfer (EFT) accounts (see the FAR at subpart 32.11) for the same concern.

"Registered in the System for Award Management (SAM) database" means that—

(1) The Contractor has entered all mandatory information, including the DUNS number or the DUNS+4 number, the Contractor and government Entity (CAGE) code, as well as data required by the Federal Funding Accountability and Transparency Act of 2006 (see subpart 4.14), into the SAM database;

(2) The Contractor has completed the Core, Assertions, Representations and Certifications, and Points of Contact sections of the registration in the SAM database;

(3) The Government has validated all mandatory data fields, to include validation of the Taxpayer Identification Number (TIN) with the Internal Revenue Service (IRS). The Contractor will be required to provide consent for TIN validation to the Government as a part of the SAM registration process; and

(4) The Government has marked the record "Active".

"System for Award Management (SAM)" means the primary Government repository for prospective Federal awardee and Federal awardee information and the centralized Government system for certain contracting, grants, and other assistance-related processes. It includes—

(1) Data collected from prospective Federal awardees required for the conduct of business with the Government;

(2) Prospective contractor-submitted annual representations and certifications in accordance with FAR subpart 4.12; and

(3) Identification of those parties excluded from receiving Federal contracts, certain subcontracts, and certain types of Federal financial and non-financial assistance and benefits.

(b) The Contractor is responsible for the accuracy and completeness of the data within the SAM database, and for any liability resulting from the Government's reliance on

inaccurate or incomplete data. To remain registered in the SAM database after the initial registration, the Contractor is required to review and update on an annual basis, from the date of initial registration or subsequent updates, its information in the SAM database to ensure it is current, accurate and complete. Updating information in the SAM does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(c)

(1)

(i) If a Contractor has legally changed its business name, doing business as name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of-name agreements in subpart 42.12, the Contractor shall provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to—

(A) Change the name in the SAM database;

(B) Comply with the requirements of subpart 42.12 of the FAR; and

(C) Agree in writing to the timeline and procedures specified by the responsible Contracting Officer. The Contractor shall provide with the notification sufficient documentation to support he legally changed name.

(ii) If the Contractor fails to comply with the requirements of paragraph (c)(1)(i) of this clause, or fails to perform the agreement at paragraph (c)(1)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement, the SAM information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this contract.

(2) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the SAM record to reflect an assignee for the purpose of assignment of claims (see FAR subpart 32.8, Assignment of Claims). Assignees shall be separately registered in the SAM. Information provided to the Contractor's SAM record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the EFT clause of this contract.

(3) The Contractor shall ensure that the DUNS number is maintained with Dun & Bradstreet throughout the life of the contract. The Contractor shall communicate any change to the DUNS number to the Contracting Officer within 30 days after the change, so an appropriate modification can be issued to update the data on the contract. A change in the DUNS number does not necessarily require a novation be accomplished. Dun & Bradstreet may be contacted—

(i) Via the internet at http://fedgov.dnb.com/webform or if the Contractor does not have internet access, it may call Dun and Bradstreet at 1-866-705-5711 if located within the United States; or

(ii) If located outside the United States, by contacting the local Dun and Bradstreet office.

(d) Contractors may obtain additional information on registration and annual confirmation requirements at https://www.acquisition.gov.

(End of Clause)
[M1067]

I–18 FAR 52.204-21 Basic Safeguarding of Covered Contractor Information Systems (Nov 2021)

(a) *Definitions*. As used in this clause—

Covered contractor information system means an information system that is owned or operated by a contractor that processes, stores, or transmits Federal contract information.

Federal contract information means information, not intended for public release, that is provided by or generated for the Government under a contract to develop or deliver a product or service to the Government, but not
including information provided by the Government to the public (such as on public websites) or simple transactional information, such as necessary to process payments.

Information means any communication or representation of knowledge such as facts, data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual (Committee on National Security Systems Instruction (CNSSI) 4009).

Information system means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information (44 U.S.C. 3502).

Safeguarding means measures or controls that are prescribed to protect information systems.

(b) Safeguarding requirements and procedures.

(1) The Contractor shall apply the following basic safeguarding requirements and procedures to protect covered contractor information systems. Requirements and procedures for basic safeguarding of covered contractor information systems shall include, at a minimum, the following security controls:

(i) Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).

(ii) Limit information system access to the types of transactions and functions that authorized users are permitted to execute.

(iii) Verify and control/limit connections to and use of external information systems.

(iv) Control information posted or processed on publicly accessible information systems.

(v) Identify information system users, processes acting on behalf of users, or devices.

(vi) Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.

(vii) Sanitize or destroy information system media containing Federal Contract Information before disposal or release for reuse.

(viii) Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.

(ix) Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.

(x) Monitor, control, and protect organizational communications (*i.e.*, information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the information systems.

(xi) Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.

(xii) Identify, report, and correct information and information system flaws in a timely manner.

(xiii) Provide protection from malicious code at appropriate locations within organizational information systems.

(xiv) Update malicious code protection mechanisms when new releases are available.

(xv) Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.

(2) *Other requirements.* This clause does not relieve the Contractor of any other specific safeguarding requirements specified by Federal agencies and departments relating to covered contractor information systems generally or other Federal safeguarding requirements for controlled unclassified information (CUI) as established by Executive Order 13556.

(c) *Subcontracts.* The Contractor shall include the substance of this clause, including this paragraph (c), in subcontracts under this contract (including subcontracts for the acquisition of commercial products or commercial services, other than commercially available off-the-shelf items), in which the subcontractor may have Federal contract information residing in or transiting through its information system.

(End of clause)
[M1414]

I–19 FAR 52.204-23 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab Covered Entities (Dec 2023)

(a) Definitions. As used in this clause—

Kaspersky Lab covered article means any hardware, software, or service that–

(1) Is developed or provided by a Kaspersky Lab covered entity;

(2) Includes any hardware, software, or service developed or provided in whole or in part by a Kaspersky Lab covered entity; or

(3) Contains components using any hardware or software developed in whole or in part by a Kaspersky Lab covered entity.

Kaspersky Lab covered entity means–

(1) Kaspersky Lab;

(2) Any successor entity to Kaspersky Lab, including any change in name, e.g., "Kaspersky";

(3) Any entity that controls, is controlled by, or is under common control with Kaspersky Lab; or

(4) Any entity of which Kaspersky Lab has a majority ownership.

(b) Prohibition. Section 1634 of Division A of the National Defense Authorization Act for Fiscal Year 2018 (Pub. L. 115-91) prohibits Government use of any Kaspersky Lab covered article. The Contractor is prohibited from—

(1) Providing any Kaspersky Lab covered article that the Government will use on or after October 1, 2018; and

(2) Using any Kaspersky Lab covered article on or after October 1, 2018, in the development of data or deliverables first produced in the performance of the contract.

(c) Reporting requirement.

(1) In the event the Contractor identifies a Kaspersky Lab covered article provided to the Government during contract performance, or the Contractor is notified of such by a subcontractor at any tier or any other source, the Contractor shall report, in writing, to the Contracting Officer or, in the case of the Department of Defense, to the website at https://dibnet.dod.mil. For indefinite delivery contracts, the Contractor shall report to the Contracting Officer for the indefinite delivery contract and the Contracting Officer(s) for any affected order or, in the case of the Department of Defense, identify both the indefinite delivery contract and any affected orders in the report provided at https://dibnet.dod.mil.

(2) The Contractor shall report the following information pursuant to paragraph (c)(1) of this clause:

(i) Within 3 business days from the date of such identification or notification: the contract number; the order number(s), if applicable; supplier name; brand; model number (Original Equipment Manufacturer (OEM) number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the report pursuant to paragraph (c)(1) of this clause: any further available information about mitigation actions undertaken or recommended. In addition, the Contractor shall describe the efforts it undertook to prevent use or submission of a Kaspersky Lab covered article, any reasons that led to the use or submission of the Kaspersky Lab covered article, and any additional

efforts that will be incorporated to prevent future use or submission of Kaspersky Lab covered articles.

(d) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts, including subcontracts for the acquisition of commercial products or commercial services.

(End of clause)
[1548]

I–20 FAR 52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (Aug 2020)

(a) *Definitions.* As used in this clause—

Backhaul means intermediate links between the core network, or backbone network, and the small subnetworks at the edge of the network (e.g., connecting cell phones/towers to the core telephone network). Backhaul can be wireless (e.g., microwave) or wired (e.g., fiber optic, coaxial cable, Ethernet).

Covered foreign country means The People's Republic of China.

Covered telecommunications equipment or services means–

(1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);

(2) For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

(3) Telecommunications or video surveillance services provided by such entities or using such equipment; or

(4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

Critical technology means–

(1) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations;

(2) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled-

(i) Pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or

(ii) For reasons relating to regional stability or surreptitious listening;

(3) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to foreign atomic energy activities);

(4) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material);

(5) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code; or

(6) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817).

Interconnection arrangements means arrangements governing the physical connection of two or more networks to allow the use of another's network to hand off traffic where it is ultimately delivered (e.g., connection of a customer of telephone provider A to a customer of telephone company B) or sharing data and other information resources.

Reasonable inquiry means an inquiry designed to uncover any information in the entity's possession about the identity of the producer or provider of covered telecommunications equipment or services used by the entity that excludes the need to include an internal or third-party audit.

Roaming means cellular communications services (e.g., voice, video, data) received from a visited network when unable to connect to the facilities of the home network either because signal coverage is too weak or because traffic is too high.

Substantial or essential component means any component necessary for the proper function or performance of a piece of equipment, system, or service.

(b) *Prohibition.* Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, entering into a contract, or extending or renewing a contract with any entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. The Contractor is prohibited from providing to the Government any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR 4.2104. This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal contract.

(c) *Exceptions.* This clause does not prohibit contractors from providing—

(1) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(2) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(d) Reporting requirement.

(1) In the event the Contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the Contractor is notified of such by a subcontractor at any tier or by any other source, the Contractor shall report the information in paragraph (d)(2) of this clause to the Contracting Officer, unless elsewhere in this contract are established procedures for reporting the information; in the case of the Department of Defense, the Contractor shall report to the website at https://dibnet.dod.mil. For indefinite delivery contracts, the Contractor shall report to the Contracting Officer for the indefinite delivery contract and the Contracting Officer(s) for any affected order or, in the case of the Department of Defense, identify both the indefinite delivery contract and any affected orders in the report provided at https://dibnet.dod.mil.

(2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause

(i) Within one business day from the date of such identification or notification: the contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number,

manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: any further available information about mitigation actions undertaken or recommended. In addition, the Contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

(e) *Subcontracts.* The Contractor shall insert the substance of this clause, including this paragraph (e) and excluding paragraph (b)(2), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial items.

(End of clause)
[M1291]

I–21 RESERVED

I–22 FAR 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (June 2020)

(a) Definition. *"Commercially available off-the-shelf (COTS) item*," as used in this clause--

(1) Means any item of supply (including construction material) that is—

(i) A commercial item (as defined in paragraph (1) of the definition in Federal Acquisition Regulation (FAR) 2.101);

(ii) Sold in substantial quantities in the commercial marketplace; and

(iii) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products.

(b) The Government suspends or debars Contractors to protect the Government's interests. Other than a subcontract for a commercially available off-the-shelf item, the Contractor shall not enter into any subcontract. in excess of the threshold specified in FAR 9.405-2(b) on the date of subcontract award, with a Contractor that is debarred, suspended, or proposed for debarment by any executive agency unless there is a compelling reason to do so.

(c) The Contractor shall require each proposed subcontractor whose subcontract will exceed the threshold specified in FAR 9.405-2(b) on the date of subcontract award, other than a subcontractor providing a commercially available off-the-shelf item, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.

(d) A corporate officer or a designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party (other than a subcontractor providing a commercially available off-the-shelf item) that is debarred, suspended, or proposed for debarment (see FAR 9.404 for information on the System for Award Management (SAM) Exclusions). The notice must include the following:

(1) The name of the subcontractor.

(2) The Contractor's knowledge of the reasons for the subcontractor being listed with an exclusion in SAM.

(3) The compelling reason(s) for doing business with the subcontractor notwithstanding its being listed with an exclusion in SAM.

(4) The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

(e) Subcontracts. Unless this is a contract for the acquisition of commercial items, the Contractor shall include the requirements of this clause, including this paragraph (e) (appropriately modified for the identification of the parties), in each subcontract that—

(1) Exceeds the threshold specified in FAR 9.405-2(b) on the date of subcontract award; and

(2) Is not a subcontract for commercially available off-the-shelf items.

(End of Clause)
[M1291]

I–23 FAR 52.209-9 Updates of Publicly Available Information Regarding Responsibility Matters (Oct 2018)

(a) The Contractor shall update the information in the Federal Awardee Performance and Integrity Information System (FAPIIS) on a semi-annual basis, throughout the life of the contract, by posting the required information in the System for Award Management via https://www.sam.gov.

(b) As required by section 3010 of the Supplemental Appropriations Act, 2010 (Pub. L. 111-212), all information posted in FAPIIS on or after April 15, 2011, except past performance reviews, will be publicly available. FAPIIS consists of two segments-

(1) The non-public segment, into which Government officials and the Contractor post information, which can only be viewed by-

(i) Government personnel and authorized users performing business on behalf of the Government; or

(ii) The Contractor, when viewing data on itself; and

(2) The publicly-available segment, to which all data in the non-public segment of FAPIIS is automatically transferred after a waiting period of 14 calendar days, except for-

(i) Past performance reviews required by subpart 42.15;

(ii) Information that was entered prior to April 15, 2011; or

(iii) Information that is withdrawn during the 14-calendar-day waiting period by the Government official who posted it in accordance with paragraph (c)(1) of this clause.

(c) The Contractor will receive notification when the Government posts new information to the Contractor's record.

(1) If the Contractor asserts in writing within 7 calendar days, to the Government official who posted the information, that some of the information posted to the non-public segment of FAPIIS is covered by a disclosure exemption under the Freedom of Information Act, the Government official who posted the information must within 7 calendar days remove the posting from FAPIIS and resolve the issue in accordance with agency Freedom of Information procedures, prior to reposting the releasable information. The contractor must cite 52.209-9 and request removal within 7 calendar days of the posting to FAPIIS.

(2) The Contractor will also have an opportunity to post comments regarding information that has been posted by the Government. The comments will be retained as long as the associated information is retained, *i.e.*, for a total period of 6 years. Contractor comments will remain a part of the record unless the Contractor revises them.

(3) As required by section 3010 of Pub. L. 111-212, all information posted in FAPIIS on or after April 15, 2011, except past performance reviews, will be publicly available.

(d) Public requests for system information posted prior to April 15, 2011, will be handled under Freedom of Information Act procedures, including, where appropriate, procedures promulgated under E.O. 12600.

(End of clause)
[M1414]

I–24 FAR 52.209-10 Prohibition on Contracting with Inverted Domestic Corporations (Nov 2015)

(a) *Definitions.* As used in this clause--

"Inverted domestic corporation" means a foreign incorporated entity that meets the definition of an inverted domestic corporation under 6 U.S.C. 395(b), applied in accordance with the rules and definitions of 6 U.S.C. 395(c).

"Subsidiary" means an entity in which more than 50 percent of the entity is owned—

(1) Directly by a parent corporation; or

(2) Through another subsidiary of a parent corporation.

(b) If the contractor reorganizes as an inverted domestic corporation or becomes a subsidiary of an inverted domestic corporation at any time during the period of performance of this contract, the Government may be prohibited from paying for Contractor activities performed after the date when it becomes an inverted domestic corporation or subsidiary. The Government may seek any available remedies in the event the Contractor fails to perform in accordance with the terms and conditions of the contract as a result of Government action under this clause.

(c) Exceptions to this prohibition are located at 9.108-2.

(d) In the event the Contractor becomes either an inverted domestic corporation, or a subsidiary of an inverted domestic corporation during contract performance, the Contractor shall give written notice to the Contracting Officer within five business days from the date of the inversion event.

(End of clause)
[M1067]

I–25 FAR 52.210-1 Market Research (Nov 2021)

(a) *Definition*. As used in this clause—

Commercial product, commercial service, and *nondevelopmental item* have the meaning contained in Federal Acquisition Regulation 2.101.

(b) Before awarding subcontracts for other than commercial acquisitions, where the subcontracts are over the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award, the Contractor shall conduct market research to—

(1) Determine if commercial products, commercial services, or, to the extent commercial products suitable to meet the agency's needs are not available, nondevelopmental items are available that–

(i) Meet the agency's requirements;

(ii) Could be modified to meet the agency's requirements; or

(iii) Could meet the agency's requirements if those requirements were modified to a reasonable extent; and

(2) Determine the extent to which commercial products, commercial services, or nondevelopmental items could be incorporated at the component level.

(End of clause)
[M1414]

I–26 FAR 52.211-5 Material Requirements (Aug 2000)

(a) *Definitions.* As used in this clause --

"New" means composed of previously unused components, whether manufactured from virgin material, recovered material in the form of raw material, or materials and by-products generated from, and reused within, an original manufacturing process; *provided* that the supplies meet contract requirements, including but not limited to, performance, reliability, and life expectancy.

"Reconditioned" means restored to the original normal operating condition by readjustments and material replacement.

"Recovered material" means waste materials and by-products recovered or diverted from solid waste, but the term does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

"Remanufactured" means factory rebuilt to original specifications.

"Virgin material" means--

(1) Previously unused raw material, including previously unused copper, aluminum, lead, zinc, iron, other metal or metal ore; or

(2) Any undeveloped resource that is, or with new technology will become, a source of raw materials.

(b) Unless this contract otherwise requires virgin material or supplies composed of or manufactured from virgin material, the Contractor shall provide supplies that are new, reconditioned, or remanufactured, as defined in this clause.

(c) A proposal to provide unused former Government surplus property shall include a complete description of the material, the quantity, the name of the Government agency from which acquired, and the date of acquisition.

(d) A proposal to provide used, reconditioned, or remanufactured supplies shall include a detailed description of such supplies and shall be submitted to the Contracting Officer for approval.

(e) Used, reconditioned, or remanufactured supplies, or unused former Government surplus property, may be used in contract performance if the Contractor has proposed the use of such supplies, and the Contracting Officer has authorized their use.

(End of Clause)

I–27 FAR 52.215-8 Order of Precedence -- Uniform Contract Format (Oct 1997)

Any inconsistency in this solicitation or contract shall be resolved by giving precedence in the following order:

(a) The Schedule (excluding the specifications).

(b) Representations and other instructions.

(c) Contract clauses.

(d) Other documents, exhibits, and attachments.

(e) The specifications.

(End of Clause)

I–28 FAR 52.215-12 Subcontractor Certified Cost or Pricing Data (Jun 2020)

(a) Before awarding any subcontract expected to exceed the threshold for submission of certified cost or pricing data in Federal Acquisition Regulation (FAR) 15.403-4(a)(1) on the date of agreement on price or the date of award, whichever is later; or before pricing any subcontract modification involving a pricing adjustment expected to exceed the threshold for submission of certified cost or pricing data in FAR 15.403-4(a)(1) the

Contractor shall require the subcontractor to submit certified cost or pricing data (actually or by specific identification in writing), in accordance with FAR 15.408, Table 15-2 (to include any information reasonably required to explain the subcontractor's estimating process such as the judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data, and the nature and amount of any contingencies included in the price), unless an exception under FAR 15.403-1(b) applies. If the threshold for submission of certified cost or pricing data specified in FAR 15.403-4(a)(1) is adjusted for inflation as set forth in FAR 1.109(a), then pursuant to FAR 1.109(d) the changed threshold applies throughout the remaining term of the contract, unless there is a subsequent threshold adjustment.

(b) The Contractor shall require the subcontractor to certify in substantially the form prescribed in FAR 15.406-2 that, to the best of its knowledge and belief, the data submitted under paragraph (a) of this clause were accurate, complete, and current as of the date of agreement on the negotiated price of the subcontract or subcontract modification.

(c) In each subcontract that, when entered into, exceeds the threshold for submission of certified cost or pricing data in FAR 15.403-4(a)(1) the Contractor shall insert either --

(1) The substance of this clause, including this paragraph (c), if paragraph (a) of this clause requires submission of certified cost or pricing data for the subcontract; or

(2) The substance of the clause at FAR 52.215-13, Subcontractor Certified Cost or Pricing Data -- Modifications.

(End of Clause)
[M1291]

I–29 FAR 52.215-13 Subcontractor Certified Cost or Pricing Data – Modifications (Jun 2020)

(a) The requirements of paragraphs (b) and (c) of this clause shall --

(1) Become operative only for any modification to this contract involving a pricing adjustment expected to exceed the threshold for submission of certified cost or pricing data at in Federal Acquisition Regulation (FAR) 15.403-4(a)(1) on the date of execution of the modification; and

(2) Be limited to such modifications.

(b) Before awarding any subcontract expected to exceed the threshold for submission of certified cost or pricing data in FAR 15.403-4(a)(1), on the date of agreement on price or the date of award, whichever is later; or before pricing any subcontract modification involving a pricing adjustment expected to exceed the threshold for submission of certified cost or pricing data in FAR 15.403-4(a)(1), the Contractor shall require the

subcontractor to submit certified cost or pricing data (actually or by specific identification in writing), in accordance with FAR 15.408, Table 15-2 (to include any information reasonably required to explain the subcontractor's estimating process such as the judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data, and the nature and amount of any contingencies included in the price), unless an exception under FAR 15.403-1(b) applies. If the threshold for submission of certified cost or pricing data specified in FAR 15.403-4(a)(1) is adjusted for inflation as set forth in FAR 1.109(a), then pursuant to FAR 1.109(d) the changed threshold applies throughout the remaining term of the contract, unless there is a subsequent threshold adjustment.

(c) The Contractor shall require the subcontractor to certify in substantially the form prescribed in FAR 15.406-2 that, to the best of its knowledge and belief, the data submitted under paragraph (b) of this clause were accurate, complete, and current as of the date of agreement on the negotiated price of the subcontract or subcontract modification.

(d) The Contractor shall insert the substance of this clause, including this paragraph (d), in each subcontract that exceeds the threshold for submission of certified cost or pricing data in FAR 15.403-4(a)(1) on the date of agreement on price or the date of award, whichever is later.

(End of Clause)
[M1291]

I–30 FAR 52.215-14 Integrity of Unit Prices (Jun 2020)

(a) Any proposal submitted for the negotiation of prices for items of supplies shall distribute costs within contracts on a basis that ensures that unit prices are in proportion to the items' base cost (e.g., manufacturing or acquisition costs). Any method of distributing costs to line items that distorts unit prices shall not be used. For example, distributing costs equally among line items is not acceptable except when there is little or no variation in base cost. Nothing in this paragraph requires submission of certified cost or pricing data not otherwise required by law or regulation.

(b) When requested by the Contracting Officer, the Offeror/Contractor shall also identify those supplies that it will not manufacture or to which it will not contribute significant value.

(c) The Contractor shall insert the substance of this clause, less paragraph (b) of this clause, in all subcontracts for other than: acquisitions at or below the simplified acquisition threshold, as defined in Federal Acquisition Regulation (FAR) 2.101 on the date of the subcontract award; construction or architect-engineer services under FAR Part 36; utility services under FAR part 41; services where supplies are not required; commercial items; and petroleum products.

(End of Clause)
[M1291]

I–31 FAR 52.215-15 Pension Adjustments and Asset Reversions (Oct 2010)

(a) The Contractor shall promptly notify the Contracting Officer in writing when it determines that it will terminate a defined-benefit pension plan or otherwise recapture such pension fund assets.

(b) For segment closings, pension plan terminations, or curtailment of benefits, the amount of the adjustment shall be-

(1) For contracts and subcontracts that are subject to full coverage under the Cost Accounting Standards (CAS) Board rules and regulations (48 CFR Chapter 99), the amount measured, assigned, and allocated in accordance with 48 CFR 9904.413-50(c)(12) ; and

(2) For contracts and subcontracts that are not subject to full coverage under the CAS, the amount measured, assigned, and allocated in accordance with 48 CFR 9904.413-50(c)(12) , except the numerator of the fraction at 48 CFR 9904.413-50(c)(12) (vi) shall be the sum of the pension plan costs allocated to all non-CAS covered contracts and subcontracts that are subject to Federal Acquisition Regulation (FAR) subpart 31.2 or for which certified cost or pricing data were submitted.

(c) For all other situations where assets revert to the Contractor, or such assets are constructively received by it for any reason, the Contractor shall, at the Government's option, make a refund or give a credit to the Government for its equitable share of the gross amount withdrawn. The Government's equitable share shall reflect the Government's participation in pension costs through those contracts for which certified cost or pricing data were submitted or that are subject to FAR subpart 31.2.

(d) The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(g).

(End of clause)
[**M1414**]

I–32 FAR 52.215-17 Waiver of Facilities Capital Cost of Money (Oct 1997)

The Contractor did not include facilities capital cost of money as a proposed cost of this contract. Therefore, it is an unallowable cost under this contract.

(End of clause)
[**M1414]**

I–33 FAR 52.215-23 Limitations on Pass-Through Charges (Jun 2020)

(a) *Definitions*. As used in this clause--

Added value means that the Contractor performs subcontract management functions that the Contracting Officer determines are a benefit to the Government (e.g., processing orders of parts or services, maintaining inventory, reducing delivery lead times, managing multiple sources for contract requirements, coordinating deliveries, performing quality assurance functions).

Excessive pass-through charge, with respect to a Contractor or subcontractor that adds no or negligible value to a contract or subcontract, means a charge to the Government by the Contractor or subcontractor that is for indirect costs or profit/fee on work performed by a subcontractor (other than charges for the costs of managing subcontracts and any applicable indirect costs and associated profit/fee based on such costs).

No or negligible value means the Contractor or subcontractor cannot demonstrate to the Contracting Officer that its effort added value to the contract or subcontract in accomplishing the work performed under the contract (including task or delivery orders).

Subcontract means any contract, as defined in Federal Acquisition Regulation (FAR) 2.101, entered into by a subcontractor to furnish supplies or services for performance of the contract or a subcontract. It includes but is not limited to purchase orders, and changes and modifications to purchase orders.

Subcontractor, as defined in FAR 44.101, means any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime Contractor or another subcontractor.

(b) *General*. The Government will not pay excessive pass-through charges. The Contracting Officer shall determine if excessive pass-through charges exist.

(c) *Reporting*. Required reporting of performance of work by the Contractor or a subcontractor. The Contractor shall notify the Contracting Officer in writing if—

> (1) The Contractor changes the amount of subcontract effort after award such that it exceeds 70 percent of the total cost of work to be performed under the contract, task order, or delivery order. The notification shall identify the revised cost of the subcontract effort and shall include verification that the Contractor will provide added value; or
>
> (2) Any subcontractor changes the amount of lower-tier subcontractor effort after award such that it exceeds 70 percent of the total cost of the work to be performed under its subcontract. The notification shall identify the revised cost of the subcontract effort and shall include verification that the subcontractor will provide added value as related to the work to be performed by the lower-tier subcontractor(s).

(d) *Recovery of excessive pass-through charges*. If the Contracting Officer determines that excessive pass-through charges exist;

(1) For other than fixed-price contracts, the excessive pass-through charges are unallowable in accordance with the provisions in FAR subpart 31.2; and

(2) For applicable DoD fixed-price contracts, as identified in 15.408(n)(2)(i)(B), the Government shall be entitled to a price reduction for the amount of excessive pass-through charges included in the contract price.

(e) *Access to records*.

(1) The Contracting Officer, or authorized representative, shall have the right to examine and audit all the Contractor's records (as defined at FAR 52.215-2(a)) necessary to determine whether the Contractor proposed, billed, or claimed excessive pass-through charges.

(2) For those subcontracts to which paragraph (f) of this clause applies, the Contracting Officer, or authorized representative, shall have the right to examine and audit all the subcontractor's records (as defined at FAR 52.215-2(a)) necessary to determine whether the subcontractor proposed, billed, or claimed excessive pass-through charges.

(f) *Subcontracts.* The Contractor shall insert the substance of this clause, including this paragraph (f), in all cost-reimbursement subcontracts under this contract that exceed the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award, except if the contract is with DoD, then insert in all cost-reimbursement subcontracts and fixed-price subcontracts, except those identified in FAR 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4 on the date of subcontract award.

(End of clause)
[M1291]

I–34 FAR 52.219-4 Notice of Price Preference Evaluation for HUBZone Small Business Concerns (Oct 2022)

(a) Evaluation preference.

(1) Offers will be evaluated by adding a factor of 10 percent to the price of all offers, except-

(i) Offers from HUBZone small business concerns that have not waived the evaluation preference; and

(ii) Otherwise successful offers from small business concerns.

(2) The factor of 10 percent shall be applied on a line item basis or to any group of items on which award may be made. Other evaluation factors described in the solicitation shall be applied before application of the factor.

(3) When the two highest rated offerors are a HUBZone small business concern and a large business, and the evaluated offer of the HUBZone small business concern is equal to the evaluated offer of the large business after considering the price evaluation preference, award will be made to the HUBZone small business concern.

(b) *Waiver of evaluation preference*. A HUBZone small business concern may elect to waive the evaluation preference, in which case the factor will be added to its offer for evaluation purposes.

□ Offeror elects to waive the evaluation preference.

(c) Joint venture. A HUBZone joint venture agrees that, in the performance of the contract, at least 40 percent of the aggregate work performed by the joint venture shall be completed by the HUBZone small business parties to the joint venture. Work performed by the HUBZone small business parties to the joint venture must be more than administrative functions.

(End of clause)
[M1453]

I–35 FAR 52.219-8 Utilization of Small Business Concerns (Feb 2024)

(a) (a) *Definitions*. As used in this contract—

"HUBZone small business concern" means a small business concern, that meets the requirements described in 13 CFR 126.200 certified by the Small Business Administration (SBA) and designated by SBA as a HUBZone small business concerns by the Dynamic Small Business Search (DSBS) and SAM.

Service-disabled veteran-owned small business (SDVOSB) concern means a small business concern—

(i) (1) (i) Not less than 51 percent of which is owned and controlled by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

(ii) (ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(1) (2) Service-disabled veteran means a veteran, as defined in 38 U.S.C.101(2), with a disability that is service-connected, as defined in 38 U.S.C.101(16).

(2) (3) Service-disabled veteran, as used in this definition, means a veteran, as defined in 38 U.S.C.101(2), with a disability that is service-connected, as defined in 38 U.S.C.101(16), and who is registered in the Beneficiary Identification and Records Locator Subsystem, or successor system that is maintained by the Department of Veterans Affairs' Veterans Benefits Administration, as a service-disabled veteran.

Service-disabled veteran-owned small business (SDVOSB) concern eligible under the SDVOSB Program means an SDVOSB concern that—

(1) (1) Effective January 1, 2024, is designated in the System for Award Management (SAM) as certified by the Small Business Administration (SBA) in accordance with 13 CFR 128.300; or

(2) (2) Has represented that it is an SDVOSB concern in SAM and submitted a complete application for certification to SBA on or before December 31, 2023.

Service-disabled veteran-owned small business (SDVOSB) Program means a program that authorizes contracting officers to limit competition, including award on a sole-source basis, to SDVOSB concerns eligible under the SDVOSB Program.

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in its field of operation and qualified as a small business under the criteria and size standards in 13 CFR part 121, including the size standard that corresponds to the NAICS code assigned to the contract or subcontract.

"*Small disadvantaged business concern*", consistent with 13 CFR 124.1001, means a small business concern under the size standard applicable to the acquisition, that-

(1) (1) Is at least 51 percent of which is owned and controlled (as defined at 13 CFR 124.105) by-

(i) (i) One or more socially disadvantaged (as defined at 13 CFR 124.103) and economically disadvantaged (as defined at 13 CFR 124.104) individuals who are citizens of the United States; and

(ii) (ii) Each individual claiming economic disadvantage has a net worth not exceeding the threshold at 13 CFR 124.104(c)(2) after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and

(2) (2) The management and daily business operations of which are controlled (as defined at 13.CFR 124.106) by individuals, who meet the criteria in paragraphs (1)(i) and (ii) of this definition.

"Veteran-owned small business concern" means a small business concern-

(1) (1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C.101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) (2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned small business concern" means a small business concern-

(1) (1) That is at least 51 percent owned by one or more women, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(2) (2) Whose management and daily business operations are controlled by one or more women.

(b) (b) It is the policy of the United States that small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns shall have the maximum practicable opportunity to participate in performing contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns.

(1) (c) (1) A joint venture qualifies as a small business concern if—

(i) (i) Each party to the joint venture qualifies as small under the size standard for the solicitation; or

(ii) (ii) The protégé is small under the size standard for the solicitation in a joint venture comprised of a mentor and protégé with an approved mentor-protégé agreement under a SBA mentor-protégé program.

(iii)

(2) (2) A joint venture qualifies as a HUBZone small business concern if it complies with the requirements in 13 CFR 126.616(a) through (c).

(c) (d) The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. The Contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the Contractor's compliance with this clause.

(1) (e) (1) The Contractor may accept a subcontractor's written representations of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, or a women-owned small business if the subcontractor represents that the size and socioeconomic status representations with its offer are current, accurate, and complete as of the date of the offer for the subcontract.

(2) (2) The Contractor may accept a subcontractor's representations of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, or a women-owned small business in the System for Award Management (SAM) if–

(i) (i) The subcontractor is registered in SAM; and

(ii) (ii) The subcontractor represents that the size and socioeconomic status representations made in SAM are current, accurate and complete as of the date of the offer for the subcontract.

(3) (3) The Contractor may not require the use of SAM for the purposes of representing size or socioeconomic status in connection with a subcontract.

(4) (4) In accordance with 13 CFR 121.411, 126.900, 127.700, and 128.600, a contractor acting in good faith is not liable for misrepresentations made by its subcontractors regarding the subcontractor's size or socioeconomic status.

(5) (5) The Contractor shall confirm that a subcontractor representing itself as a HUBZone small business concern is certified by SBA as a HUBZone small business concern by accessing SAM or by accessing DSBS at . If the subcontractor is a joint venture, the Contractor shall confirm that at least one party to the joint venture is certified by SBA as a HUBZone small business concern. The Contractor may confirm the representation by accessing SAM.

(End of clause)

[1582]

I–36 FAR 52.219-9 Small Business Subcontracting Plan (Sep 2023)

(a) (a) This clause does not apply to small business concerns.

(b) (b) Definitions. As used in this clause—

Alaska Native Corporation (ANC) means any Regional Corporation, Village Corporation, Urban Corporation, or Group Corporation organized under the laws of the State of Alaska in accordance with the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601, *et seq.*) and which is considered a minority and economically disadvantaged concern under the criteria at 43 U.S.C. 1626(e)(1). This definition also includes ANC direct and indirect subsidiary corporations, joint ventures, and partnerships that meet the requirements of 43 U.S.C. 1626(e)(2).

Commercial plan means a subcontracting plan (including goals) that covers the offeror's fiscal year and that applies to the entire production of commercial products and commercial services sold by either the entire company or a portion thereof (*e.g.,* division, plant, or product line).

Commercial product means a product that satisfies the definition of "commercial product" in Federal Acquisition Regulation (FAR) 2.101.

Commercial service means a service that satisfies the definition of "commercial service" in FAR 2.101.

Electronic Subcontracting Reporting System (eSRS) means the Governmentwide, electronic, web-based system for small business subcontracting program reporting. The eSRS is located at http://www.esrs.gov.

Indian tribe means any Indian tribe, band, group, pueblo, or community, including native villages and native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), that is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs in accordance with 25 U.S.C. 1452(c). This definition also includes Indian-owned economic enterprises that meet the requirements of 25 U.S.C. 1452(e).

Individual subcontracting plan means a subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on the offeror's planned subcontracting in support of the specific contract, except that indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.

Master subcontracting plan means a subcontracting plan that contains all the required elements of an individual subcontracting plan, except goals, and may be incorporated into individual subcontracting plans, provided the master subcontracting plan has been approved.

Reduced payment means a payment that is for less than the amount agreed upon in a subcontract in accordance with its terms and conditions, for supplies and services for which the Government has paid the prime contractor.

Subcontract means any agreement (other than one involving an employer-employee relationship) entered into by a Federal Government prime Contractor or subcontractor calling for supplies or services required for performance of the contract or subcontract.

Total contract dollars means the final anticipated dollar value, including the dollar value of all options.

Untimely payment means a payment to a subcontractor that is more than 90 days past due under the terms and conditions of a subcontract for supplies and services for which the Government has paid the prime contractor.

(c) (c)

(1) (1) The Offeror, upon request by the Contracting Officer, shall submit and negotiate a subcontracting plan, where applicable, that separately addresses subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns. If the Offeror is submitting an individual subcontracting plan, the plan must separately address subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns, with a separate part for the basic contract and separate parts for each option (if any). The subcontracting plan shall be included in and made a part of the resultant contract. The subcontracting plan shall be negotiated within the time specified by the Contracting Officer. Failure to submit and negotiate the subcontracting plan shall make the Offeror ineligible for award of a contract.

(i) (2)(i) The Contractor may accept a subcontractor's written representations of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, or a women-owned small business if the subcontractor represents that the size and socioeconomic status representations with its offer are current, accurate, and complete as of the date of the offer for the subcontract.

(ii) (ii) The Contractor may accept a subcontractor's representations of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, or a women-owned small business in the System for Award Management (SAM) if–

(A) (A) The subcontractor is registered in SAM; and

(B) (B) The subcontractor represents that the size and socioeconomic status representations made in SAM are current, accurate and complete as of the date of the offer for the subcontract.

(iii) (iii) The Contractor may not require the use of SAM for the purposes of representing size or socioeconomic status in connection with a subcontract.

(iv) (iv) In accordance with 13 CFR 121.411, 126.900, 127.700, and 128.600, a contractor acting in good faith is not liable for misrepresentations made by its subcontractors regarding the subcontractor's size or socioeconomic status.

(d) (d) The Offeror’s subcontracting plan shall include the following:

(1) (1) Separate goals, expressed in terms of total dollars subcontracted, and as a percentage of total planned subcontracting dollars, for the use of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns as subcontractors.
For individual subcontracting plans, and if required by the Contracting Officer, goals shall also be expressed in terms of percentage of total contract dollars, in addition to the goals expressed as a percentage of total subcontract dollars. The Offeror shall include all subcontracts that contribute to contract performance, and may include a proportionate share of products and services that are normally allocated as indirect costs. In accordance with 43 U.S.C. 1626:

(i) (i) Subcontracts awarded to an ANC or Indian tribe shall be counted towards the subcontracting goals for small business and small disadvantaged business concerns, regardless of the size or Small Business Administration certification status of the ANC or Indian tribe; and

(ii) (ii) Where one or more subcontractors are in the subcontract tier between the prime Contractor and the ANC or Indian tribe, the ANC or Indian tribe shall designate the appropriate Contractor(s) to count the subcontract towards its small business and small disadvantaged business subcontracting goals.

(A) (A) In most cases, the appropriate Contractor is the Contractor that awarded the subcontract to the ANC or Indian tribe.

(B) (B) If the ANC or Indian tribe designates more than one Contractor to count the subcontract toward its goals, the ANC or Indian tribe shall designate only a portion of the total subcontract award to each Contractor. The sum of the

amounts designated to various Contractors cannot exceed the total value of the subcontract.

(C) (C) The ANC or Indian tribe shall give a copy of the written designation to the Contracting Officer, the prime Contractor, and the subcontractors in between the prime Contractor and the ANC or Indian tribe within 30 days of the date of the subcontract award.

(D) (D) If the Contracting Officer does not receive a copy of the ANC's or the Indian tribe's written designation within 30 days of the subcontract award, the Contractor that awarded the subcontract to the ANC or Indian tribe will be considered the designated Contractor.

(2) (2) A statement of–

(i) (i) Total dollars planned to be subcontracted for an individual subcontracting plan; or the Offeror's total projected sales, expressed in dollars, and the total value of projected subcontracts, including all indirect costs except as described in paragraph (g) of this clause, to support the sales for a commercial plan;

(ii) (ii) Total dollars planned to be subcontracted to small business concerns (including ANC and Indian tribes);

(iii) (iii) Total dollars planned to be subcontracted to veteran-owned small business concerns;

(iv) (iv) Total dollars planned to be subcontracted to service-disabled veteran-owned small business;

(v) (v) Total dollars planned to be subcontracted to HUBZone small business concerns;

(vi) (vi) Total dollars planned to be subcontracted to small disadvantaged business concerns (including ANCs and Indian tribes); and

(vii) (vii) Total dollars planned to be subcontracted to women-owned small business concerns.

(3) (3) A description of the principal types of supplies and services to be subcontracted, and an identification of the types planned for subcontracting to-

(i) (i) Small business concerns;

(ii) (ii) Veteran-owned small business concerns;

(iii) (iii) Service-disabled veteran-owned small business concerns;

(iv) (iv) HUBZone small business concerns;

(v) Small disadvantaged business concerns; and

(v) (vi) Women-owned small business concerns.

(4) (4) A description of the method used to develop the subcontracting goals in paragraph (d)(1) of this clause.

(5) (5) A description of the method used to identify potential sources for solicitation purposes (*e.g.*, existing company source lists, SAM, veterans service organizations, the National Minority Purchasing Council Vendor Information Service, the Research and Information Division of the Minority Business Development Agency in the Department of Commerce, or small, HUBZone, small disadvantaged, and women-owned small business trade associations). A firm may rely on the information contained in SAM as an accurate representation of a concern's size and ownership characteristics for the purposes of maintaining a small, veteran-owned small, service-disabled veteran-owned small, HUBZone small, small disadvantaged, and women-owned small business source list. Use of SAM as its source list does not relieve a firm of its responsibilities (*e.g.*, outreach, assistance, counseling, or publicizing subcontracting opportunities) in this clause.

(6) (6) A statement as to whether or not the Offeror included indirect costs in establishing subcontracting goals, and a description of the method used to determine the proportionate share of indirect costs to be incurred with–

(i) (i) Small business concerns (including ANC and Indian tribes);

(ii) (ii) Veteran-owned small business concerns;

(iii) (iii) Service-disabled veteran-owned small business concerns;

(iv) (iv) HUBZone small business concerns;

(v) Small disadvantaged business concerns (including ANC and Indian tribes); and

(v) (vi) Women-owned small business concerns.

(7) (7) The name of the individual employed by the Offeror who will administer the Offeror's subcontracting program, and a description of the duties of the individual.

(8) (8) A description of the efforts the Offeror will make to assure that small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns have an equitable opportunity to compete for subcontracts.

(9) (9) Assurances that the Offeror will include the clause of this contract entitled "Utilization of Small Business Concerns" in all subcontracts that offer further subcontracting opportunities, and that the

Offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of the applicable threshold specified in FAR 19.702 (a) on the date of subcontract award, with further subcontracting possibilities to adopt a subcontracting plan that complies with the requirements of this clause.

(10) (10) Assurances that the Offeror will–

(i) (i) Cooperate in any studies or surveys as may be required;

(ii) (ii) Submit periodic reports so that the Government can determine the extent of compliance by the Offeror with the subcontracting plan;

(iii) (iii) After November 30, 2017, include subcontracting data for each order when reporting subcontracting achievements for indefinite-delivery, indefinite-quantity *contracts with* individual subcontracting plans *where the contract is intended* for use by multiple agencies;

(iv) (iv) Submit the Individual Subcontract Report (ISR) and/or the Summary Subcontract Report (SSR), in accordance with paragraph (l) of this clause using the Electronic Subcontracting Reporting System (eSRS) at http://www.esrs.gov. The reports shall provide information on subcontract awards to small business concerns (including ANCs and Indian tribes that are not small businesses), veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns (including ANCs and Indian tribes that have not been certified by the Small Business Administration as small disadvantaged businesses), women-owned small business concerns, and for NASA only, Historically Black Colleges and Universities and Minority Institutions. Reporting shall be in accordance with this clause, or as provided in agency regulations;

(v) (v) Ensure that its subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using eSRS;

(vi) Provide its prime contract number, its unique entity identifier, and the e-mail address of the Offeror's official responsible for acknowledging receipt of or rejecting the ISRs, to all first-tier subcontractors with subcontracting plans so they can enter this information into the eSRS when submitting their ISRs; and

(vi) (vii) Require that each subcontractor with a subcontracting plan provide the prime contract number, its own unique entity identifier, and the e-mail address of the subcontractor's official responsible for acknowledging receipt of or rejecting the ISRs, to its subcontractors with subcontracting plans.

(11) (11) A description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the offeror's efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

(i) Source lists (*e.g.,* SAM), guides, and other data that identify small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.

(i) (ii) Organizations contacted in an attempt to locate sources that are small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business concerns.

(ii) (iii) Records on each subcontract solicitation resulting in an award of more than the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award, indicating-

(A) (A) Whether small business concerns were solicited and, if not, why not;

(B) Whether veteran-owned small business concerns were solicited and, if not, why not;

(C) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not;

(D) Whether HUBZone small business concerns were solicited and, if not, why not;

(E) Whether small disadvantaged business concerns were solicited and, if not, why not;

(F) Whether women-owned small business concerns were solicited and, if not, why not; and

(B) (G) If applicable, the reason award was not made to a small business concern.

(iii) (iv) Records of any outreach efforts to contact-

(A) (A) Trade associations;
(B) (B) Business development organizations;

(C) Conferences and trade fairs to locate small, HUBZone small, small disadvantaged, service-disabled veteran-owned, and women-owned small business sources; and

(C) (D) Veterans service organizations.

(iv) (v) Records of internal guidance and encouragement provided to buyers through-

(A) Workshops, seminars, training, etc.; and

(A) (B) Monitoring performance to evaluate compliance with the program's requirements.

(v) (vi) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement.

(12) (12) Assurances that the Offeror will make a good faith effort to acquire articles, equipment, supplies, services, or materials, or obtain the performance of construction work from the small business concerns that it used in preparing the bid or proposal, in the same or greater scope, amount, and quality used in preparing and submitting the bid or proposal. Responding to a request for a quote does not constitute use in preparing a bid or proposal. The Offeror used a small business concern in preparing the bid or proposal if–

(i) The Offeror identifies the small business concern as a subcontractor in the bid or proposal or associated small business subcontracting plan, to furnish certain supplies or perform a portion of the subcontract; or

(i) (ii) The Offeror used the small business concern's pricing or cost information or technical expertise in preparing the bid or proposal, where there is written evidence of an intent or understanding that the small business concern will be awarded a subcontract for the related work if the Offeror is awarded the contract.

(13) (13) Assurances that the Contractor will provide the Contracting Officer with a written explanation if the Contractor fails to acquire articles, equipment, supplies, services or materials or obtain the

performance of construction work as described in (d)(12) of this clause. This written explanation must be submitted to the Contracting Officer within 30 days of contract completion.

(14) (14) Assurances that the Contractor will not prohibit a subcontractor from discussing with the Contracting Officer any material matter pertaining to payment to or utilization of a subcontractor.

(15) (15) Assurances that the offeror will pay its small business subcontractors on time and in accordance with the terms and conditions of the underlying subcontract, and notify the contracting officer when the prime contractor makes either a reduced or an untimely payment to a small business subcontractor (see 52.242-5).

(e) (e) In order to effectively implement this plan to the extent consistent with efficient contract performance, the Contractor shall perform the following functions:

(1) (1) Assist small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor's lists of potential small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business subcontractors are excessively long, reasonable effort shall be made to give all such small business concerns an opportunity to compete over a period of time.

(2) (2) Provide adequate and timely consideration of the potentialities of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns in all "make-or-buy" decisions.

(3) (3) Counsel and discuss subcontracting opportunities with representatives of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business firms.

(4) (4) Confirm that a subcontractor representing itself as a HUBZone small business concern is certified by SBA as a HUBZone small business concern by accessing SAM or by accessing the Dynamic Small Business Search (DSBS) at https://web.sba.gov/pro-net/search/dsp_dsbs.cfm.

(5) (5) Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as small, veteran-owned small business, HUBZone small, small disadvantaged, or women-owned small business for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor's subcontracting plan.

(6) (6) For all competitive subcontracts over the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award, in which a small business concern received a small business preference, upon determination of the successful subcontract offeror, prior to award of the subcontract the Contractor must inform each unsuccessful small business subcontract offeror in writing of the name and location of the apparent successful offeror and if the successful subcontract offeror is a small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business concern.

(7) (7) Assign each subcontract the NAICS code and corresponding size standard that best describes the principal purpose of the subcontract.

(f) (f) A master subcontracting plan on a plant or division-wide basis that contains all the elements required by paragraph (d) of this clause, except goals, may be incorporated by reference as a part of the subcontracting plan required of the Offeror by this clause; provided-

(1) (1) The master subcontracting plan has been approved;

(2) The Offeror ensures that the master subcontracting plan is updated as necessary and provides copies of the approved master subcontracting plan, including evidence of its approval, to the Contracting Officer; and

(2) (3) Goals and any deviations from the master subcontracting plan deemed necessary by the Contracting Officer to satisfy the requirements of this contract are set forth in the individual subcontracting plan.

(g) (g) A commercial plan is the preferred type of subcontracting plan for contractors furnishing commercial products and commercial services. The commercial plan shall relate to the offeror's planned subcontracting generally, for both commercial and Government business, rather than solely to the Government contract. Once the Contractor's commercial plan has been approved, the Government will not require another subcontracting plan from the same Contractor while the plan remains in effect, as long as the product or service being provided by the Contractor continues to meet the definition of a commercial product or commercial service. A Contractor with a commercial plan shall comply with the reporting requirements stated in paragraph (d)(10) of this clause by submitting one SSR in eSRS for all contracts covered by its commercial plan. A Contractor authorized to use a commercial subcontracting plan shall include in its subcontracting goals and in its SSR all indirect costs, with the exception of those such as the following: Employee salaries and benefits; payments for petty cash; depreciation; interest; income taxes; property taxes; lease payments; bank fees; fines, claims, and dues; original equipment manufacturer relationships during warranty periods (negotiated up front with the product); utilities and other services purchased from a municipality or an entity solely authorized by the

municipality to provide those services in a particular geographical region; and philanthropic contributions. This report shall be acknowledged or rejected in eSRS by the Contracting Officer who approved the plan. This report shall be submitted within 30 days after the end of the Government's fiscal year.

(h) (h) Prior compliance of the offeror with other such subcontracting plans under previous contracts will be considered by the Contracting Officer in determining the responsibility of the offeror for award of the contract.

(i) (i) A contract may have no more than one subcontracting plan. When a contract modification exceeds the subcontracting plan threshold in FAR 19.702(a), or an option is exercised, the goals of the existing subcontracting plan shall be amended to reflect any new subcontracting opportunities. When the goals in a subcontracting plan are amended, these goal changes do not apply retroactively.

(j) (j) Subcontracting plans are not required from subcontractors when the prime contract contains the clause at FAR 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders-Commercial Products and Commercial Services, or when the subcontractor provides a commercial product or commercial service subject to the clause at FAR 52.244-6, Subcontracts for Commercial Products and Commercial Services, under a prime contract.

(k) (k) The failure of the Contractor or subcontractor to comply in good faith with (1) the clause of this contract entitled "Utilization Of Small Business Concerns;" or (2) an approved plan required by this clause, shall be a material breach of the contract and may be considered in any past performance evaluation of the Contractor.

(l) (l) The Contractor shall submit ISRs and SSRs using the web-based eSRS at http://www.esrs.gov. Purchases from a corporation, company, or subdivision that is an affiliate of the Contractor or subcontractor are not included in these reports. Subcontract awards by affiliates shall be treated as subcontract awards by the Contractor. Subcontract award data reported by the Contractor and subcontractors shall be limited to awards made to their immediate next-tier subcontractors. Credit cannot be taken for awards made to lower tier subcontractors, unless the Contractor or subcontractor has been designated to receive a small business or small disadvantaged business credit from an ANC or Indian tribe.
Only subcontracts involving performance in the United States or its outlying areas should be included in these reports with the exception of subcontracts under a contract awarded by the State Department or any other agency that has statutory or regulatory authority to require subcontracting plans for subcontracts performed outside the United States and its outlying areas.

(1) (1) *ISR*. This report is not required for commercial plans. The report is required for each contract containing an individual subcontracting plan.

(i) (i) The report shall be submitted semi-annually during contract performance for the periods ending March 31 and September 30. A report is also required for each contract within 30 days of contract completion. Reports are due 30 days after the close of each reporting period, unless otherwise directed by the Contracting Officer. Reports are required when due, regardless

of whether there has been any subcontracting activity since the inception of the contract or the previous reporting period. When the Contracting Officer rejects an ISR, the Contractor shall submit a corrected report within 30 days of receiving the notice of ISR rejection.

(ii) (ii)

(A) (A) When a subcontracting plan contains separate goals for the basic contract and each option, as prescribed by FAR 19.704(c), the dollar goal inserted on this report shall be the sum of the base period through the current option; for example, for a report submitted after the second option is exercised, the dollar goal would be the sum of the goals for the basic contract, the first option, and the second option.

(B) (B) If a subcontracting plan has been added to the contract pursuant to 19.702 a)(1)(iii) or 19.301-2(e), the Contractor's achievements must be reported in the ISR on a cumulative basis from the date of incorporation of the subcontracting plan into the contract.

(iii) (iii) When a subcontracting plan includes indirect costs in the goals, these costs must be included in this report.

(iv) (iv) The authority to acknowledge receipt or reject the ISR resides–

(A) (A) In the case of the prime Contractor, with the Contracting Officer; and

(B) (B) In the case of a subcontract with a subcontracting plan, with the entity that awarded the subcontract.

(2) (2) *SSR*.

(i) (i) Reports submitted under individual contract plans–

(A) (A) This report encompasses all subcontracting under prime contracts and subcontracts with an executive agency, regardless of the dollar value of the subcontracts. This report also includes indirect costs on a prorated basis when the indirect costs are excluded from the subcontracting goals.

(B) (B) The report may be submitted on a corporate, company or subdivision (*e.g.* plant or division operating as a separate profit center) basis, unless otherwise directed by the agency.

(C) (C) If the Contractor or a subcontractor is performing work for more than one executive agency, a separate report shall be submitted to each executive agency covering only that agency's contracts, provided at least one of that agency's contracts is over the applicable threshold specified in FAR 19.702(a), and the contractand contains a subcontracting plan. For DoD, a consolidated report shall be submitted for all contracts awarded by military departments/agencies and/or subcontracts awarded by DoD prime contractors.

(D) (D) The report shall be submitted annually by October 30 for the twelve month period ending September 30. When a Contracting Officer rejects an SSR, the Contractor shall submit a revised report within 30 days of receiving the notice of SSR rejection.

(E) (E) Subcontract awards that are related to work for more than one executive agency shall be appropriately allocated.

(F) (F) The authority to acknowledge or reject SSRs in eSRS, including SSRs submitted by subcontractors with subcontracting plans, resides with the Government agency awarding the prime contracts unless stated otherwise in the contract.

(ii) (ii) *Reports submitted under a commercial plan-*

(A) (A) The report shall include all subcontract awards under the commercial plan in effect during the Government's fiscal year and all indirect costs.

(B) (B) The report shall be submitted annually, within thirty days after the end of the Government's fiscal year.

(C) (C) If a Contractor has a commercial plan and is performing work for more than one executive agency, the Contractor shall specify the percentage of dollars attributable to each agency.

(D) (D) The authority to acknowledge or reject SSRs for commercial plans resides with the Contracting Officer who approved the commercial plan.

(End of Clause)

[1548]

I–37 FAR 52.219-16 Liquidated Damages Subcontracting Plan (Sep 2021)

(a) "Failure to make a good faith effort to comply with the subcontracting plan," as used in this clause, means a willful or intentional failure to perform in accordance with

the requirements of the subcontracting plan approved under the clause in this contract entitled "Small Business Subcontracting Plan," or willful or intentional action to frustrate the plan.

(b) Performance shall be measured by applying the percentage goals to the total actual subcontracting dollars or, if a commercial plan is involved, to the pro rata share of actual subcontracting dollars attributable to Government contracts covered by the commercial plan. If, at contract completion or, in the case of a commercial plan, at the close of the fiscal year for which the plan is applicable, the Contractor has failed to meet its subcontracting goals and the Contracting Officer decides in accordance with paragraph (c) of this clause that the Contractor failed to make a good faith effort to comply with its subcontracting plan (see 19.705-7), established in accordance with the clause in this contract entitled "Small Business Subcontracting Plan," the Contractor shall pay the Government liquidated damages in an amount stated. The amount of probable damages attributable to the Contractor's failure to comply shall be an amount equal to the actual dollar amount by which the Contractor failed to achieve each subcontract goal.

(c) Before the Contracting Officer makes a final decision that the Contractor has failed to make such good faith effort, the Contracting Officer shall give the Contractor written notice specifying the failure and permitting the Contractor to demonstrate what good faith efforts have been made and to discuss the matter. Failure to respond to the notice may be taken as an admission that no valid explanation exists. If, after consideration of all the pertinent data, the Contracting Officer finds that the Contractor failed to make a good faith effort to comply with the subcontracting plan, the Contracting Officer shall issue a final decision to that effect and require that the Contractor pay the Government liquidated damages as provided in paragraph (b) of this clause.

(d) With respect to commercial plans, the Contracting Officer who approved the plan will perform the functions of the Contracting Officer under this clause on behalf of all agencies with contracts covered by the commercial plan.

(e) The Contractor shall have the right of appeal, under the clause in this contract entitled, Disputes, from any final decision of the Contracting Officer.

(f) Liquidated damages shall be in addition to any other remedies that the Government may have.

(End of Clause)
[M1414]

I–38 FAR 52.219-28 Post-Award Small Business Program Representation (Feb 2024)

(a) **Definitions**. As used in this clause--

Long-term contract means a contract of more than five years in duration, including options. However, the term does not include contracts that exceed five years in duration because the period of performance has been extended for a cumulative period not to exceed six months under the clause at 52.217-8, Option to Extend Services, or other appropriate authority.

Small business concern

(1) Means a concern, including its affiliates, that is independently owned and operated, not dominant in its field of, and qualified as a small business under the criteria in 13 CFR part 121 and the size standard in paragraph (d) of this clause.

(2) Affiliates, as used in this definition, means business concerns, one of whom directly or indirectly controls or has the power to control the others, or a third party or parties control or have the power to control the others. In determining whether affiliation exists, consideration is given to all appropriate factors including common ownership, common management, and contractual relationships. SBA determines affiliation based on the factors set forth at 13 CFR 121.103.

(b) If the Contractor represented that it was any of the small business concerns identified in 19.000(a)(3) prior to award of this contract, the Contractor shall rerepresent its size and socioeconomic status according to paragraph (f) of this clause or, if applicable, paragraph (h) of this clause, upon occurrence of any of the following:

(1) Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include this clause, if the novation agreement was executed prior to inclusion of this clause in the contract.

(2) Within 30 days after a merger or acquisition that does not require a novation or within 30 days after modification of the contract to include this clause, if the merger or acquisition occurred prior to inclusion of this clause in the contract.

(3) For long-term contracts—

(i) Within 60 to 120 days prior to the end of the fifth year of the contract; and

(ii) Within 60 to 120 days prior to the date specified in the contract for exercising any option thereafter.

(c) If the Contractor represented that it was any of the small business concerns identified in 19.000(a)(3) prior to award of this contract, the Contractor shall rerepresent its size and socioeconomic status according to paragraph (f) of this clause or, if applicable, paragraph (h) of this clause, when the Contracting Officer explicitly requires it for an order issued under a multiple-award contract.

(d) The Contractor shall rerepresent its size status in accordance with the size standard in effect at the time of this rerepresentation that corresponds to the North American Industry Classification System (NAICS) code(s) assigned to this contract. The small business size standard corresponding to this NAICS code(s) can be found at **https://www.sba.gov/document/support-table-size-standards**.

(e) The small business size standard for a Contractor providing an end that it does not manufacture, process, or produce itself, for a contract other than a construction or service contract, is 500 employees, or 150 employees for information technology value-added resellers under NAICS code 541519, if the acquisition-

(1) Was set aside for small business and has a value above the **simplified acquisition threshold**;

(2) Used the **HUBZone** price evaluation preference regardless of dollar value, unless the Contractor waived the price evaluation preference; or

(3) Was an 8(a), **HUBZone**, service-disabled veteran-owned, economically disadvantaged women-owned, or women-owned small business set-aside or sole-source award regardless of dollar value.

(f) Except as provided in paragraph (h) of this clause, the Contractor shall make the representation(s) required by paragraph (b) and (c) of this clause by validating or updating all its representations in the Representations and Certifications section of the System for Award Management (SAM) and its other data in SAM, as necessary, to ensure that they reflect the Contractor's current status. The Contractor shall notify the contracting office in writing within the timeframes specified in paragraph (b) of this clause, or with its offer for an order (see paragraph (c) of this clause), that the data have been validated or updated, and provide the date of the validation or update.

(g) If the Contractor represented that it was other than a small business concern prior to award of this contract, the Contractor may, but is not required to, take the actions required by paragraphs (f) or (h) of this clause.

(h) If the Contractor does not have representations and certifications in SAM, or does not have a representation in SAM for the NAICS code applicable to this contract, the Contractor is required to complete the following rerepresentation and submit it to the contracting office, along with the contract number and the date on which the rerepresentation was completed:

(1) The Contractor represents that it □ is, □ is not a small business concern under NAICS Code _____ assigned to contract number _____.

(2) [**Complete only if the Contractor represented itself as a small business concern in paragraph (h)(1) of this clause.**] The Contractor represents that it □ is, □ is not, a small disadvantaged business concern as defined in 13 CFR 124.1001.

(3) [**Complete only if the Contractor represented itself as a small business concern in paragraph (h)(1) of this clause.**] The Contractor represents that it □ is, □ is not a women-owned small business concern.

(4) Women-owned small business (WOSB) joint venture eligible under the WOSB Program. The Contractor represents that it □ is, □ is not a joint venture that complies with the requirements of 13 CFR 127.506(a) through (c). [The Contractor shall enter the name and unique identifier of each party of the joint venture___.]

(5) Economically disadvantaged women-owned joint venture. The Contractor represents that it □ is, □ is not a joint venture that complies with the requirements of 13 CFR 127.506(a) through (c). [The Contractor shall enter the name and unique identifier of each party to the joint venture: _____.]

(6) [**Complete only if the Contractor represented itself as a small business concern in paragraph (h)(1) of this clause.**] The Contractor represents that it □ is, □ is not a veteran-owned small business concern.

(7) [**Complete only if the Contractor represented itself as a veteran-owned small business concern in paragraph (h)(6) of this clause.]** The Contractor represents that it □ is, □ is not a service-disabled veteran-owned small business concern.

(8) **Service-disabled veteran-owned small business (SDVOSB) joint venture eligible under the SDVOSB Program**. The Contractor represents that it □ is, □ is not an SDVOSB joint venture eligible under the SDVOSB Program that complies with the requirements of 13 CFR 128.402. [**The Contractor shall enter the name and unique entity identifier of each party to the joint venture: __.**]

(9) [**Complete only if the Contractor represented itself as a small business concern in paragraph (h)(1) of this clause.**] The Contractor represents that—

(i) It □ is, □ is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material changes in ownership and control, principal office, or HUBZone employee percentage have occurred since it was certified in accordance with 13 CFR part 126; and

(ii) It □ is, □ is not a HUBZone joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (h)(8)(i) of this clause is accurate for each HUBZone small business concern participating in the HUBZone joint venture. [**The Contractor shall enter the names of each of the HUBZone small business concerns participating in the HUBZone joint venture: _____.**] Each HUBZone small business concern participating in the HUBZone joint venture shall submit a separate signed copy of the HUBZone representation.

[**Contractor to sign and date and insert authorized signer's name and title.**_____]

(End of clause)
[1582]

I–39 FAR 52.222-1 Notice to the Government of Labor Disputes (Feb 1997)

If the Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this contract, the Contractor shall immediately give notice, including all relevant information, to the Contracting Officer.

(End of Clause)

I–40 FAR 52.222-3 Convict Labor (June 2003)

(a) Except as provided in paragraph (b) of this clause, the Contractor shall not employ in the performance of this contract any person undergoing a sentence of imprisonment imposed by any court of a State, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, or the U.S. Virgin Islands.

(b) The Contractor is not prohibited from employing persons--

(1) On parole or probation to work at paid employment during the term of their sentence;

(2) Who have been pardoned or who have served their terms; or

(3) Confined for violation of the laws of any of the States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, or the U.S. Virgin Islands who are authorized to work at paid employment in the community under the laws of such jurisdiction, if--

(i) The worker is paid or is in an approved work training program on a voluntary basis;

(ii) Representatives of local union central bodies or similar labor union organizations have been consulted;

(iii) Such paid employment will not result in the displacement of employed workers, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services;

(iv) The rates of pay and other conditions of employment will not be less than those paid or provided for work of a similar nature in the locality in which the work is being performed; and

(v) The Attorney General of the United States has certified that the work-release laws or regulations of the jurisdiction involved are in conformity with the requirements of Executive Order 11755, as amended by Executive Orders 12608 and 12943.

(End of Clause)
[M490]

I–41 FAR 52.222-4 Contract Work Hours and Safety Standards Act -- Overtime Compensation (May 2018)

(a) *Overtime requirements*. No Contractor or subcontractor employing laborers or mechanics (see Federal Acquisition Regulation 22.300) shall require or permit them to work over 40 hours in any workweek unless they are paid at least 1 and 1/2 times the basic rate of pay for each hour worked over 40 hours.

(b) *Violation; liability for unpaid wages; liquidated damages*. The responsible Contractor and subcontractor are liable for unpaid wages if they violate the terms in paragraph (a) of this clause. In addition, the Contractor and subcontractor are liable for liquidated damages payable to the Government. The Contracting Officer will assess liquidated damages at the rate specified at 29 CFR 5.5(b)(2) per affected employee for each calendar day on which the employer required or permitted the employee to work in excess of the standard workweek of 40 hours without paying overtime wages required by the Contract Work Hours and Safety Standards statute (found at 40 U.S.C. chapter 37). In accordance with the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 Note), the Department of Labor adjusts this civil monetary penalty for inflation no later than January 15 each year.

(c) *Withholding for unpaid wages and liquidated damages*. The Contracting Officer will withhold from payments due under the contract sufficient funds required to satisfy any Contractor or subcontractor liabilities for unpaid wages and liquidated damages. If amounts withheld under the contract are insufficient to satisfy Contractor or subcontractor liabilities, the Contracting Officer will withhold payments from other Federal or federally assisted contracts held by the same Contractor that are subject to the Contract Work Hours and Safety Standards statute

(d) Payrolls and basic records.

(1) The Contractor and its subcontractors shall maintain payrolls and basic payroll records for all laborers and mechanics working on the contract during the contract and shall make them available to the Government until 3 years after contract completion. The records shall contain the name and address of each employee, social security number, labor classifications, hourly rates of wages paid, daily and weekly

number of hours worked, deductions made, and actual wages paid. The records need not duplicate those required for construction work by Department of Labor regulations at 29 CFR 5.5(a)(3) implementing the Construction Wage Rate Requirements statute.

(2) The Contractor and its subcontractors shall allow authorized representatives of the Contracting Officer or the Department of Labor to inspect, copy, or transcribe records maintained under paragraph (d)(1) of this clause. The Contractor or subcontractor also shall allow authorized representatives of the Contracting Officer or Department of Labor to interview employees in the workplace during working hours.

(e) *Subcontracts*. The Contractor shall insert the provisions set forth in paragraphs (a) through (d) of this clause in subcontracts that may require or involve the employment of laborers and mechanics and require subcontractors to include these provisions in any such lower tier subcontracts. The Contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with the provisions set forth in paragraphs (a) through (d) of this clause.

(End of Clause)
[M1414]

I–42 FAR 52.222-11 Subcontracts (Labor Standards) (May 2014)

(a) *Definition*. "Construction, alteration or repair," as used in this clause means all types of work done by laborers and mechanics employed by the construction Contractor or construction subcontractor on a particular building or work at the site thereof, including without limitation—

(1) Altering, remodeling, installation (if appropriate) on the site of the work of items fabricated off-site;

(2) Painting and decorating;

(3) Manufacturing or furnishing of materials, articles, supplies, or equipment on the site of the building or work;

(4) Transportation of materials and supplies between the site of the work within the meaning of paragraphs (a)(1)(i) and (ii) of the "site of the work" as defined in the FAR clause at 52.222-6, Construction Wage Rate Requirements of this contract, and a facility which is dedicated to the construction of the building or work and is deemed part of the site of the work within the meaning of paragraph (2) of the "site of the work" definition; and

(5) Transportation of portions of the building or work between a secondary site where a significant portion of the building or work is constructed, which is part of the "site of the work" definition in paragraph (a)(1)(ii) of the FAR clause at 52.222-6, Construction Wage Rate Requirements, and the physical place or places

where the building or work will remain (paragraph (a)(1)(i) of the FAR clause at 52.222-6, in the "site of the work" definition).

(b) The Contractor or subcontractor shall insert in any subcontracts for construction, alterations and repairs within the United States the clauses entitled—

(1) Construction Wage Rate Requirements;

(2) Contract Work Hours and Safety Standards -- Overtime Compensation (if the clause is included in this contract);

(3) Apprentices and Trainees;

(4) Payrolls and Basic Records;

(5) Compliance with Copeland Act Requirements;

(6) Withholding of Funds;

(7) Subcontracts (Labor Standards);

(8) Contract Termination – Debarment;

(9) Disputes Concerning Labor Standards;

(10) Compliance with Construction Wage Rate Requirements and Related Regulations; and

(11) Certification of Eligibility.

(c) The Prime Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor performing construction within the United States with all the contract clauses cited in paragraph (b).

(d)

(1) Within 14 days after award of the contract, the Contractor shall deliver to the Contracting Officer a completed Standard Form (SF) 1413, Statement and Acknowledgment, for each subcontract for construction within the United States, including the subcontractor's signed and dated acknowledgment that the clauses set forth in paragraph (b) of this clause have been included in the subcontract.

(2) Within 14 days after the award of any subsequently awarded subcontract the Contractor shall deliver to the Contracting Officer an updated completed SF 1413 for such additional subcontract.

(e) The Contractor shall insert the substance of this clause, including this paragraph (e) in all subcontracts for construction within the United States.

(End of Clause)
[M1025]

I–43 FAR 52.222-19 Child Labor-Cooperation with Authorities and Remedies (Feb 2024)

(a) *Applicability*. This clause does not apply to the extent that the Contractor is supplying end products mined, produced, or manufactured in-

(1) Israel, and the anticipated value of the acquisition is $50,000 or more;

(2) Mexico, and the anticipated value of the acquisition is $102,280 or more; or

(3) Armenia, Aruba, Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Italy, Japan, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Montenegro, Netherlands, New Zealand, North Macedonia, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Taiwan, Ukraine, or the United Kingdom and the anticipated value of the acquisition is $174,000 or more.

(b) *Cooperation with Authorities*. To enforce the laws prohibiting the manufacture or importation of products mined, produced, or manufactured by forced or indentured child labor, authorized officials may need to conduct investigations to determine whether forced or indentured child labor was used to mine, produce, or manufacture any product furnished under this contract. If the solicitation includes the provision 52.222-18, Certification Regarding Knowledge of Child Labor for Listed End Products, or the equivalent at 52.212-3(i), the Contractor agrees to cooperate fully with authorized officials of the contracting agency, the Department of the Treasury, or the Department of Justice by providing reasonable access to records, documents, persons, or premises upon reasonable request by the authorized officials.

(c) *Violations*. The Government may impose remedies set forth in paragraph (d) for the following violations:

(1) The Contractor has submitted a false certification regarding knowledge of the use of forced or indentured child labor for listed end products.

(2) The Contractor has failed to cooperate, if required, in accordance with paragraph (b) of this clause, with an investigation of the use of forced or indentured child labor by an Inspector General, Attorney General, or the Secretary of the Treasury.

(3) The Contractor uses forced or indentured child labor in its mining, production, or manufacturing processes.

(4) The Contractor has furnished under the contract end products or components that have been mined, produced, or manufactured wholly or in part by forced or indentured child labor. (The Government will not pursue remedies at paragraph (d)(2) or paragraph (d)(3) of this clause unless sufficient evidence indicates that the Contractor knew of the violation.)

(d) Remedies.

(1) The Contracting Officer may terminate the contract.

(2) The suspending official may suspend the Contractor in accordance with procedures in FAR subpart 9.4.

(3) The debarring official may debar the Contractor for a period not to exceed 3 years in accordance with the procedures in FAR subpart 9.4.

(End of clause)
[**1582**]

I–44 FAR 52.222-21 Prohibition of Segregated Facilities (Apr 2015)

(a) *Definitions.* As used in this clause--

"Gender identity" has the meaning given by the Department of Labor's Office of Federal Contract Compliance Programs, and is found at www.dol.gov/ofccp/LGBT/LGBT_FAQs.html .

"Segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between sexes.

"Sexual orientation" has the meaning given by the Department of Labor's Office of Federal Contract Compliance Programs, and is found at www.dol.gov/ofccp/LGBT/LGBT_FAQs.html .

(b) The contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Opportunity clause in the contract.

(c) The Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Opportunity clause of this contract.

(End of clause)
[M1067]

I–45 RESERVED

[1673]

I–46 FAR 52.222-29 Notification of Visa Denial (Apr 2015)

(a) *Definitions.* As used in this clause--

"Gender identity" has the meaning given by the Department of Labor's Office of Federal Contract Compliance Programs, and is found at www.dol.gov/ofccp/LGBT/LGBT_FAQs.html .

"Sexual orientation" has the meaning given by the Department of Labor's Office of Federal Contract Compliance Programs, and is found at www.dol.gov/ofccp/LGBT/LGBT_FAQs.html .

(b) *Requirement to notify.*

(1) It is a violation of Executive Order 11246 for a Contractor to refuse to employ any applicant or not to assign any person hired in the United States, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, or Wake Island, on the basis that the individual's race, color, religion, sex, sexual orientation, gender identity, or national origin is not compatible with the policies of the country where or for whom the work will be performed (41 CFR 60-1.10).

(2) The Contractor shall notify the U.S. Department of State, Assistant Secretary, Bureau of Political-Military Affairs (PM), 2201 C Street NW., Room 6212, Washington, DC 20520, and the U.S. Department of Labor, Deputy Assistant Secretary for Federal Contract Compliance, when it has knowledge of any employee or potential employee being denied an entry visa to a country where this contract will be performed, and it believes the denial is attributable to the race, color, religion, sex, sexual orientation, gender identity, or national origin of the employee or potential employee.

(End of Clause)
[M1067]

I–47 FAR 52.222-35 Equal Opportunity for Veterans (Jun 2020)

(a) *Definitions*. As used in this clause--

"Active duty wartime or campaign badge veteran," "Armed Forces service medal veteran," "disabled veteran," "protected veteran," "qualified disabled veteran,' and "recently separated veteran" have the meanings given at FAR 22.1301.

(b) *Equal opportunity clause*. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-300.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified protected veterans, and requires affirmative action by the Contractor to employ and advance in employment qualified protected veterans.

(c) Subcontracts. The Contractor shall insert the terms of this clause in subcontracts valued at or above the threshold specified in FAR 22.1303(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary of Labor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

(End of Clause)
[M1291]

I–48 FAR 52.222-36 Equal Opportunity for Workers with Disabilities (Jun 2020)

(a) *Equal opportunity clause.* The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60.741.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by the Contractor to employ and advance in employment qualified individuals with disabilities.

(b) *Subcontracts.* The Contractor shall include the terms of this clause in every subcontract or purchase order in excess of the threshold specified in Federal Acquisition Regulation (FAR) 22.1408(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary, so that such provisions will be binding upon each subcontractor or vendor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs of the U.S. Department of Labor, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

(End of Clause)
[M1291]

I–49 FAR 52.222-37 Employment Reports on Veterans (Jun 2020)

(a) *Definitions*. As used in this clause, "active duty wartime or campaign badge veteran," "Armed Forces service medal veteran," "disabled veteran," "protected veteran," and "recently separated veteran," have the meanings given in FAR 22.1301.

(b) Unless the Contractor is a State or local government agency, the Contractor shall report at least annually, as required by the Secretary of Labor, on--

(1) The total number of employees in the contractor's workforce, by job category and hiring location, who are protected veterans (*i.e.*, active duty wartime or campaign badge veterans, Armed Forces service medal veterans, disabled veterans, and recently separated veterans);

(2) The total number of new employees hired during the period covered by the report, and of the total, the number of protected veterans (*i.e.*, active duty wartime or campaign badge veterans, Armed Forces service medal veterans, disabled veterans, and recently separated veterans); and

(3) The maximum number and minimum number of employees of the Contractor or subcontractor at each hiring location during the period covered by the report.

(c) The Contractor shall report the above items by filing the VETS-4212 "Federal Contractor Veterans' Employment Report" (see "VETS-4212 Federal Contractor Reporting" and "Filing Your VETS-4212 Report" at http://www.dol.gov/vets/vets4212.htm).

(d) The Contractor shall file VETS-4212 Reports no later than September 30 of each year.

(e) The employment activity report required by paragraphs (b)(2) and (b)(3) of this clause shall reflect total new hires, and maximum and minimum number of employees, during the most recent 12-month period preceding the ending date selected for the report. Contractors may select an ending date--

(1) As of the end of any pay period between July 1 and August 31 of the year the report is due; or

(2) As of December 31, if the Contractor has prior written approval from the Equal Employment Opportunity Commission to do so for purposes of submitting the Employer Information Report EEO-1 (Standard Form 100).

(f) The number of veterans reported must be based on data known to the contractor when completing the VETS-4212. The contractor's knowledge of veterans status may be obtained in a variety of ways, including an invitation to applicants to self-identify (in accordance with 41 CFR 60-300.42), voluntary self-disclosure by employees, or actual knowledge of veteran status by the contractor. This paragraph does not relieve an employer of liability for discrimination under 38 U.S.C. 4212.

(g) The Contractor shall insert the terms of this clause in subcontracts valued at or above the threshold specified in FAR 22.1303(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary of Labor.

(End of Clause)
[M1291]

I–50 FAR 52.222-40 Notification of Employee Rights Under the National Labor Relations Act (Dec 2010)

(a) During the term of this contract, the Contractor shall post an employee notice, of such size and in such form, and containing such content as prescribed by the Secretary of Labor, in conspicuous places in and about its plants and offices where employees covered by the National Labor Relations Act engage in activities relating to the performance of the contract, including all places where notices to employees are customarily posted both physically and electronically, in the languages employees speak, in accordance with 29 CFR 471.2(d) and (f).

(1) Physical posting of the employee notice shall be in conspicuous places in and about the Contractor's plants and offices so that the notice is prominent and readily seen by employees who are covered by the National Labor Relations Act and engage in activities related to the performance of the contact.

(2) If the Contractor customarily posts notices to employees electronically, then the Contractor shall also post the required notice electronically by displaying prominently, on any Web site that is maintained by the Contractor and is customarily used for notices to employees about terms and conditions of employment, a link to the Department of Labor's Web site that contains the full text of the poster. The link to the Department's Web site, as referenced in (b)(3) of this section, must read, "Important Notice about Employee Rights to Organize and Bargain Collectively with Their Employers."

(b) This required employee notice, printed by the Department of Labor, may be—

(1) Obtained from the Division of Interpretations and Standards, Office of Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue, NW., Room N-5609, Washington, DC 20210, (202) 693-0123, or from any field office of the Office of Labor-Management Standards or Office of Federal Contract Compliance Programs;

(2) Provided by the Federal contracting agency if requested;

(3) Downloaded from the Office of Labor-management Standards Web site at http://www.dol.gov/olms/regs/compliance/EO13496.htm ; or

(4) Reproduced and used as exact duplicate copies of the Department of Labor's official poster.

(c) The required text of the employee notice referred to in this clause is located at Appendix A, Subpart A, 29 CFR Part 471.

(d) The Contractor shall comply with all provisions of the employee notice and related rules, regulations, and orders of the Secretary of Labor.

(e) In the event that the Contractor does not comply with the requirements set forth in paragraphs (a) through (d) of this clause, this contract may be terminated or suspended in whole or in part, and the Contractor may be suspended or debarred in accordance with 29 CFR 471.14 and subpart 9.4 Such other sanctions or remedies may be imposed as are provided by 29 CFR part 471, which implements Executive Order 13496 or as otherwise provided by law.

(f) Subcontracts.

(1) The Contractor shall include the substance of this clause, including this paragraph (f), in every subcontract that exceeds $10,000 and will be performed wholly or partially in the Unites States, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 3 of Executive Order 13496 of January 30, 2009, so that such provisions will be binding upon each subcontractor.

(2) The Contractor shall not procure supplies or services in a way designed to avoid the applicability of Executive Order 13496 or this clause.

(3) The Contractor shall take such action with respect to any such subcontract as may be directed by the Secretary of Labor as a means of enforcing such provisions, including the imposition of sanctions for noncompliance.

(4) However, if the Contractor becomes involved in litigation with a subcontractor, or is threatened with such involvement, as a result of such direction, the Contractor ma request the United States, through the Secretary of Labor, to enter into such litigation to protect the interests of the United States.

(End of clause)
[M1025]

I–51 FAR 52.222-50 Combating Trafficking in Persons (Nov 2021)

(a) *Definitions*. As used in this clause-

Agent means any individual, including a director, an officer, an employee, or an independent contractor, authorized to act on behalf of the organization.

Coercion means-

(1) Threats of serious harm to or physical restraint against any person;

(2) Any scheme, plan, or pattern intended to cause a person to believe that failure to perform an act would result in serious harm to or physical restraint against any person; or

(3) The abuse or threatened abuse of the legal process.

Commercial sex act means any sex act on account of which anything of value is given to or received by any person.

Commercially available off-the-shelf (COTS) item —

(1) Means any item of supply (including construction material) that is—

(i) A commercial product (as defined in paragraph (1) of the definition of "commercial product" at Federal Acquisition Regulation (FAR) 2.101;

(ii) Sold in substantial quantities in the commercial marketplace; and

(iii) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products.

Debt bondage means the status or condition of a debtor arising from a pledge by the debtor of his or her personal services or of those of a person under his or her control as a security for debt, if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.

Employee means an employee of the Contractor directly engaged in the performance of work under the contract who has other than a minimal impact or involvement in contract performance.

Forced Labor means knowingly providing or obtaining the labor or services of a person-

(1) By threats of serious harm to, or physical restraint against, that person or another person;

(2) By means of any scheme, plan, or pattern intended to cause the person to believe that, if the person did not perform such labor or services, that person or another person would suffer serious harm or physical restraint; or

(3) By means of the abuse or threatened abuse of law or the legal process.

Involuntary servitude includes a condition of servitude induced by means of-

(1) Any scheme, plan, or pattern intended to cause a person to believe that, if the person did not enter into or continue in such conditions, that person or another person would suffer serious harm or physical restraint; or

(2) The abuse or threatened abuse of the legal process.

Recruitment fees means fees of any type, including charges, costs, assessments, or other financial obligations, that are associated with the recruiting process, regardless of the time, manner, or location of imposition or collection of the fee.

(1) Recruitment fees include, but are not limited to, the following fees (when they are associated with the recruiting process) for-

(i) Soliciting, identifying, considering, interviewing, referring, retaining, transferring, selecting, training, providing orientation to, skills testing, recommending, or placing employees or potential employees;

(ii) Advertising

(iii) Obtaining permanent or temporary labor certification, including any associated fees;

(iv) Processing applications and petitions;

(v) Acquiring visas, including any associated fees;

(vi) Acquiring photographs and identity or immigration documents, such as passports, including any associated fees;

(vii) Accessing the job opportunity, including required medical examinations and immunizations; background, reference, and security clearance checks and examinations; and additional certifications;

(viii) An employer's recruiters, agents or attorneys, or other notary or legal fees;

(ix) Language interpretation or translation, arranging for or accompanying on travel, or providing other advice to employees or potential employees;

(x) Government-mandated fees, such as border crossing fees, levies, or worker welfare funds;

(xi) Transportation and subsistence costs-

(A) While in transit, including, but not limited to, airfare or costs of other modes of transportation, terminal fees, and travel taxes associated with

travel from the country of origin to the country of performance and the return journey upon the end of employment; and

(B) From the airport or disembarkation point to the worksite;

(xii) Security deposits, bonds, and insurance; and

(xiii) Equipment charges.

(2) A recruitment fee, as described in the introductory text of this definition, is a recruitment fee, regardless of whether the payment is-

(i) Paid in property or money;

(ii) Deducted from wages;

(iii) Paid back in wage or benefit concessions;

(iv) Paid back as a kickback, bribe, in-kind payment, free labor, tip, or tribute; or

(v) Collected by an employer or a third party, whether licensed or unlicensed, including, but not limited to-

(A) Agents;

(B) Labor brokers;

(C) Recruiters;

(D) Staffing firms (including private employment and placement firms);

(E) Subsidiaries/affiliates of the employer;

(F) Any agent or employee of such entities; and

(G) Subcontractors at all tiers.

Severe forms of trafficking in persons means-

(1) Sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or

(2) The recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

"Sex trafficking" means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act.

Subcontract means any contract entered into by a subcontractor to furnish supplies or services for performance of a prime contract or a subcontract.

Subcontractor means any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor or another subcontractor.

United States means the 50 States, the District of Columbia, and outlying areas.

(b) *Policy.* The United States Government has adopted a policy prohibiting trafficking in persons including the trafficking-related activities of this clause. Contractors, contractor employees, and their agents shall not-

(1) Engage in severe forms of trafficking in persons during the period of performance of the contract;

(2) Procure commercial sex acts during the period of performance of the contract;

(3) Use forced labor in the performance of the contract;

(4) Destroy, conceal, confiscate, or otherwise deny access by an employee to the employee's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;

(5)

(i) Use misleading or fraudulent practices during the recruitment of employees or offering of employment, such as failing to disclose, in a format and language understood by the employee or potential employee, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if employer or agent provided or arranged), any significant costs to be charged to the employee or potential employee, and, if applicable, the hazardous nature of the work;

(ii) Use recruiters that do not comply with local labor laws of the country in which the recruiting takes place;

(6) Charge employees or potential employees recruitment fees;

(7)

(i) Fail to provide return transportation or pay for the cost of return transportation upon the end of employment-

(A) For an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working on a U.S. Government contract or subcontract (for portions of contracts performed outside the United States); or

(B) For an employee who is not a United States national and who was brought into the United States for the purpose of working on a U.S. Government contract or subcontract, if the payment of such costs is required under existing temporary worker programs or pursuant to a written agreement with the employee (for portions of contracts performed inside the United States); except that-

(ii) The requirements of paragraphs (b)(7)(i) of this clause shall not apply to an employee who is-

(A) Legally permitted to remain in the country of employment and who chooses to do so; or

(B) Exempted by an authorized official of the contracting agency from the requirement to provide return transportation or pay for the cost of return transportation;

(iii) The requirements of paragraph (b)(7)(i) of this clause are modified for a victim of trafficking in persons who is seeking victim services or legal redress in the country of employment, or for a witness in an enforcement action related to trafficking in persons. The contractor shall provide the return transportation or pay the cost of return transportation in a way that does not obstruct the victim services, legal redress, or witness activity. For example, the contractor shall not only offer return transportation to a witness at a time when the witness is still needed to testify. This paragraph does not apply when the exemptions at paragraph (b)(7)(ii) of this clause apply.

(8) Provide or arrange housing that fails to meet the host country housing and safety standards; or

(9) If required by law or contract, fail to provide an employment contract, recruitment agreement, or other required work document in writing. Such written work document shall be in a language the employee understands. If the employee must relocate to perform the work, the work document shall be provided to the employee at least five days prior to the employee relocating. The employee's work document shall include, but is not limited to, details about work description,

wages, prohibition on charging recruitment fees, work location(s), living accommodations and associated costs, time off, roundtrip transportation arrangements, grievance process, and the content of applicable laws and regulations that prohibit trafficking in persons.

(c) *Contractor requirements*. The Contractor shall-

(1) Notify its employees and agents of-

(i) The United States Government's policy prohibiting trafficking in persons, described in paragraph (b) of this clause; and

(ii) The actions that will be taken against employees or agents for violations of this policy. Such actions for employees may include, but are not limited to, removal from the contract, reduction in benefits, or termination of employment; and

(2) Take appropriate action, up to and including termination, against employees, agents, or subcontractors that violate the policy in paragraph (b) of this clause.

(d) *Notification.*

(1) The Contractor shall inform the Contracting Officer and the agency Inspector General immediately of-

(i) Any credible information it receives from any source (including host country law enforcement) that alleges a Contractor employee, subcontractor, subcontractor employee, or their agent has engaged in conduct that violates the policy in paragraph (b) of this clause (see also 18 U.S.C. 1351, Fraud in Foreign Labor Contracting, and 52.203-13(b)(3)(i)(A), if that clause is included in the solicitation or contract, which requires disclosure to the agency Office of the Inspector General when the Contractor has credible evidence of fraud); and

(ii) Any actions taken against a Contractor employee, subcontractor, subcontractor employee, or their agent pursuant to this clause.

(2) If the allegation may be associated with more than one contract, the Contractor shall inform the contracting officer for the contract with the highest dollar value.

(e) *Remedies.* In addition to other remedies available to the Government, the Contractor's failure to comply with the requirements of paragraphs (c), (d), (g), (h), or (i) of this clause may result in-

(1) Requiring the Contractor to remove a Contractor employee or employees from the performance of the contract;

(2) Requiring the Contractor to terminate a subcontract;

(3) Suspension of contract payments until the Contractor has taken appropriate remedial action;

(4) Loss of award fee, consistent with the award fee plan, for the performance period in which the Government determined Contractor non-compliance;

(5) Declining to exercise available options under the contract;

(6) Termination of the contract for default or cause, in accordance with the termination clause of this contract; or

(7) Suspension or debarment.

(f) *Mitigating and aggravating factors.* When determining remedies, the Contracting Officer may consider the following:

(1) *Mitigating factors*. The Contractor had a Trafficking in Persons compliance plan or an awareness program at the time of the violation, was in compliance with the plan, and has taken appropriate remedial actions for the violation, that may include reparation to victims for such violations.

(2) *Aggravating factors*. The Contractor failed to abate an alleged violation or enforce the requirements of a compliance plan, when directed by the Contracting Officer to do so.

(g) *Full cooperation*.

(1) The Contractor shall, at a minimum-

(i) Disclose to the agency Inspector General information sufficient to identify the nature and extent of an offense and the individuals responsible for the conduct;

(ii) Provide timely and complete responses to Government auditors' and investigators' requests for documents;

(iii) Cooperate fully in providing reasonable access to its facilities and staff (both inside and outside the U.S.) to allow contracting agencies and other responsible Federal agencies to conduct audits, investigations, or other actions to ascertain compliance with the Trafficking Victims Protection Act of 2000 (22 U.S.C. chapter 78), E.O. 13627, or any other applicable law or regulation

establishing restrictions on trafficking in persons, the procurement of commercial sex acts, or the use of forced labor; and

(iv) Protect all employees suspected of being victims of or witnesses to prohibited activities, prior to returning to the country from which the employee was recruited, and shall not prevent or hinder the ability of these employees from cooperating fully with Government authorities.

(2) The requirement for full cooperation does not foreclose any Contractor rights arising in law, the FAR, or the terms of the contract. It does not-

(i) Require the Contractor to waive its attorney-client privilege or the protections afforded by the attorney work product doctrine;

(ii) Require any officer, director, owner, employee, or agent of the Contractor, including a sole proprietor, to waive his or her attorney client privilege or Fifth Amendment rights; or

(iii) Restrict the Contractor from-

(A) Conducting an internal investigation; or

(B) Defending a proceeding or dispute arising under the contract or related to a potential or disclosed violation.

(h) *Compliance plan*.

(1) This paragraph (h) applies to any portion of the contract that-

(i) Is for supplies, other than commercially available off-the-shelf items, acquired outside the United States, or services to be performed outside the United States; and

(ii) Has an estimated value that exceeds $550,000.

(2) The Contractor shall maintain a compliance plan during the performance of the contract that is appropriate-

(i) To the size and complexity of the contract; and

(ii) To the nature and scope of the activities to be performed for the Government, including the number of non-United States citizens expected to be employed and the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons.

(3) *Minimum requirements*. The compliance plan must include, at a minimum, the following:

(i) An awareness program to inform contractor employees about the Government's policy prohibiting trafficking-related activities described in paragraph (b) of this clause, the activities prohibited, and the actions that will be taken against the employee for violations. Additional information about Trafficking in Persons and examples of awareness programs can be found at the website for the Department of State's Office to Monitor and Combat Trafficking in Persons at http://www.state.gov/j/tip/.

(ii) A process for employees to report, without fear of retaliation, activity inconsistent with the policy prohibiting trafficking in persons, including a means to make available to all employees the hotline phone number of the Global Human Trafficking Hotline at 1-844-888-FREE and its email address at help@befree.org.

(iii) A recruitment and wage plan that only permits the use of recruitment companies with trained employees, prohibits charging recruitment fees to the employees or potential employees and ensures that wages meet applicable host-country legal requirements or explains any variance.

(iv) A housing plan, if the Contractor or subcontractor intends to provide or arrange housing, that ensures that the housing meets host-country housing and safety standards.

(v) Procedures to prevent agents and subcontractors at any tier and at any dollar value from engaging in trafficking in persons (including activities in paragraph (b) of this clause) and to monitor, detect, and terminate any agents, subcontracts, or subcontractor employees that have engaged in such activities.

(4) *Posting*.

(i) The Contractor shall post the relevant contents of the compliance plan, no later than the initiation of contract performance, at the workplace (unless the work is to be performed in the field or not in a fixed location) and on the Contractor's Web site (if one is maintained). If posting at the workplace or on the Web site is impracticable, the Contractor shall provide the relevant contents of the compliance plan to each worker in writing.

(ii) The Contractor shall provide the compliance plan to the Contracting Officer upon request.

(5) *Certification*. Annually after receiving an award, the Contractor shall submit a certification to the Contracting Officer that-

(i) It has implemented a compliance plan to prevent any prohibited activities identified at paragraph (b) of this clause and to monitor, detect, and terminate any agent, subcontract or subcontractor employee engaging in prohibited activities; and

(ii) After having conducted due diligence, either-

(A) To the best of the Contractor's knowledge and belief, neither it nor any of its agents, subcontractors, or their agents is engaged in any such activities; or

(B) If abuses relating to any of the prohibited activities identified in paragraph (b) of this clause have been found, the Contractor or subcontractor has taken the appropriate remedial and referral actions.

(i) *Subcontracts*.

(1) The Contractor shall include the substance of this clause, including this paragraph (i), in all subcontracts and in all contracts with agents. The requirements in paragraph (h) of this clause apply only to any portion of the subcontract that-

(i) Is for supplies, other than commercially available off-the-shelf items, acquired outside the United States, or services to be performed outside the United States; and

(ii) Has an estimated value that exceeds $550,000.

(2) If any subcontractor is required by this clause to submit a certification, the Contractor shall require submission prior to the award of the subcontract and annually thereafter. The certification shall cover the items in paragraph (h)(5) of this clause.

(End of clause)
[M1414]

I–52 FAR 52.222-54 Employment Eligible Verification (Nov 2021)

(a) (a) *Definitions*. As used in this clause-

Commercially available off-the-shelf (COTS) item—

(1) (1) Means any item of supply that is—

(i) (i) A commercial product (as defined in paragraph (1) of the definition of “commercial product” at Federal Acquisition Regulation (FAR) 2.101);

(ii) (ii) Sold in substantial quantities in the commercial marketplace; and

(iii) (iii) Offered to the Government, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) (2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products. Per 46 CFR 525.1 (c)(2), "bulk cargo" means cargo that is loaded and carried in bulk onboard ship without mark or count, in a loose unpackaged form, having homogenous characteristics. Bulk cargo loaded into intermodal equipment, except LASH or Seabee barges, is subject to mark and count and, therefore, ceases to be bulk cargo.

Employee assigned to the contract means an employee who was hired after November 6, 1986 (after November 27, 2009 in the Commonwealth of the Northern Mariana Islands), who is directly performing work, in the United States, under a contract that is required to include the clause prescribed at 22.1803. An employee is not considered to be directly performing work under a contract if the employee-

(1) (1) Normally performs support work, such as indirect or overhead functions; and
(2) (2) Does not perform any substantial duties applicable to the contract.

Subcontract means any contract, as defined in 2.101, entered into by a subcontractor to furnish supplies or services for performance of a prime contract or a subcontract. It includes but is not limited to purchase orders, and changes and modifications to purchase orders.

Subcontractor means any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime Contractor or another subcontractor.

United States, as defined in 8 U.S.C. 1101(a)(38), means the 50 States, the District of Columbia, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.

(b) (b) *Enrollment and verification requirements*.

(1) (1) If the Contractor is not enrolled as a Federal Contractor in E-Verify at time of contract award, the Contractor shall-

(i) (i) *Enroll*. Enroll as a Federal Contractor in the E-Verify program within 30 calendar days of contract award;

(ii) *Verify all new employees*. Within 90 calendar days of enrollment in the E-Verify program, begin to use E-Verify to initiate verification of employment eligibility of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within 3 business days after the date of hire (but see paragraph (b)(3) of this section); and

(ii) (iii) *Verify employees assigned to the contract*. For each employee assigned to the contract, initiate verification within 90 calendar days after date of enrollment or within 30 calendar days of the employee's assignment to the contract, whichever date is later (but see paragraph (b)(4) of this section).

(2) (2) If the Contractor is enrolled as a Federal Contractor in E-Verify at time of contract award, the Contractor shall use E-Verify to initiate verification of employment eligibility of-

(i) (i) *All new employees*.

(A) (A) *Enrolled 90 calendar days or more*. The Contractor shall initiate verification of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within 3 business days after the date of hire (but see paragraph (b)(3) of this section); or

(B) (B) *Enrolled less than 90 calendar days*. Within 90 calendar days after enrollment as a Federal Contractor in E-Verify, the Contractor shall initiate verification of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within 3 business days after the date of hire (but see paragraph (b)(3) of this section); or

(ii) (ii) *Employees assigned to the contract*. For each employee assigned to the contract, the Contractor shall initiate verification within 90 calendar days after date of contract award or within 30 days after assignment to the contract, whichever date is later (but see paragraph (b)(4) of this section).

(3) (3) If the Contractor is an institution of higher education (as defined at 20 U.S.C. 1001(a)); a State or local government or the government of a Federally recognized Indian tribe; or a surety performing under a takeover agreement entered into with a Federal agency pursuant to a performance bond, the Contractor may choose to verify only employees assigned to the contract, whether existing employees or new hires. The Contractor shall follow the applicable verification requirements at (b)(1) or (b)(2) respectively, except that any requirement for verification of new employees applies only to new employees assigned to the contract.

(4) (4) *Option to verify employment eligibility of all employees*. The Contractor may elect to verify all existing employees hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), rather than just those employees assigned to the contract. The Contractor shall initiate verification for each existing

employee working in the United States who was hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), within 180 calendar days of-

(i) Enrollment in the E-Verify program; or

(i) (ii) Notification to E-Verify Operations of the Contractor's decision to exercise this option, using the contact information provided in the E-Verify program Memorandum of Understanding (MOU).

(5) (5) The Contractor shall comply, for the period of performance of this contract, with the requirements of the E-Verify program MOU.

(i) (i) The Department of Homeland Security (DHS) or the Social Security Administration (SSA) may terminate the Contractor's MOU and deny access to the E-Verify system in accordance with the terms of the MOU. In such case, the Contractor will be referred to a suspension or debarment official.

(ii) (ii) During the period between termination of the MOU and a decision by the suspension or debarment official whether to suspend or debar, the Contractor is excused from its obligations under paragraph (b) of this clause. If the suspension or debarment official determines not to suspend or debar the Contractor, then the Contractor must reenroll in E-Verify .

(c) *Web site*. Information on registration for and use of the E-Verify program can be obtained via the Internet at the Department of Homeland Security Web site: https://www.e-Verify.gov.

(d) *Individuals previously verified*. The Contractor is not required by this clause to perform additional employment verification using E-Verify for any employee-

(1) (1) Whose employment eligibility was previously verified by the Contractor through the E-Verify program;

(2) Who has been granted and holds an active U.S. Government security clearance for access to confidential, secret, or top secret information in accordance with the National Industrial Security Program Operating Manual; or

(2) (3) Who has undergone a completed background investigation and been issued credentials pursuant to Homeland Security Presidential Directive (HSPD)-12, Policy for a Common Identification Standard for Federal Employees and Contractors.

(e) *Subcontracts*. The Contractor shall include the requirements of this clause, including this paragraph (e) (appropriately modified for identification of the parties), in each subcontract that-

(1) (1) Is for—

(i) Services (except for commercial services that are part of the purchase of a COTS item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and are normally provided for that COTS item); or

(i) (ii) Construction;

(2) Has a value of more than $3,500; and

(2) (3) Includes work performed in the United States.

(End of Clause)
[M1414]

I–53 FAR 52.223-2 Reporting of Biobased Products Under Service and Construction Contracts (May 2024)

(a) *Definitions.* As used in this clause—

Biobased products means a product determined by U.S. Department of Agriculture (USDA) to be a commercial product or industrial product (other than food or feed) that is composed, in whole or in significant part, of biological products, including renewable domestic agricultural materials and forestry materials, or that is an intermediate ingredient or feedstock. The term includes, with respect to forestry materials, forest products that meet biobased content requirements, notwithstanding the market share the product holds, the age of the product, or whether the market for the product is new or emerging. (7 U.S.C. 8101) (7 CFR 3201.2).

USDA-designated product category means a generic grouping of products that are or can be made with biobased materials—

(1) That are listed by USDA in a procurement guideline (7 CFR part 3201, subpart B); and

(2) For which USDA has provided purchasing recommendations (available at http://www.biopreferred.gov).

(b) The Contractor shall report to http://www.sam.gov , with a copy to the Contracting Officer, on the product types and dollar value of any biobased products in USDA-designated product categories purchased by the Contractor during the previous Government fiscal year, between October 1 and September 30; and

(c) Submit this report not later than—

(1) October 31 of each year during contract performance; and

(2) At the end of contract performance.

(End of clause)
[1582]

I–54 FAR 52.223-3 Hazardous Material Identification and Material Safety Data (Feb 2021) Alternate I (Jul 1995)

(a) "Hazardous material," as used in this clause, includes any material defined as hazardous under the latest version of Federal Standard No.313 (including revisions adopted during the term of the contract).

(b) The offeror must list any hazardous material, as defined in paragraph (a) of this clause, to be delivered under this contract. The hazardous material shall be properly identified and include any applicable identification number, such as National Stock Number or Special Item Number. This information shall also be included on the Material Safety Data Sheet submitted under this contract.

Material (If none, insert *None*)	Identification No.

(c) This list must be updated during performance of the contract whenever the Contractor determines that any other material to be delivered under this contract is hazardous.

(d) The apparently successful offeror agrees to submit, for each item as required prior to award, a Material Safety Data Sheet, meeting the requirements of 29 CFR 1910.1200(g) and the latest version of Federal Standard No.313, for all hazardous material identified in paragraph (b) of this clause. Data shall be submitted in accordance with Federal Standard No.313, whether or not the apparently successful offeror is the actual manufacturer of these items. Failure to submit the Material Safety Data Sheet prior to award may result in the apparently successful offeror being considered nonresponsible and ineligible for award.

(e) If, after award, there is a change in the composition of the item(s) or a revision to Federal Standard No.313, which renders incomplete or inaccurate the data submitted under paragraph (d) of this clause, the Contractor shall promptly notify the Contracting Officer and resubmit the data.

(f) Neither the requirements of this clause nor any act or failure to act by the Government shall relieve the Contractor of any responsibility or liability for the safety of Government, Contractor, or subcontractor personnel or property.

(g) Nothing contained in this clause shall relieve the Contractor from complying with applicable Federal, State, and local laws, codes, ordinances, and regulations (including the obtaining of licenses and permits) in connection with hazardous material.

(h) The Government's rights in data furnished under this contract with respect to hazardous material are as follows:

(1) To use, duplicate and disclose any data to which this clause is applicable. The purposes of this right are to-

(i) Apprise personnel of the hazards to which they may be exposed in using, handling, packaging, transporting, or disposing of hazardous materials;

(ii) Obtain medical treatment for those affected by the material; and

(iii) Have others use, duplicate, and disclose the data for the Government for these purposes.

(2) To use, duplicate, and disclose data furnished under this clause, in accordance with paragraph (h)(1) of this clause, in precedence over any other clause of this contract providing for rights in data.

(3) The Government is not precluded from using similar or identical data acquired from other sources.

Alternate I (July1995). If the contract is awarded by an agency other than the Department of Defense, add the following paragraph (i) to the basic clause:

(i) Except as provided in paragraph (i)(2), the Contractor shall prepare and submit a sufficient number of Material Safety Data Sheets (MSDS's), meeting the requirements of 29 CFR1910.1200(g) and the latest version of Federal Standard No.313, for all hazardous materials identified in paragraph (b) of this clause.

(1) For items shipped to consignees, the Contractor shall include a copy of the MSDS's with the packing list or other suitable shipping document which accompanies each shipment. Alternatively, the Contractor is permitted to transmit

MSDS's to consignees in advance of receipt of shipments by consignees, if authorized in writing by the Contracting Officer.

(2) For items shipped to consignees identified by mailing address as agency depots, distribution centers or customer supply centers, the Contractor shall provide one copy of the MSDS's in or on each shipping container. If affixed to the outside of each container, the MSDS's must be placed in a weather resistant envelope.

(End of Clause)
[M1414]

I–55 FAR 52.223-5 Pollution Prevention and Right-to-Know Information (May 2024)

(a) *Definitions.* As used in this clause—

"Toxic chemical" means a chemical or chemical category in listed in 40 CFR 372.65.

(b) Federal facilities are required to comply with the provisions of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11001-11050), and the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13101-13109).

(c) The Contractor shall provide all information needed by the Federal facility to comply with the following:

(1) The emergency planning reporting requirements of Section 302 of EPCRA.

(2) The emergency notice requirements of Section 304 of EPCRA

(3) The list of Material Safety Data Sheets required by Section 311 of EPCRA

(4) The emergency and hazardous chemical inventory forms of Section 312 of EPCRA

(5) The toxic chemical release inventory of Section 313 of EPCRA, which includes the reduction and recycling information required by Section 6607 of PPA.

(End of Clause)
[1582]

I–56 FAR 52.223-9 Estimate of Percentage of Recovered Material Content for EPA Designated Items (May 2008)

(a) *Definitions*. As used in this clause—

"Postconsumer material" means a material or finished product that has served its intended use and has been discarded for disposal or recovery, having completed its life as a consumer item. Postconsumer material is a part of the broader category of "recovered material."

"Recovered material" means waste materials and by-products recovered or diverted from solid waste, but the term does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

(b) The Contractor, on completion of this contract, shall—

(1) Estimate the percentage of the total recovered material content for EPA-designated item(s) delivered and/or used in contract performance, including, if applicable, the percentage of postconsumer material content; and

(2) Submit this estimate to _____ [*Contracting Officer complete in accordance with agency procedures*].

(End of clause)
[M1067]

I–57 FAR 52.223-10 Waste Reduction Program (May 2024)

(a) *Definitions.* As used in this clause—

"Recycling" means the series of activities, including collection, separation, and processing, by which products or other materials are recovered from the solid waste stream for use in the form of raw materials in the manufacture of products other than fuel for producing heat or power by combustion.

"Waste prevention" means any change in the design, manufacturing, purchase, or use of materials or products (including packaging) to reduce their amount or toxicity before they are discarded. Waste prevention also refers to the reuse of products or materials.

"Waste reduction" means preventing or decreasing the amount of waste being generated through waste prevention, recycling, or purchasing recycled and environmentally preferable products.

(b) Consistent with the requirements of section 207 of Executive Order 14057, the Contractor shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. The Contractor's programs shall comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C.6962, etseq.) and implementing regulations (40 CFR Part 247).

(End of Clause)
[1582]

I–58 FAR 52.223-11 Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (May 2024)

(a) *Definitions.* As used in this clause--

"Global warming potential" means how much a given mass of a chemical contributes to global warming over a given time period compared to the same mass of carbon dioxide. Carbon Dioxide's global warming potential is defined as 1.0.

"High global warming potential hydrofluorocarbons" means any hydrofluorocarbons in a particular end use for which EPA's Significant New Alternatives Policy (SNAP) program has identified other acceptable alternatives that have lower global warming potential. The SNAP list of alternatives is found at 40 CFR part 82, subpart G, with supplemental tables of alternatives available at (https://www.epa.gov/snap/).

"Hydrofluorocarbons" means compounds that only contain hydrogen, fluorine, and carbon.

"Ozone-depleting substance" means any substance the Environmental Protection Agency designates in 40 CFR Part 82 as--

(1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or

(2) Class II , including, but not limited to hydrochlorofluorocarbons.

(b) The Contractor shall label products which contain or are manufactured with ozone-depleting substances in the manner and to the extent required by 42 U.S.C. 7671j (b), (c), (d), and (e) and 40 CFR Part 82, Subpart E, as follows:

Warning

Contains (or manufactured with, if applicable) *_____, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.

* The Contractor shall insert the name of the substance(s).

(c) The Contractor shall refer to EPA's SNAP program (available at https://www.epa.gov/snap) to identify alternatives. The SNAP list of alternatives is found at 40 CFR part 82, subpart G, with supplemental tables available at https://www.epa.gov/snap.

(End of Clause)

[1582]

I–59 FAR 52.223-12 Maintenance, Service, Repair or Disposal of Refrigeration Equipment and Air Conditioners (May 2024)

a) *Definitions.* As used in this clause--

"Global warming potential" means how much a given mass of a chemical contributes to global warming over a given time period compared to the same mass of carbon dioxide. Carbon dioxide's global warming potential is defined as 1.0.

"High global warming potential hydrofluorocarbons" means any hydrofluorocarbons in a particular end use for which EPA's Significant New Alternatives Policy (SNAP) program has identified other acceptable alternatives that have lower global warming potential. The SNAP list of alternatives is found at 40 CFR part 82, subpart G, with supplemental tables of alternatives available at (https://www.epa.gov/snap/).

"Hydrofluorocarbons" means compounds that contain only hydrogen, fluorine, and carbon.

(b) The Contractor shall comply with the applicable requirements of sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to this contract.

(c) Unless otherwise specified in the contract, the Contractor shall reduce the use, release, or emissions of high global warming potential hydrofluorocarbons under this contract by—

(1) Transitioning over time to the use of another acceptable alternative in lieu of high global warming potential hydrofluorocarbons in a particular end use for which EPA's SNAP program has identified other acceptable alternatives that have lower global warming potential.

(2) Preventing and repairing refrigerant leaks through service and maintenance during contract performance;

(3) Implementing recovery, recycling, and responsible disposal programs that avoid release or emissions during equipment service as the equipment reaches the end of its useful life; and

(4) Using reclaimed hydrofluorocarbons to service and repair refrigeration and air conditioning equipment, where feasible.

(d) The Contractor shall refer to EPA's SNAP program to identify alternatives. The SNAP list of alternatives is found at 40 CFR part 82, subpart G, with supplemental tables available at https://www.epa.gov/snap/.

(End of Clause)

I–60 FAR 52.223-13 Acquisition of EPEAT® - Registered Imaging Equipment (Jun 2014) Alternate I (Oct 2015)

(a) *Definitions*. As used in this clause--

"Imaging equipment" means the following products:

(1) Copier--A commercially available imaging product with a sole function of the production of hard copy duplicates from graphic hard-copy originals. The unit is capable of being powered from a wall outlet or from a data or network connection. This definition is intended to cover products that are marketed as copiers or upgradeable digital copiers (UDCs).

(2) Digital duplicator--A commercially available imaging product that is sold in the market as a fully automated duplicator system through the method of stencil duplicating with digital reproduction functionality. The unit is capable of being powered from a wall outlet or from a data or network connection. This definition is intended to cover products that are marketed as digital duplicators.

(3) Facsimile machine (fax machine)--A commercially available imaging product whose primary functions are scanning hard-copy originals for electronic transmission to remote units and receiving similar electronic transmissions to produce hard-copy output. Electronic transmission is primarily over a public telephone system but also may be via computer network or the Internet. The product also may be capable of producing hard copy duplicates. The unit is capable of being powered from a wall outlet or from a data or network connection. This definition is intended to cover products that are marketed as fax machines.

(4) Mailing machine--A commercially available imaging product that serves to print postage onto mail pieces. The unit is capable of being powered from a wall outlet or from a data or network connection. This definition is intended to cover products that are marketed as mailing machines.

(5) Multifunction device (MFD)--A commercially available imaging product, which is a physically integrated device or a combination of functionally integrated components, that performs two or more of the core functions of copying, printing, scanning, or faxing. The copy functionality as addressed in this definition is considered to be distinct from single-sheet convenience copying offered by fax machines. The unit is capable of being powered from a wall outlet or from a data or network connection. This definition is intended to cover products that are marketed as MFDs or multifunction products.

(6) Printer--A commercially available imaging product that serves as a hard-copy output device and is capable of receiving information from single-user or

networked computers, or other input devices (e.g., digital cameras). The unit is capable of being powered from a wall outlet or from a data or network connection. This definition is intended to cover products that are marketed as printers, including printers that can be upgraded into MFDs in the field.

(7) Scanner--A commercially available imaging product that functions as an electro-optical device for converting information into electronic images that can be stored, edited, converted, or transmitted, primarily in a personal computing environment. The unit is capable of being powered from a wall outlet or from a data or network connection. This definition is intended to cover products that are marketed as scanners.

(b) Under this contract, the Contractor shall deliver, furnish for Government use, or furnish for contractor use at a Federally controlled facility, only imaging equipment that, at the time of submission of proposals and at the time of award, was EPEAT® silver-registered or gold-registered.

(c) For information about EPEAT®, see www.epa.gov/epeat.

(End of clause)

I–61 FAR 52.223-14 Acquisition of EPEAT® -Registered Televisions (Jun 2014) Alternate I (Jun 2014)

(a) *Definitions*. As used in this clause—

"Television or TV" means a commercially available electronic product designed primarily for the reception and display of audiovisual signals received from terrestrial, cable, satellite, Internet Protocol TV (IPTV), or other digital or analog sources. A TV consists of a tuner/receiver and a display encased in a single enclosure. The product usually relies upon a cathode-ray tube (CRT), liquid crystal display (LCD), plasma display, or other display technology. Televisions with computer capability (e.g., computer input port) may be considered to be a TV as long as they are marketed and sold to consumers primarily as televisions.

(b) Under this contract, the Contractor shall deliver, furnish for Government use, or furnish for Contractor use at a Federally controlled facility, only televisions that, at the time of submission of proposals and at the time of award, were EPEAT® silver-registered or gold-registered.

(c) For information about EPEAT®, see www.epa.gov/epeat.

(End of Clause)

[M1067]

I–62 FAR 52.223-15 Energy Efficiency in Energy-Consuming Products (May 2020)

(a) *Definition*. As used in this clause--

Energy-efficient product—

(1) Means a product that—

(i) Meets Department of Energy and Environmental Protection Agency criteria for use of the Energy Star trademark label; or

(ii) Is in the upper 25 percent of efficiency for all similar products as designated by the Department of Energy's Federal Energy Management Program.

(2) The term "product" does not include any energy-consuming product or system designed or procured for combat or combat-related missions (42 U.S.C. 8259b).

(b) The Contractor shall ensure that energy-consuming products are energy efficient products (*i.e.*, ENERGY STAR® products or FEMP-designated products) at the time of contract award, for products that are—

(1) Delivered;

(2) Acquired by the Contractor for use in performing services at a Federally-controlled facility;

(3) Furnished by the Contractor for use by the Government; or

(4) Specified in the design of a building or work, or incorporated during its construction, renovation, or maintenance.

(c) The requirements of paragraph (b) apply to the Contractor (including any subcontractor) unless—

(1) The energy-consuming product is not listed in the ENERGY STAR® Program or FEMP; or

(2) Otherwise approved in writing by the Contracting Officer.

(d) Information about these products is available for—

(1) ENERGY STAR® at http://www.energystar.gov/products; and

(2) FEMP at https://www.energy.gov/eere/femp/procurement/eep_requirements.htmlenergy-efficient-products-and-energy-saving-technologies

(End of clause)
[M1291]

I–63 FAR 52.223-16 Acquisition of EPEAT®-Registered Personal Computer Products (Oct 2015) Alternate I (Jun 2014)

(a) *Definitions.* As used in this clause—

"Computer" means a device that performs logical operations and processes data. Computers are composed of, at a minimum:

(1) A central processing unit (CPU) to perform operations;

(2) User input devices such as a keyboard, mouse, digitizer, or game controller; and

(3) A computer display screen to output information. Computers include both stationary and portable units, including desktop computers, integrated desktop computers, notebook computers, thin clients, and workstations. Although computers must be capable of using input devices and computer displays, as noted in (2) and (3) above, computer systems do not need to include these devices on shipment to meet this definition. This definition does not include server computers, gaming consoles, mobile telephones, portable hand-held calculators, portable digital assistants (PDAs), MP3 players, or any other mobile computing device with displays less than 4 inches, measured diagonally.

"Computer display" means a display screen and its associated electronics encased in a single housing or within the computer housing (e.g., notebook or integrated desktop computer) that is capable of displaying output information from a computer via one or more inputs such as a VGA, DVI, USB, DisplayPort, and/or IEEE 1394-2008™, Standard for High Performance Serial Bus. Examples of computer display technologies are the cathode-ray tube (CRT) and liquid crystal display (LCD).

"Desktop computer" means a computer where the main unit is intended to be located in a permanent location, often on a desk or on the floor. Desktops are not designed for portability and utilize an external computer display, keyboard, and mouse. Desktops are designed for a broad range of home and office applications.

"Integrated desktop computer" means a desktop system in which the computer and computer display function as a single unit that receives its AC power through a single cable. Integrated desktop computers come in one of two possible forms:

(1) A system where the computer display and computer are physically combined into a single unit; or

(2) A system packaged as a single system where the computer display is separate but is connected to the main chassis by a DC power cord and both the computer and computer display are powered from a single power supply. As a subset of desktop computers, integrated desktop computers are typically designed to provide similar functionality as desktop systems.

"Notebook computer" means a computer designed specifically for portability and to be operated for extended periods of time either with or without a direct connection to an AC power source. Notebooks must utilize an integrated computer display and be capable of operation off of an integrated battery or other portable power source. In addition, most notebooks use an external power supply and have an integrated keyboard and pointing device. Notebook computers are typically designed to provide similar functionality to desktops, including operation of software similar in functionality to that used in desktops. Docking stations are considered accessories for notebook computers, not notebook computers. Tablet PCs, which may use touch-sensitive screens along with, or instead of, other input devices, are considered notebook computers.

"Personal computer product" means a computer, computer display, desktop computer, integrated desktop computer, or notebook computer.

(b) Under this contract, the Contractor shall deliver, furnish for Government use, or furnish for Contractor use at a Federally controlled facility, only personal computer products that, at the time of submission of proposals and at the time of award, were EPEAT® silver-registered or gold-registered.

(c) For information about EPEAT®, see www.epa.gov/epeat.

(End of clause)

[M1067]

I–64 FAR 52.223-17 Affirmative Procurement of EPA-Designated Items in Service and Construction Contracts (Aug 2018)

(a) In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired-

(1) Competitively within a timeframe providing for compliance with the contract performance schedule;

(2) Meeting contract performance requirements; or

(3) At a reasonable price.

(b) Information about this requirement is available at EPA's Comprehensive Procurement Guidelines web site, http://https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program. The list of EPA-designated items is available at http://https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program.

(End of clause)
[M1414]

I–65 FAR 52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving (Jun 2020)

(a) Definitions. As used in this clause--

"Driving"—

(1) Means operating a motor vehicle on an active roadway with the motor running, including while temporarily stationary because of traffic, a traffic light, stop sign, or otherwise.

(2) Does not include operating a motor vehicle with or without the motor running when one has pulled over to the side of, or off, an active roadway and has halted in a location where one can safely remain stationary.

"Text messaging" means reading from or entering data into any handheld or other electronic device, including for the purpose of short message service texting, e-mailing, instant messaging, obtaining navigational information, or engaging in any other form of electronic data retrieval or electronic data communication. The term does not include glancing at or listening to a navigational device that is secured in a commercially designed holder affixed to the vehicle, provided that the destination and route are programmed into the device either before driving or while stopped in a location off the roadway where it is safe and legal to park.

(b) This clause implements Executive Order 13513, Federal Leadership on Reducing Text Messaging while Driving, dated October 1, 2009.

(c) The Contractor is encouraged to—

(1) Adopt and enforce policies that ban text messaging while driving—

(i) Company-owned or -rented vehicles or Government-owned vehicles; or

(ii) Privately-owned vehicles when on official Government business or when performing any work for or on behalf of the Government.

(2) Conduct initiatives in a manner commensurate with the size of the business, such as—

(i) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and

(ii) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

(d) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts that exceed the micro-purchase threshold, as defined in Federal Acquisition Regulation 2.101 on the date of subcontract award.

(End of clause)
[M1291]

I–66 FAR 52.223-19 Compliance with Environmental Management Systems (May 2011)

The Contractor's work under this contract shall conform with all operational controls identified in the applicable agency or facility Environmental Management Systems and provide monitoring and measurement information necessary for the Government to address environmental performance relative to the goals of the Environmental Management Systems.

(End of clause)
[M1067]

I–67 FAR 52.223-20 Aerosols (May 2024)

(a) *Definitions*. As used in this clause–

Global warming potential means how much a given mass of a chemical contributes to global warming over a given time period compared to the same mass of carbon dioxide. Carbon dioxide's global warming potential is defined as 1.0.

High global warming potential hydrofluorocarbons means any hydrofluorocarbons in a particular end use for which EPA's Significant New Alternatives Policy (SNAP) program has identified other acceptable alternatives that have lower global warming potential. The SNAP list of alternatives is found at 40 CFR part 82 subpart G with supplemental tables of alternatives available at (https://www.epa.gov/snap/).

Hydrofluorocarbons means compounds that only contain hydrogen, fluorine, and carbon.

(b) Unless otherwise specified in the contract, the Contractor shall reduce its use, release, or emissions of high global warming potential hydrofluorocarbons, when

feasible, from aerosol propellants or solvents under this contract. When determining feasibility of using a particular alternative, the Contractor shall consider environmental, technical, and economic factors such as–

(1) In-use emission rates, energy efficiency;

(2) Safety, such as flammability or toxicity;

(3) Ability to meet technical performance requirements; and

(4) Commercial availability at a reasonable cost.

(c) The Contractor shall refer to EPA's SNAP program to identify alternatives. The SNAP list of alternatives is found at 40 CFR part 82 subpart G with supplemental tables available at https://www.epa.gov/snap/.

(End of clause)
[**1582**]

I–68 FAR 52.223-21 Foams (May 2024)

(a) *Definitions*. As used in this clause–

Global warming potential means how much a given mass of a chemical contributes to global warming over a given time period compared to the same mass of carbon dioxide. Carbon dioxide's global warming potential is defined as 1.0.

High global warming potential hydrofluorocarbons means any hydrofluorocarbons in a particular end use for which EPA's Significant New Alternatives Policy (SNAP) program has identified other acceptable alternatives that have lower global warming potential. The SNAP list of alternatives is found at 40 CFR part 82 subpart G with supplemental tables of alternatives available at (https://www.epa.gov/snap/).

Hydrofluorocarbons means compounds that only contain hydrogen, fluorine, and carbon.

(b) Unless otherwise specified in the contract, the Contractor shall reduce its use, release, and emissions of high global warming potential hydrofluorocarbons and refrigerant blends containing hydrofluorocarbons, when feasible, from foam blowing agents, under this contract. When determining feasibility of using a particular alternative, the Contractor shall consider environmental, technical, and economic factors such as–

(1) In-use emission rates, energy efficiency, and safety;

(2) Ability to meet performance requirements; and

(3) Commercial availability at a reasonable cost.

(c) The Contractor shall refer to EPA's SNAP program to identify alternatives. The SNAP list of alternatives is found at 40 CFR part 82 subpart G with supplemental tables available at https://www.epa.gov/snap/.

(End of clause)
[**1582**]

I–69 FAR 52.223-99 Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors (OCT 2021) (DEVIATION)

(a) *Definition*. As used in this clause –

United States or its outlying areas means—

(1) The fifty States;

(2) The District of Columbia;

(3) The commonwealths of Puerto Rico and the Northern Mariana Islands;

(4) The territories of American Samoa, Guam, and the United States Virgin Islands; and

(5) The minor outlying islands of Baker Island, Howland Island, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Islands, Navassa Island, Palmyra Atoll, and Wake Atoll.

(b) *Authority.* This clause implements Executive Order 14042, Ensuring Adequate COVID Safety Protocols for Federal Contractors, dated September 9, 2021 (published in the Federal Register on September 14, 2021, 86 FR 50985).

(c) *Compliance.* The Contractor shall comply with all guidance, including guidance conveyed through Frequently Asked Questions, as amended during the performance of this contract, for contractor or subcontractor workplace locations published by the Safer Federal Workforce Task Force (Task Force Guidance) at https:/www.saferfederalworkforce.gov/contractors/.

(d) *Subcontracts*. The Contractor shall include the substance of this clause, including this paragraph (d), in subcontracts at any tier that exceed the simplified acquisition threshold, as defined in Federal Acquisition Regulation 2.101 on the date of subcontract award, and are for services, including construction, performed in whole or in part within the United States or its outlying areas.

(End of clause)

[M1367]

I–70 FAR 52.224-1 Privacy Act Notification (Apr 1984)

The Contractor will be required to design, develop, or operate a system of records on individuals, to accomplish an agency function subject to the Privacy Act of 1974, Public Law 93-579, December 31, 1974 (5 U.S.C.552a) and applicable agency regulations. Violation of the Act may involve the imposition of criminal penalties.

(End of Clause)

I–71 FAR 52.224-2 Privacy Act (Apr 1984)

(a) The Contractor agrees to --

(1) Comply with the Privacy Act of 1974 (the Act) and the agency rules and regulations issued under the Act in the design, development, or operation of any system of records on individuals to accomplish an agency function when the contract specifically identifies --

(i) The systems of records; and

(ii) The design, development, or operation work that the Contractor is to perform;

(2) Include the Privacy Act notification contained in this contract in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation, when the work statement in the proposed subcontract requires the redesign, development, or operation of a system of records on individuals that is subject to the Act; and

(3) Include this clause, including this subparagraph (3), in all subcontracts awarded under this contract which requires the design, development, or operation of such a system of records.

(b) In the event of violations of the Act, a civil action may be brought against the agency involved when the violation concerns the design, development, or operation of a system of records on individuals to accomplish an agency function, and criminal penalties may be imposed upon the officers or employees of the agency when the violation concerns the operation of a system of records on individuals to accomplish an agency function. For purposes of the Act, when the contract is for the operation of a system of records on individuals to accomplish an agency function, the Contractor is considered to be an employee of the agency.

(c)

(1) "Operation of a system of records," as used in this clause, means performance of any of the activities associated with maintaining the system of records, including the collection, use, and dissemination of records.

(2) "Record," as used in this clause, means any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and that contains the person's name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a fingerprint or voiceprint or a photograph.

(3) "System of records on individuals," as used in this clause, means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

(End of Clause)

I–72 FAR 52.224-3 Privacy Training (Jan 2017)

(a) *Definition*. As used in this clause, "personally identifiable information" means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other information that is linked or linkable to a specific individual. (See Office of Management and Budget (OMB) Circular A-130, Managing Federal Information as a Strategic Resource).

(b) The Contractor shall ensure that initial privacy training, and annual privacy training thereafter, is completed by contractor employees who-

(1) Have access to a system of records;

(2) Create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise handle personally identifiable information on behalf of an agency; or

(3) Design, develop, maintain, or operate a system of records (see also FAR subpart 24.3 and 39.105).

(c)

(1) "Privacy training shall address the key elements necessary for ensuring the safeguarding of personally identifiable information or a system of records. The training shall be role-based, provide foundational as well as more advanced levels of training, and have measures in place to test the knowledge level of users. At a minimum, the privacy training shall cover-

(i) The provisions of the Privacy Act of 1974 (5 U.S.C. 552a), including penalties for violations of the Act;

(ii) The appropriate handling and safeguarding of personally identifiable information;

(iii) The authorized and official use of a system of records or any other personally identifiable information;

(iv) The restriction on the use of unauthorized equipment to create, collect, use, process, store, maintain, disseminate, disclose, dispose or otherwise access personally identifiable information;

(v) The prohibition against the unauthorized use of a system of records or unauthorized disclosure, access, handling, or use of personally identifiable information; and

(vi) The procedures to be followed in the event of a suspected or confirmed breach of a system of records or the unauthorized disclosure, access, handling, or use of personally identifiable information (see OMB guidance for Preparing for and Responding to a Breach of Personally Identifiable Information).

(2) Completion of an agency-developed or agency-conducted training course shall be deemed to satisfy these elements.

(d) The Contractor shall maintain and, upon request, provide documentation of completion of privacy training to the Contracting Officer.

(e) The Contractor shall not allow any employee access to a system of records, or permit any employee to create, collect, use, process, store, maintain, disseminate, disclose, dispose or otherwise handle personally identifiable information, or to design, develop, maintain, or operate a system of records unless the employee has completed privacy training, as required by this clause.

(f) The substance of this clause, including this paragraph (f), shall be included in all subcontracts under this contract, when subcontractor employees will-

(1) Have access to a system of records;

(2) Create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise handle personally identifiable information; or

(3) Design, develop, maintain, or operate a system of records.

(End of clause)
[**M1414**]

I–73 FAR 52.225-1 Buy American - Supplies (Oct 2022) - As Modified by DEAR 970.2570 (Nov 2010)

(a) *Definitions*. As used in this clause--

"Commercially available off-the-shelf (COTS) item"—

(1) Means any item of supply (including construction material) that is—

(i) A commercial product (as defined in paragraph (1) of the definition of "commercial product" at Federal Acquisition Regulation (FAR) 2.101);

(ii) Sold in substantial quantities in the commercial marketplace; and

(iii) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products.

"Component" means an article, material, or supply incorporated directly into an end product.

"Cost of components" means--

(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.

"Critical component" means a component that is mined, produced, or manufactured in the United States and deemed critical to the U.S. supply chain. The list of critical components is at FAR 25.105.

"Domestic end product" means—

(1) For an end product that does not consist wholly or predominantly of iron or steel or a combination of both-

i. An unmanufactured end product mined or produced in the United States;

ii. An end product manufactured in the United States, if—

(A) The cost of its components mined, produced, or manufactured in the United States exceeds 60 percent of the cost of all its components, except that the percentage will be 65 percent for items delivered in calendar years 2024 through 2028 and 75 percent for items delivered starting in calendar year 2029. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Components of unknown origin are treated as foreign. Scrap generated, collected, and prepared for processing in the United States is considered domestic; or

(B) The end product is a COTS item; or

(2) For an end product that consists wholly or predominantly of iron or steel or a combination of both, an end product manufactured in the United States, if the cost of foreign iron and steel constitutes less than 5 percent of the cost of all the components used in the end product. The cost of foreign iron and steel includes but is not limited to the cost of foreign iron or steel mill products (such as bar, billet, slab, wire, plate, or sheet), castings, or forgings utilized in the manufacture of the end product and a good faith estimate of the cost of all foreign iron or steel components excluding COTS fasteners. Iron or steel components of unknown origin are treated as foreign. If the end product contains multiple components, the cost of all the materials used in such end product is calculated in accordance with the definition of "cost of components".

“End product” means those articles, materials, and supplies to be acquired under the contract for public use.

“Fastener” means a hardware device that mechanically joins or affixes two or more objects together. Examples of fasteners are nuts, bolts, pins, rivets, nails, clips, and screws.

“Foreign end product” means an end product other than a domestic end product.

“Foreign iron and steel” means iron or steel products not produced in the United States. Produced in the United States means that all manufacturing processes of the iron or steel must take place in the United States, from the initial melting stage through the application of coatings, except metallurgical processes involving refinement of steel additives. The origin of the elements of the iron or steel is not relevant to the determination of whether it is domestic or foreign.

"Predominantly of iron or steel or a combination of both" means that the cost of the iron and steel content exceeds 50 percent of the total cost of all its components. The cost of iron and steel is the cost of the iron or steel mill products (such as bar, billet, slab, wire, plate, or sheet), castings, or forgings utilized in the manufacture of the product and a good faith estimate of the cost of iron or steel components excluding COTS fasteners.

"Steel" means an alloy that includes at least 50 percent iron, between 0.02 and 2 percent carbon, and may include other elements.

"United States" means the 50 States, the District of Columbia, and outlying areas.

(b) 41 U.S.C. chapter 83, Buy American, provides a preference for domestic end products for supplies acquired for use in the United States. In accordance with 41 U.S.C. 1907, the domestic content test of the Buy American statute is waived for an end product that is a COTS item (See 12.505(a)(1)), except that for an end product that consists wholly or predominantly of iron or steel or a combination of both, the domestic content test is applied only to the iron and steel content of the end product, excluding COTS fasteners.

(c) Offerors may obtain from the Contracting Officer a list of foreign articles that the Contracting Officer will treat as domestic for this contract.

(d) The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the solicitation entitled "Buy American Certificate."

(End of clause)

[M1453]

I–74 FAR 52.225-8 Duty-Free Entry (Oct 2010)

(a) *Definition.* "Customs territory of the United States" means the States, the District of Columbia, and Puerto Rico.

(b) Except as otherwise approved by the Contracting Officer, the Contractor shall not include in the contract price any amount for duties on supplies specifically identified in the Schedule to be accorded duty-free entry.

(c) Except as provided in paragraph (d) of this clause or elsewhere in this contract, the following procedures apply to supplies not identified in the Schedule to be accorded duty-free entry:

(1) The Contractor shall notify the Contracting Officer in writing of any purchase of foreign supplies (including, without limitation, raw materials, components, and intermediate assemblies) in excess of $15,000 that are to be imported into the customs territory of the United States for delivery to the Government under this contract, either as end products or for incorporation into end products. The

Contractor shall furnish the notice to the Contracting Officer at least 20 calendar days before the importation. The notice shall identify the--

(i) Foreign supplies;

(ii) Estimated amount of duty; and

(iii) Country of origin.

(2) The Contracting Officer will determine whether any of these supplies should be accorded duty-free entry and will notify the Contractor within 10 calendar days after receipt of the Contractor's notification.

(3) Except as otherwise approved by the Contracting Officer, the contract price shall be reduced by (or the allowable cost shall not include) the amount of duty that would be payable if the supplies were not entered duty-free.

(d) The Contractor is not required to provide the notification under paragraph (c) of this clause for purchases of foreign supplies if--

(1) The supplies are identical in nature to items purchased by the Contractor or any subcontractor in connection with its commercial business; and

(2) Segregation of these supplies to ensure use only on Government contracts containing duty-free entry provisions is not economical or feasible.

(e) The Contractor shall claim duty-free entry only for supplies to be delivered to the Government under this contract, either as end products or incorporated into end products, and shall pay duty on supplies, or any portion of them, other than scrap, salvage, or competitive sale authorized by the Contracting Officer, diverted to nongovernmental use.

(f) The Government will execute any required duty-free entry certificates for supplies to be accorded duty-free entry and will assist the Contractor in obtaining duty-free entry for these supplies.

(g) Shipping documents for supplies to be accorded duty-free entry shall consign the shipments to the contracting agency in care of the Contractor and shall include the--

(1) Delivery address of the Contractor (or contracting agency, if appropriate);

(2) Government prime contract number;

(3) Identification of carrier;

(4) Notation “UNITED STATES GOVERNMENT, _____ [*agency*], _____
Duty-free entry to be claimed pursuant to Item No(s) _____ [*from Tariff*

Schedules] _____, Harmonized Tariff Schedules of the United States. Upon arrival of shipment at port of entry, District Director of Customs, please release shipment under 19 CFR part 142 and notify [*cognizant contract administration office*] for execution of Customs Forms 7501 and 7501-A and any required duty-free entry certificates.";

(5) Gross weight in pounds (if freight is based on space tonnage, state cubic feet in addition to gross shipping weight); and

(6) Estimated value in United States dollars.

(h) The Contractor shall instruct the foreign supplier to--

(1) Consign the shipment as specified in paragraph (g) of this clause;

(2) Mark all packages with the words “UNITED STATES GOVERNMENT" and the title of the contracting agency; and

(3) Include with the shipment at least two copies of the bill of lading (or other shipping document) for use by the District Director of Customs at the port of entry.

(i) The Contractor shall provide written notice to the cognizant contract administration office immediately after notification by the Contracting Officer that duty-free entry will be accorded foreign supplies or, for duty-free supplies identified in the Schedule, upon award by the Contractor to the overseas supplier. The notice shall identify the--

(1) Foreign supplies;

(2) Country of origin;

(3) Contract number; and

(4) Scheduled delivery date(s).

(j) The Contractor shall include the substance of this clause in any subcontract if--

(1) Supplies identified in the Schedule to be accorded duty-free entry will be imported into the customs territory of the United States; or

(2) Other foreign supplies in excess of $15,000 may be imported into the customs territory of the United States.

(End of clause)
[M1067]

I–75 FAR 52.225-9 Buy American– Construction Materials (Oct 2022)

(a) *Definitions*. As used in this clause--

"Commercially available off-the-shelf (COTS) item"—

(1) Means any item of supply (including construction material) that is—

(i) A commercial product (as defined in paragraph (1) of the definition of "commercial product" at Federal Acquisition Regulation (FAR) 2.101);

(ii) Sold in substantial quantities in the commercial marketplace; and

(iii) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products.

"Construction material" means an article, material, or supply brought to the construction site by the Contractor or a subcontractor for incorporation into the building or work. The term also includes an item brought to the site preassembled from articles, materials, or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or work and that are produced as complete systems, are evaluated as a single and distinct construction material regardless of when or how the individual parts or components of those systems are delivered to the construction site. Materials purchased directly by the Government are supplies, not construction material.

"Cost of components" means--

(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the construction material (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the construction material.

"Critical component" means a component that is mined, produced, or manufactured in the United States and deemed critical to the U.S. supply chain. The list of critical components is at FAR 25.105.

"Critical item" means a domestic construction material or domestic end product that is deemed critical to U.S. supply chain resiliency. The list of critical items is at FAR 25.105.

"Domestic construction material" means—

(1) For construction material that does not consist wholly or predominantly of iron or steel or a combination of both-

(i) An unmanufactured construction material mined or produced in the United States; or

(ii) A construction material manufactured in the United States, if—

(A) The cost of its components mined, produced, or manufactured in the United States exceeds 60 percent of the cost of all its components, except that the percentage will be 65 percent for items delivered in calendar years 2024 through 2028 and 75 percent for items delivered starting in calendar year 2029. Components of foreign origin of the same class or kind for which nonavailability determinations have been made are treated as domestic. Components of unknown origin are treated as foreign; or

(B) The construction material is a COTS item; or

(2) For construction material that consists wholly or predominantly of iron or steel or a combination of both, a construction material manufactured in the United States if the cost of foreign iron and steel constitutes less than 5 percent of the cost of all components used in such construction material. The cost of foreign iron and steel includes but is not limited to the cost of foreign iron or steel mill products (such as bar, billet, slab, wire, plate, or sheet), castings, or forgings utilized in the manufacture of the construction material and a good faith estimate of the cost of all foreign iron or steel components excluding COTS fasteners. Iron or steel components of unknown origin are treated as foreign. If the construction material contains multiple components, the cost of all the materials used in such construction material is calculated in accordance with the definition of "cost of components".

Fastener means a hardware device that mechanically joins or affixes two or more objects together. Examples of fasteners are nuts, bolts, pins, rivets, nails, clips, and screws.

"Foreign construction material" means a construction material other than a domestic construction material.

Foreign iron and steel means iron or steel products not produced in the United States. Produced in the United States means that all manufacturing processes of the iron or steel must take place in the United States, from the initial melting stage through the application of coatings, except metallurgical processes involving refinement of steel additives. The origin of the elements of the iron or steel is not relevant to the determination of whether it is domestic or foreign.

Predominantly of iron or steel or a combination of both means that the cost of the iron and steel content exceeds 50 percent of the total cost of all its components. The cost of iron and steel is the cost of the iron or steel mill products (such as bar, billet, slab, wire, plate, or sheet), castings, or forgings utilized in the manufacture of the product and a good faith estimate of the cost of iron or steel components excluding COTS fasteners.

Steel means an alloy that includes at least 50 percent iron, between 0.02 and 2 percent carbon, and may include other elements.

"United States" means the 50 States, the District of Columbia, and outlying areas.

(b) *Domestic preference.*

(1) This clause implements 41 U.S.C. chapter 83, Buy American, by providing a preference for domestic construction material. In accordance with 41 U.S.C. 1907, the domestic content test of the Buy American statute is waived for construction material that is a COTS item, except that for construction material that consists wholly or predominantly of iron or steel or a combination of both, the domestic content test is applied only to the iron and steel content of the construction materials, excluding COTS fasteners. (See FAR 12.505(a)(2)). The Contractor shall use only domestic construction material in performing this contract, except as provided in paragraphs (b)(2) and (b)(3) of this clause.

(2) This requirement does not apply to information technology that is a commercial product or to the construction materials or components listed by the Government as follows: _____ [*Contracting Officer to list applicable excepted materials or indicate "none"*]

(3) The Contracting Officer may add other foreign construction material to the list in paragraph (b)(2) of this clause if the Government determines that

(i) The cost of domestic construction material would be unreasonable.

(A) For domestic construction that is not a critical item or does not contain critical components.

(1) The cost of a particular domestic construction material subject to the requirements of the Buy American statute is unreasonable when the cost of such material exceeds the cost of foreign material by more than 20 percent;

(2) For construction material that is not a COTS item and does not consist wholly or predominantly of iron or steel or a combination of both, if the cost of a particular domestic construction material is determined to be unreasonable or there is no domestic offer received, and the low offer is for

foreign construction material that is manufactured in the United States and does not exceed 55 percent domestic content, the Contracting Officer will treat the lowest offer of foreign construction material that exceeds 55 percent domestic content as a domestic offer and determine whether the cost of that offer is unreasonable by applying the evaluation factor listed in paragraph (b)(3)(i)(A)(1) of this clause.

(3) The procedures in paragraph (b)(3)(i)(A)(2) of this clause will no longer apply as of January 1, 2030.

(B) For domestic construction material that is a critical item or contains critical components.

(1) The cost of a particular domestic construction material that is a critical item or contains critical components, subject to the requirements of the Buy American statute, is unreasonable when the cost of such material exceeds the cost of foreign material by more than 20 percent plus the additional preference factor identified for the critical item or construction material containing critical components listed at FAR 25.105.

(2) For construction material that does not consist wholly or predominantly of iron or steel or a combination of both, if the cost of a particular domestic construction material is determined to be unreasonable or there is no domestic offer received, and the low offer is for foreign construction material that does not exceed 55 percent domestic content, the Contracting Officer will treat the lowest foreign offer of construction material that is manufactured in the United States and exceeds 55 percent domestic content as a domestic offer, and determine whether the cost of that offer is unreasonable by applying the evaluation factor listed in paragraph (b)(3)(i)(B)(1) of this clause.

(3) The procedures in paragraph (b)(3)(i)(B)(2) of this clause will no longer apply as of January 1, 2030.

(ii) The application of the restriction of the Buy American statute to a particular construction material would be impracticable or inconsistent with the public interest; or

(iii) The construction material is not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality.

(c) *Request for determination of inapplicability of the Buy American statute.*

(1)

(i) Any Contractor request to use foreign construction material in accordance with paragraph (b)(3) of this clause shall include adequate information for Government evaluation of the request, including--

(A) A description of the foreign and domestic construction materials;

(B) Unit of measure;

(C) Quantity;

(D) Price;

(E) Time of delivery or availability;

(F) Location of the construction project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign construction materials cited in accordance with paragraph (b)(3) of this clause.

(ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed price comparison table in the format in paragraph (d) of this clause.

(iii) The price of construction material shall include all delivery costs to the construction site and any applicable duty (whether or not a duty-free certificate may be issued).

(iv) Any Contractor request for a determination submitted after contract award shall explain why the Contractor could not reasonably foresee the need for such determination and could not have requested the determination before contract award. If the Contractor does not submit a satisfactory explanation, the Contracting Officer need not make a determination.

(2) If the Government determines after contract award that an exception to the Buy American statute applies and the Contracting Officer and the Contractor negotiate adequate consideration, the Contracting Officer will modify the contract to allow use of the foreign construction material. However, when the basis for the exception is the unreasonable price of a domestic construction material, adequate consideration is not less than the differential established in paragraph (b)(3)(i) of this clause.

(3) Unless the Government determines that an exception to the Buy American statute applies, use of foreign construction material is noncompliant with the Buy American statute.

(d) *Data.* To permit evaluation of requests under paragraph (c) of this clause based on unreasonable cost, the Contractor shall include the following information and any applicable supporting data based on the survey of suppliers:

Foreign and Domestic Construction Materials Price Comparison			
Construction Material Description	**Unit of Measure**	**Quantity**	**Price (dollars) ***
Item 1			
Foreign construction material			
Domestic construction material			
Item 2			
Foreign construction material			
Domestic construction material			
[* Include all delivery costs to the construction site and any applicable duty (whether or not a duty-free entry certificate is issued)]. [List name, address, telephone number, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.] [Include other applicable supporting information.]			

(End of Clause)
[M1453]

I–76 FAR 52.225-13 Restriction on Certain Foreign Purchases (FEB 2021)

(a) Except as authorized by the Office of Foreign Assets Control (OFAC) in the Department of the Treasury, the Contractor shall not acquire, for use in the performance of this contract, any supplies or services if any proclamation, Executive order, or statute administered by OFAC, or if OFAC's implementing regulations at 31 CFR chapter V, would prohibit such a transaction by a person subject to the jurisdiction of the United States.

(b) Except as authorized by OFAC, most transactions involving Cuba, Iran, and Sudan are prohibited, as are most imports from Burma or North Korea, into the

United States or its outlying areas. Lists of entities and individuals subject to economic sanctions are included in OFAC's List of Specially Designated Nationals and Blocked Persons at https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists. More information about these restrictions, as well as updates, is available in the OFAC's regulations at 31 CFR chapter V and/or on OFAC's website at https://home.treasury.gov/policy-issues/office-of-foreign-assets-control-sanctions-programs-and-information.

(c) The Contractor shall insert this clause, including this paragraph (c), in all subcontracts.

(End of Clause)
[M1348]

I–77 FAR 52.226-1 Utilization of Indian Organizations and Indian-Owned Economic Enterprises (Jun 2000)

(a) *Definitions*. As used in this clause:

"Indian" means any person who is a member of any Indian tribe, band, group, pueblo, or community that is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs (BIA) in accordance with 25 U.S.C.1452(c) and any "Native" as defined in the Alaska Native Claims Settlement Act (43 U.S.C. 1601).

"Indian organization" means the governing body of any Indian tribe or entity established or recognized by the governing body of an Indian tribe for the purposes of 25 U.S.C., chapter 17.

"Indian-owned economic enterprise" means any Indian-owned (as determined by the Secretary of the Interior) commercial, industrial, or business activity established or organized for the purpose of profit, provided that Indian ownership constitutes not less than 51 percent of the enterprise.

"Indian tribe" means any Indian tribe, band, group, pueblo, or community, including native villages and native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act, that is recognized by the Federal Government as eligible for services from BIA in accordance with 25 U.S.C. 1452(c).

"Interested party" means a prime contractor or an actual or prospective offeror whose direct economic interest would be affected by the award of a subcontract or by the failure to award a subcontract.

(b) The Contractor shall use its best efforts to give Indian organizations and Indian-owned economic enterprises (25 U.S.C. 1544) the maximum practicable opportunity to

participate in the subcontracts it awards to the fullest extent consistent with efficient performance of its contract.

(1) The Contracting Officer and the Contractor, acting in good faith, may rely on the representation of an Indian organization or Indian-owned economic enterprise as to its eligibility, unless an interested party challenges its status or the Contracting Officer has independent reason to question that status. In the event of a challenge to the representation of a subcontractor, the Contracting Officer will refer the matter to the:

U.S. Department of the Interior
Bureau of Indian Affairs (BIA)
Attn: Chief, Division of Contracting and Grants Administration
1849 C Street, NW, MS-2626-MIB
Washington, DC 20240-4000

The BIA will determine the eligibility and notify the Contracting Officer. No incentive payment will be made within 50 working days of subcontract award or while a challenge is pending. If a subcontractor is determined to be an ineligible participant, no incentive payment will be made under the Indian Incentive Program.

(2) The Contractor may request an adjustment under the Indian Incentive Program to the following:

(i) The estimated cost of a cost-type contract.
(ii) The target cost of a cost-plus-incentive-fee prime contract.
(iii) The target cost and ceiling price of a fixed-price incentive prime contract.
(iv) The price of a firm-fixed-price prime contract.

(3) The amount of the adjustment to the prime contract is 5 percent of the estimated cost, target cost, or firm-fixed-price included in the subcontract initially awarded to the Indian organization or Indian-owned economic enterprise.

(4) The Contractor has the burden of proving the amount claimed and must assert its request for an adjustment prior to completion of contract performance.

(c) The Contracting Officer, subject to the terms and conditions of the contract and the availability of funds, will authorize an incentive payment of 5 percent of the amount paid to the subcontractor. The Contracting Officer will seek funding in accordance with agency procedures.

(End of Clause)
[M1067]

I–78 FAR 52.227-10 Filing of Patent Applications-Classified Subject Matter (Dec 2007)

(e) Before filing or causing to be filed a patent application in the United States disclosing any subject matter of this contract classified "Secret" or higher, the Contractor shall, citing the 30-day provision below, transmit the proposed application to the Contracting Officer. The Government shall determine whether, for reasons of national security, the application should be placed under an order of secrecy, sealed in accordance with the provision of 35 U.S.C.181-188, or the issuance of a patent otherwise delayed under pertinent United States statutes or regulations. The Contractor shall observe any instructions of the Contracting Officer regarding the manner of delivery of the patent application to the United States Patent Office, but the Contractor shall not be denied the right to file the application. If the Contracting Officer shall not have given any such instructions within 30 days from the date of mailing or other transmittal of the proposed application, the Contractor may file the application.

(b) Before filing a patent application in the United States disclosing any subject matter of this contract classified "Confidential," the Contractor shall furnish to the Contracting Officer a copy of the application for Government determination whether, for reasons of national security, the application should be placed under an order of secrecy or the issuance of a patent should be otherwise delayed under pertinent United States statutes or regulations.

€ Where the subject matter of this contract is classified for reasons of security, the Contractor shall not file, or cause to be filed, in any country other than in the United States as provided in paragraphs (a) and (b) of this clause, an application or registration for a patent containing any of the subject matter of this contract without first obtaining written approval of the Contracting Officer.

(d) When filing any patent application coming within the scope of this clause, the Contractor shall observe all applicable security regulations covering the transmission of classified subject matter and shall promptly furnish to the Contracting Officer the serial number, filing date, and name of the country of any such application. When transmitting the application to the United States Patent Office, the Contractor shall by separate letter identify by agency and number the contract or contracts that require security classification markings to be placed on the application.

(e) The Contractor shall include the substance of this clause, including this paragraph (e), in all subcontracts that cover or are likely to cover classified subject matter.

(End of clause)
[M1414]

I–79 FAR 52.227-23 Rights to Proposal Data (Technical) (Jun 1987)

Except for data contained on pages _____, it is agreed that as a condition of award of this contract, and notwithstanding the conditions of any notice appearing thereon, the Government shall have unlimited rights (as defined in the "Rights in Data-General" clause contained in this contract) in and to the technical data contained in the proposal dated _____, upon which this contract is based.

(End of clause)
[M1414]

I–80 FAR 52.229-8 Taxes -- Foreign Cost-Reimbursement Contracts (Mar 1990)

(a) Any tax or duty from which the United States Government is exempt by agreement with the Government of the successor states of the former Soviet Union (the Ukraine, Belarus, Kazakhstan, Russia, the Baltic States of Latvia and Lithuania, and Uzbekistan), or from which the Contractor or any Subcontractor under this contract is exempt under the laws of the successor states of the former Soviet Union (the Ukraine, Belarus, Kazakhstan, Russia, the Baltic States of Latvia and Lithuania, and Uzbekistan), shall not constitute an allowable cost under this contract.

(b) If the Contractor or Subcontractor under this contract obtains a foreign tax credit that reduces its Federal income tax liability under the United States Internal Revenue Code (Title 26, U.S. Code) because of the payment of any tax or duty that was reimbursed under this contract, the amount of the reduction shall be paid or credited at the time of such offset to the Government of the United States as the Contracting Officer directs.

(End of Clause)

I–81 FAR 52.230-2 Cost Accounting Standards (Jun 2020)

(a) Unless the contract is exempt under 48 CFR 9903.201-1 and 9903.201-2, the provisions of 48 CFR Part 9903 are incorporated herein by reference and the Contractor, in connection with this contract, shall--

(1) *(CAS-covered Contracts Only)* By submission of a Disclosure Statement, disclose in writing the Contractor's cost accounting practices as required by 48 CFR 9903.202-1 through 9903.202-5, including methods of distinguishing direct costs from indirect costs and the basis used for allocating indirect costs. The practices disclosed for this contract shall be the same as the practices currently disclosed and applied on all other contracts and subcontracts being performed by the Contractor and which contain a Cost Accounting Standards (CAS) clause. If the Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged

and confidential, the Disclosure Statement shall be protected and shall not be released outside of the Government.

(2) Follow consistently the Contractor's cost accounting practices in accumulating and reporting contract performance cost data concerning this contract. If any change in cost accounting practices is made for the purposes of any contract or subcontract subject to CAS requirements, the change must be applied prospectively to this contract and the Disclosure Statement must be amended accordingly. If the contract price or cost allowance of this contract is affected by such changes, adjustment shall be made in accordance with paragraph (a)(4) or (a)(5) of this clause, as appropriate.

(3) Comply with all CAS, including any modifications and interpretations indicated thereto contained in 48 CFR Part 9904, in effect on the date of award of this contract or, if the Contractor has submitted certified cost or pricing data, on the date of final agreement on price as shown on the Contractor's signed certificate of current cost or pricing data. The Contractor shall also comply with any CAS (or modifications to CAS) which hereafter become applicable to a contract or subcontract of the Contractor. Such compliance shall be required prospectively from the date of applicability to such contract or subcontract.

(4)

(i) Agree to an equitable adjustment as provided in the Changes clause of this contract if the contract cost is affected by a change which, pursuant to subparagraph (a)(3) of this clause, the Contractor is required to make to the Contractor's established cost accounting practices.

(ii) Negotiate with the Contracting Officer to determine the terms and conditions under which a change may be made to a cost accounting practice, other than a change made under other provisions of paragraph (a)(4) of this clause; provided that no agreement may be made under this provision that will increase costs paid by the United States.

(iii) When the parties agree to a change to a cost accounting practice, other than a change under subdivision (a)(4)(i) of this clause, negotiate an equitable adjustment as provided in the Changes clause of this contract.

(5) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the Contractor or a subcontractor fails to comply with an applicable Cost Accounting Standard, or to follow any cost accounting practice consistently and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States, together with interest thereon computed at the annual rate established under section 6621(a)(2) of the Internal Revenue Code of 1986 (26 U.S.C.6621(a)(2)) for such period, from the time the payment by the United States was made to the

time the adjustment is effected. In no case shall the Government recover costs greater than the increased cost to the Government, in the aggregate, on the relevant contracts subject to the price adjustment, unless the Contractor made a change in its cost accounting practices of which it was aware or should have been aware at the time of price negotiations and which it failed to disclose to the Government.

(b) If the parties fail to agree whether the Contractor or a subcontractor has complied with an applicable CAS in 48 CFR 9904 or a CAS rule or regulation in 48 CFR 9903 and as to any cost adjustment demanded by the United States, such failure to agree will constitute a dispute under 41 U.S.C. chapter 71, Contract Disputes.

(c) The Contractor shall permit any authorized representatives of the Government to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts which the Contractor enters into, the substance of this clause, except paragraph (b), and shall require such inclusion in all other subcontracts, of any tier, including the obligation to comply with all CAS in effect on the subcontractor's award date or if the subcontractor has submitted certified cost or pricing data, on the date of final agreement on price as shown on the subcontractor's signed Certificate of Current Cost or Pricing Data. If the subcontract is awarded to a business unit which pursuant to 48 CFR 9903.201-2 is subject to other types of CAS coverage, the substance of the applicable clause set forth in subsection 30.201-4 of the Federal Acquisition Regulation (FAR) shall be inserted. This requirement shall apply only to negotiated subcontracts in excess of the lower CAS threshold specified in FAR 30.201-4(b) on the date of subcontract award, except that the requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 48 CFR 9903.201-1.

(End of clause)
[M1291]

I–82 FAR 52.230-6 Administration of Cost Accounting Standards (Jun 2010)

For the purpose of administering the Cost Accounting Standards (CAS) requirements under this contract, the Contractor shall take the steps outlined in paragraphs (b) through (i) and (k) through (n) of this clause:

(a) Definitions. As used in this clause—

"Affected CAS-covered contract or subcontract" means a contract or subcontract subject to CAS rules and regulations for which a Contractor or subcontractor--

(1) Used one cost accounting practice to estimate costs and a changed cost accounting practice to accumulate and report costs under the contract or subcontract; or

(2) Used a noncompliant practice for purposes of estimating or accumulating and reporting costs under the contract or subcontract.

“Cognizant Federal agency official (CFAO)” means the Contracting Officer assigned by the cognizant Federal agency to administer the CAS.

“Desirable change” means a compliant change to a Contractor's established or disclosed cost accounting practices that the CFAO finds is desirable and not detrimental to the Government and is, therefore, not subject to the no increased cost prohibition provisions of CAS-covered contracts and subcontracts affected by the change.

“Fixed-price contracts and subcontracts” means--

(1) Fixed-price contracts and subcontracts described at FAR 16.202, 16.203, (except when price adjustments are based on actual costs of labor or material, described at 16.203-1(a)(2)), and16.207;

(2) Fixed-price incentive contracts and subcontracts where the price is not adjusted based on actual costs incurred (FAR Subpart 16.4);

(3) Orders issued under indefinite-delivery contracts and subcontracts where final payment is not based on actual costs incurred (FAR Subpart 16.5); and

(4) The fixed-hourly rate portion of time-and-materials and labor-hours contracts and subcontracts (FAR Subpart 16.6).

“Flexibly-priced contracts and subcontracts” means—

(1) Fixed-price contracts and subcontracts described at FAR 16.203-1(a)(2), 16.204, 16.205, and 16.206;

(2) Cost-reimbursement contracts and subcontracts (FAR Subpart 16.3);

(3) Incentive contracts and subcontracts where the price may be adjusted based on actual costs incurred (FAR Subpart 16.4);

(4) Orders issued under indefinite-delivery contracts and subcontracts where final payment is based on actual costs incurred (FAR Subpart 16.5); and

(5) The materials portion of time-and-materials contracts and subcontracts (FAR Subpart 16.6).

“Noncompliance” means a failure in estimating, accumulating, or reporting costs to--

(1) Comply with applicable CAS; or

(2) Consistently follow disclosed or established cost accounting practices.

"Required change" means—

(1) A change in cost accounting practice that a Contractor is required to make in order to comply with applicable Standards, modifications or interpretations thereto, that subsequently becomes applicable to existing CAS-covered contracts or subcontracts due to the receipt of another CAS-covered contract or subcontract; or

(2) A prospective change to a disclosed or established cost accounting practice when the CFAO determines that the former practice was in compliance with applicable CAS and the change is necessary for the Contractor to remain in compliance.

"Unilateral change" means a change in cost accounting practice from one compliant practice to another compliant practice that a Contractor with a CAS-covered contract(s) or subcontract(s) elects to make that has not been deemed a desirable change by the CFAO and for which the Government will pay no aggregate increased costs.

(b) Submit to the CFAO a description of any cost accounting practice change as outlined in paragraphs (b)(1) through (3) of this clause (including revisions to the Disclosure Statement, if applicable), and any written statement that the cost impact of the change is immaterial. If a change in cost accounting practice is implemented without submitting the notice required by this paragraph, the CFAO may determine the change to be a failure to follow paragraph (a)(2) of the clause at FAR 52.230-2, Cost Accounting Standards; paragraph (a)(4) of the clause at FAR 52.230- 3, Disclosure and Consistency of Cost Accounting Practices; or paragraph (a)(4) of the clause at FAR 52.230-4, Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns; or paragraph (a)(2) of the clause at FAR 52.230-5, Cost Accounting Standards--Educational Institution.

(1) When a description has been submitted for a change in cost accounting practice that is dependent on a contact award and that contract is subsequently awarded, notify the CFAO within 15 days after such award.

(2) For any change in cost accounting practice not covered by (b)(1) of this clause that is required in accordance with paragraphs (a)(3) and (a)(4)(i) of the clause at FAR 52.230-2; or paragraphs (a)(3), (a)(4)(i), or (a)(4)(iv) of the clause at FAR 52.230-5; submit a description of the change to the CFAO not less than 60 days (or such other date as may be mutually agreed to by the CFAO and the Contractor) before implementation of the change.

(3) For any change in cost accounting practices proposed in accordance with paragraph (a)(4)(ii) or (iii) of the clauses at FAR 52.230-2 and FAR 52.230-5; or with paragraph (a)(3) of the clauses at FAR 52.230-3 and 52.230-4, submit a description of the change not less than 60 days (or such other date as may be mutually agreed to by the CFAO and the Contractor) before implementation of the change. If the change includes a proposed retroactive date submit supporting rationale.

(4) Submit a description of the change necessary to correct a failure to comply with an applicable CAS or to follow a disclosed practice (as contemplated by paragraph (a)(5) of the clause at FAR 52.230-2 and FAR 52.230-5; or by paragraph (a)(4) of the clause at FAR 52.230-3 and FAR 52.230-4)—

(i) Within 60 days (or such other date as may be mutually agreed to by the CFAO and the Contractor) after the date of agreement with the CFAO that there is a noncompliance; or

(ii) In the event of Contractor disagreement, within 60 days after the CFAO notifies the Contractor of the determination of noncompliance.

(c) When requested by the CFAO, submit on or before a date specified by the CFAO-

(1) A general dollar magnitude (GDM) proposal in accordance with paragraph (d) or (g) of this clause. The Contractor may submit a detailed cost-impact (DCI) proposal in lieu of the requested GDM proposal provided the DCI proposal is in accordance with paragraph (e) or (h) of this clause;

(2) A detailed cost-impact (DCI) proposal in accordance with paragraph (e) or (h) of this clause;

(3) For any request for a desirable change that is based on the criteria in FAR 30.603-2(b)(3)(ii), the data necessary to demonstrate the required cost savings; and

(4) For any request for a desirable change that is based on criteria other than that in FAR 30.603-2(b)(3)(ii), a GDM proposal and any other data necessary for the CFAO to determine if the change is a desirable change.

(d) For any change in cost accounting practice subject to paragraph (b)(1), (b)(2), or (b)(3) of this clause, the GDM proposal shall--

(1) Calculate the cost impact in accordance with paragraph (f) of this clause;

(2) Use one or more of the following methods to determine the increase or decrease in cost accumulations:

(i) A representative sample of affected CAS-covered contracts and subcontracts.

(ii) The change in indirect rates multiplied by the total estimated base computed for each of the following groups:

(A) Fixed-price contracts and subcontracts.

(B) Flexibly-priced contracts and subcontracts.

(iii) Any other method that provides a reasonable approximation of the total increase or decrease in cost accumulations for all affected fixed-price and flexibly-priced contracts and subcontracts;

(3) Use a format acceptable to the CFAO but, as a minimum, include the following data:

(i) The estimated increase or decrease in cost accumulations by Executive agency, including any impact the change may have on contract and subcontract incentives, fees, and profits, for each of the following groups:

(A) Fixed-price contracts and subcontracts.

(B) Flexibly-priced contracts and subcontracts.

(ii) For unilateral changes, the increased or decreased costs to the Government for each of the following groups:

(A) Fixed-price contracts and subcontracts.

(B) Flexibly-priced contracts and subcontracts; and

(4) When requested by the CFAO, identify all affected CAS- covered contracts and subcontracts.

(e) For any change in cost accounting practice subject to paragraph (b)(1), (b)(2), or (b)(3) of this clause, the DCI proposal shall--

(1) Show the calculation of the cost impact in accordance with paragraph (f) of this clause;

(2) Show the estimated increase or decrease in cost accumulations for each affected CAS-covered contract and subcontract unless the CFAO and Contractor agree to include--

(i) Only those affected CAS-covered contracts and subcontracts having an estimate to complete exceeding a specified amount; and

(ii) An estimate of the total increase or decrease in cost accumulations for all affected CAS-covered contracts and subcontracts, using the results in paragraph (e)(2)(i) of this clause;

(3) Use a format acceptable to the CFAO but, as a minimum, include the information in paragraph (d)(3) of this clause; and

(4) When requested by the CFAO, identify all affected CAS- covered contracts and subcontracts.

(f) For GDM and DCI proposals that are subject to the requirements of paragraph (d) or (e) of this clause, calculate the cost impact as follows:

(1) The cost impact calculation shall include all affected CAS- covered contracts and subcontracts regardless of their status (*i.e.*, open or closed) or the fiscal year in which the costs were incurred (*i.e.*, whether or not the final indirect rates have been established).

(2) For unilateral changes--

(i) Determine the increased or decreased cost to the Government for flexibly-priced contracts and subcontracts as follows:

(A) When the estimated cost to complete using the changed practice exceeds the estimated cost to complete using the current practice, the difference is increased cost to the Government.

(B) When the estimated cost to complete using the changed practice is less than the estimated cost to complete using the current practice, the difference is decreased cost to the Government;

(ii) Determine the increased or decreased cost to the Government for fixed-priced contracts and subcontracts as follows:

(A) When the estimated cost to complete using the changed practice is less than the estimated cost to complete using the current practice, the difference is increased cost to the Government.

(B) When the estimated cost to complete using the changed practice exceeds the estimated cost to complete using the

current practice, the difference is decreased cost to the Government;

(iii) Calculate the total increase or decrease in contract and subcontract incentives, fees, and profits associated with the increased or decreased costs to the Government in accordance with 48 CFR 9903.306(c). The associated increase or decrease is based on the difference between the negotiated incentives, fees, and profits and the amounts that would have been negotiated had the cost impact been known at the time the contracts and subcontracts were negotiated; and

(iv) Calculate the increased cost to the Government in the aggregate.

(3) For equitable adjustments for required or desirable changes--

(i) Estimated increased cost accumulations are the basis for increasing contract prices, target prices and cost ceilings; and

(ii) Estimated decreased cost accumulations are the basis for decreasing contract prices, target prices and cost ceilings.

(g) For any noncompliant cost accounting practice subject to paragraph (b)(4) of this clause, prepare the GDM proposal as follows:

(1) Calculate the cost impact in accordance with paragraph (i) of this clause.

(2) Use one or more of the following methods to determine the increase or decrease in contract and subcontract prices or cost accumulations, as applicable:

(i) A representative sample of affected CAS-covered contracts and subcontracts.

(ii) When the noncompliance involves cost accumulation the change in indirect rates multiplied by the applicable base for only flexibly-priced contracts and subcontracts.

(iii) Any other method that provides a reasonable approximation of the total increase or decrease.

(3) Use a format acceptable to the CFAO but, as a minimum, include the following data:

(i) The total increase or decrease in contract and subcontract price and cost accumulations, as applicable, by Executive agency, including

any impact the noncompliance may have on contract and subcontract incentives, fees, and profits, for each of the following groups:

(A) Fixed-price contracts and subcontracts.

(B) Flexibly-priced contracts and subcontracts.

(ii) The increased or decreased cost to the Government for each of the following groups:

(A) Fixed-price contracts and subcontracts.

(B) Flexibly-priced contracts and subcontracts.

(iii) The total overpayments and underpayments made by the Government during the period of noncompliance.

(4) When requested by the CFAO, identify all CAS-covered contracts and subcontracts.

(h) For any noncompliant practice subject to paragraph (b)(4) of this clause, prepare the DCI proposal as follows:

(1) Calculate the cost impact in accordance with paragraph (i) of this clause.

(2) Show the increase or decrease in price and cost accumulations for each affected CAS-covered contract and subcontract unless the CFAO and Contractor agree to--

(i) Include only those affected CAS-covered contracts and subcontracts having--

(A) Contract and subcontract values exceeding a specified amount when the noncompliance involves estimating costs; and

(B) Incurred costs exceeding a specified amount when the noncompliance involves accumulating costs; and

(ii) Estimate the total increase or decrease in price and cost accumulations for all affected CAS-covered contracts and subcontracts using the results in paragraph (h)(2)(i) of this clause.

(3) Use a format acceptable to the CFAO that, as a minimum, include the information in paragraph (g)(3) of this clause.

(4) When requested by the CFAO, identify all CAS-covered contracts and subcontracts.

(i) For GDM and DCI proposals that are subject to the requirements of paragraph (g) or (h) of this clause, calculate the cost impact as follows:

(1) The cost impact calculation shall include all affected CAS- covered contracts and subcontracts regardless of their status (*i.e.*, open or closed) or the fiscal year in which the costs are incurred (*i.e.*, whether or not the final indirect rates have been established).

(2) For noncompliances that involve estimating costs, determine the increased or decreased cost to the Government for fixed-price contracts and subcontracts as follows:

(i) When the negotiated contract or subcontract price exceeds what the negotiated price would have been had the Contractor used a compliant practice, the difference is increased cost to the Government.

(ii) When the negotiated contract or subcontract price is less than what the negotiated price would have been had the Contractor used a compliant practice, the difference is decreased cost to the Government.

(3) For noncompliances that involve accumulating costs, determine the increased or decreased cost to the Government for flexibly-priced contracts and subcontracts as follows:

(i) When the costs that were accumulated under the noncompliant practice exceed the costs that would have been accumulated using a compliant practice (from the time the noncompliant practice was first implemented until the date the noncompliant practice was replaced with a compliant practice), the difference is increased cost to the Government.

(ii) When the costs that were accumulated under the noncompliant practice are less than the costs that would have been accumulated using a compliant practice (from the time the noncompliant practice was first implemented until the date the noncompliant practice was replaced with a compliant practice), the difference is decreased cost to the Government.

(4) Calculate the total increase or decrease in contract and subcontracts incentives, fees, and profits associated with the increased or decreased cost to the Government in accordance with 48 CFR 9903.306(c). The

associated increase or decrease is based on the difference between the negotiated incentives, fees, and profits and the amounts that would have been negotiated had the Contractor used a compliant practice.

(5) Calculate the increased cost to the Government in the aggregate.

(j) If the Contractor does not submit the information required by paragraph (b) or (c) of this clause within the specified time, or any extension granted by the CFAO, the CFAO may take one or both of the following actions:

(1) Withhold an amount not to exceed 10 percent of each subsequent amount payment to the Contractor's affected CAS-covered contracts, (up to the estimated general dollar magnitude of the cost impact), until such time as the Contractor provides the required information to the CFAO.

(2) Issue a final decision in accordance with FAR 33.211 and unilaterally adjust the contract(s) by the estimated amount of the cost impact.

(k) Agree to—

(1) Contract modifications to reflect adjustments required in accordance with paragraph (a)(4)(ii) or (a)(5) of the clauses at FAR 52.230-2 and 52.230-5; or with paragraph (a)(3)(i) or (a)(4) of the clause at FAR 52.230-3 and FAR 52.230-4; and

(2) Repay the Government for any aggregate increased cost paid to the Contractor.

(l) For all subcontracts subject to the clauses at FAR 52.230-2, 52.230-3, 52.230-4, or 52.230-5—

(1) So state in the body of the subcontract, in the letter of award, or in both (do not use self-deleting clauses);

(2) Include the substance of this clause in all negotiated subcontracts; and

(3) Within 30 days after award of the subcontract, submit the following information to the Contractor's CFAO:

(i) Subcontractor's name and subcontract number.

(ii) Dollar amount and date of award.

(iii) Name of Contractor making the award.

(m) Notify the CFAO in writing of any adjustments required to subcontracts under this contract and agree to an adjustment to this contract price or estimated cost and fee. The Contractor shall—

(1) Provide this notice within 30 days after the Contractor receives the proposed subcontract adjustments; and

(2) Include a proposal for adjusting the higher-tier subcontract or the contract appropriately.

(n) For subcontracts containing the clause or substance of the clause at FAR 52.230-2, FAR 52.230-3, FAR 52.230-4, or FAR 52.230-5, require the subcontractor to comply with all Standards in effect on the date of award or of final agreement on price, as shown on the subcontractor's signed Certificate of Current Cost or Pricing Data, whichever is earlier.

(End of clause)
[M779]

I–83 FAR 52.232-17 Interest (May 2014)

(a) Except as otherwise provided in this contract under a Price Reduction for Defective Certified Cost or Pricing Data clause or a Cost Accounting Standards clause, all amounts that become payable by the Contractor to the Government under this contract shall bear simple interest from the date due until paid unless paid within 30 days of becoming due. The interest rate shall be the interest rate established by the Secretary of the Treasury as provided in 41 U.S.C. 7109, which is applicable to the period in which the amount becomes due, as provided in paragraph (e) of this clause, and then at the rate applicable for each six-month period as fixed by the Secretary until the amount is paid.

(b) The Government may issue a demand for payment to the Contractor upon finding a debt is due under the contract.

(c) Final Decisions. The Contracting Officer will issue a final decision as required by 33.211 if—

(1) The Contracting Officer and the Contractor are unable to reach agreement on the existence or amount of a debt in a timely manner;

(2) The Contractor fails to liquidate a debt previously demanded by the Contracting Officer within the timeline specified in the demand for payment unless the amounts were not repaid because the Contractor has requested an installment payment agreement; or

(3) The Contractor requests a deferment of collection on a debt previously demanded by the Contracting Officer (see 32.607-2).

(d) If a demand for payment was previously issued for the debt, the demand for payment included in the final decision shall identify the same due date as the original demand for payment.

(e) Amounts shall be due at the earliest of the following dates:

(1) The date fixed under this contract.

(2) The date of the first written demand for payment, including any demand for payment resulting from a default termination.

(f) The interest charge shall be computed for the actual number of calendar days involved beginning on the due date and ending on—

(1) The date on which the designated office receives payment from the Contractor;

(2) The date of issuance of a Government check to the Contractor from which an amount otherwise payable has been withheld as a credit against the contract debt; or

(3) The date on which an amount withheld and applied to the contract debt would otherwise have become payable to the Contractor.

(g) The interest charge made under this clause may be reduced under the procedures prescribed in 32.608-2 of the Federal Acquisition Regulation in effect on the date of this contract.

(End of clause)
[M1025]

I–84 FAR 52.232-24 Prohibition of Assignment of Claims (May 2014)

The assignment of claims under the Assignment of Claims Act of 1940 "31 U.S.C. 3727, 41 U.S.C. 6305" is prohibited for this contract.

(End of clause)
[M1025]

I–85 FAR 52.232-39 Unenforceability of Unauthorized Obligations (Jun 2013)

(a) Except as stated in paragraph (b) of this clause, when any supply or service acquired under this contract is subject to any End User License Agreement (EULA), Terms of Service (TOS), or similar legal instrument or agreement, that includes any clause requiring the Government to indemnify the Contractor or any person or entity for damages, costs, fees, or any other loss or liability that would create an Anti-Deficiency Act violation (31 U.S.C. 1341), the following shall govern:

(1) Any such clause is unenforceable against the Government.

(2) Neither the Government nor any Government authorized end user shall be deemed to have agreed to such clause by virtue of it appearing in the EULA, TOS, or similar legal instrument or agreement. If the EULA, TOS, or similar legal instrument or agreement is invoked through an "I agree" click box or other comparable mechanism (e.g., "click-wrap" or "browse-wrap" agreements), execution does not bind the Government or any Government authorized end user to such clause.

(3) Any such clause is deemed to be stricken from the EULA, TOS, or similar legal instrument or agreement.

(b) Paragraph (a) of this clause does not apply to indemnification by the Government that is expressly authorized by statute and specifically authorized under applicable agency regulation and procedures.

(End of clause)
[M1067]

I–86 FAR 52.232-40 Providing Accelerated Payments to Small Business Subcontractors (Mar 2023)

(a) [(1) In accordance with 31 U.S.C. 3903 and 10 U.S.C. 3801, within 15 days after receipt of accelerated payments from the Government, the Contractor shall make accelerated payments to its small business subcontractors under this contract, to the maximum extent practicable and prior to when such payment is otherwise required under the applicable contract or subcontract, after receipt of a proper invoice and all other required documentation from the small business subcontractor.

(2) The Contractor agrees to make such payments to its small business subcontractors without any further consideration from or fees charged to the subcontractor.

(b) The acceleration of payments under this clause does not provide any new rights under the Prompt Payment Act.

(c) Include the substance of this clause, including this paragraph (c), in all subcontracts with small business concerns, including subcontracts with small business concerns for the acquisition of commercial products or commercial services.

(End of Clause)
[1485]

I–87 FAR 52.233-1 Disputes (May 2014) Alternate I (Dec 1991)

(a) This contract is subject to 41 U.S.C. chapter 71, Contract Disputes.

(b) Except as provided in 41 U.S.C. chapter 71, all disputes arising under or relating to this contract shall be resolved under this clause.

(c) "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. However, a written demand or written assertion by the Contractor seeking the payment of money exceeding $100,000 is not a claim under 41 U.S.C. chapter 71 until certified. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under 41 U.S.C. chapter 71. The submission may be converted to a claim under 41 U.S.C. chapter 71, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

(d)

(1) A claim by the Contractor shall be made in writing and, unless otherwise stated in this contract, submitted within 6 years after accrual of the claim to the Contracting Officer for a written decision. A claim by the Government against the Contractor shall be subject to a written decision by the Contracting Officer.

(2)

(i) The contractor shall provide the certification specified in paragraph (d)(2)(iii) of this clause when submitting any claim exceeding $100,000.

(ii) The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

(iii) The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable; and that I am authorized to certify the claim on behalf of the Contractor."

(3) The certification may be executed by any person authorized to bind the Contractor with respect to the claim.

(e) For Contractor claims of $100,000 or less, the Contracting Officer must, if requested in writing by the Contractor, render a decision within 60 days of the request. For Contractor-certified claims over $100,000, the Contracting Officer must, within 60 days, decide the claim or notify the Contractor of the date by which the decision will be made.

(f) The Contracting Officer's decision shall be final unless the Contractor appeals or files a suit as provided in 41 U.S.C. chapter 71.

(g) If the claim by the Contractor is submitted to the Contracting Officer or a claim by the Government is presented to the Contractor, the parties, by mutual consent, may agree to use alternative dispute resolution (ADR). If the Contractor refuses an offer for ADR, the Contractor shall inform the Contracting Officer, in writing, of the Contractor's specific reasons for rejecting the offer.

(h) The Government shall pay interest on the amount found due and unpaid from

(1) the date that the Contracting Officer receives the claim (certified, if required); or

(2) the date that payment otherwise would be due, if that date is later, until the date of payment.

With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Contracting Officer initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the Contracting Officer receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

(i) ***The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under or relating to the contract, and comply with any decision of the Contracting Officer.***

(End of Clause)
[M1067]

I–88 FAR 52.233-3 Protest After Award (Aug 1996) Alternate I (Jun 1985)

(a) Upon receipt of a notice of protest (as defined in FAR 33.101) or a determination that a protest is likely (see FAR 33.102(d)), the Contracting Officer may, by written order to the Contractor, direct the Contractor to stop performance of the work called for by this contract. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Upon receipt of the final decision in the protest, the Contracting Officer shall either --

(1) Cancel the stop-work order; or

(2) Terminate the work covered by the order as provided in ***the Termination clause of this contract.***

(b) If a stop-work order issued under this clause is canceled either before or after a final decision in the protest, the Contractor shall resume work. The Contracting Officer shall make ***an equitable adjustment in the delivery schedule, the estimated cost, the fee, or a combination thereof, and in any other terms of the contract that may be affected,*** and the contract shall be modified, in writing, accordingly, if --

(1) The stop-work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this contract; and

(2) The Contractor asserts its right to an adjustment within 30 days after the end of the period of work stoppage; provided, that if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon a proposal at any time before final payment under this contract.

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

(d) If a stop-work order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

(e) The Government's rights to terminate this contract at any time are not affected by action taken under this clause.

(f) If, as the result of the Contractor's intentional or negligent misstatement, misrepresentation, or miscertification, a protest related to this contract is sustained, and the Government pays costs, as provided in FAR 33.102(b)(2) or 33.104(h)(1), the Government may require the Contractor to reimburse the Government the amount of such costs. In addition to any other remedy available, and pursuant to the requirements of Subpart 32.6, the Government may collect this debt by offsetting the amount against any payment due the Contractor under any contract between the Contractor and the Government.

(End of Clause)

I–89 FAR 52.233-4 Applicable Law for Breach of Contract Claim (OCT 2004)

United States law will apply to resolve any claim of breach of this contract.

(End of Clause)
[M1067]

I–90 FAR 52.236-8 Other Contracts (Apr 1984)

The Government may undertake or award other contracts for additional work at or near the site of the work under this contract. The Contractor shall fully cooperate with the other Contractors and with Government employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other Contractor or by Government employees.

(End of Clause)

I–91 FAR 52.237-3 Continuity of Services (Jan 1991)

(a) The Contractor recognizes that the services under this contract are vital to the Government and must be continued without interruption and that, upon contract expiration, a successor, either the Government or another Contractor, may continue them. The Contractor agrees to --

(1) Furnish phase-in training; and

(2) Exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

(b) The Contractor shall, upon the Contracting Officer's written notice,

(1) furnish phase-in, phase-out services for up to 90 days after this contract expires and

(2) negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required.

The plan shall specify a training program and a date for transferring responsibilities for each division of work described in the plan, and shall be subject to the Contracting Officer's approval. The Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this contract are maintained at the required level of proficiency.

(c) The Contractor shall allow as many personnel as practicable to remain on the job to help the successor maintain the continuity and consistency of the services required by this contract. The Contractor also shall disclose necessary personnel records and allow the successor to conduct on-site interviews with these employees. If selected employees are agreeable to the change, the Contractor shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor.

(d) The Contractor shall be reimbursed for all reasonable phase-in, phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations) and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this contract.

(End of Clause)

I–92 FAR 52.242-1 Notice of Intent to Disallow Costs (Apr 1984)

(a) Notwithstanding any other clause of this contract --

(1) The Contracting Officer may at any time issue to the Contractor a written notice of intent to disallow specified costs incurred or planned for incurrence under this contract that have been determined not to be allowable under the contract terms; and

(2) The Contractor may, after receiving a notice under subparagraph (1) above, submit a written response to the Contracting Officer, with justification for allowance of the costs. If the Contractor does respond within 60 days, the Contracting Officer shall, within 60 days of receiving the response, either make a written withdrawal of the notice or issue a written decision.

(b) Failure to issue a notice under this Notice of Intent to Disallow Costs clause shall not affect the Government's rights to take exception to incurred costs.

(End of Clause)

I–93 FAR 52.242-3 Penalties for Unallowable Costs (Sep 2021) (Deviation) (PF 2022-23) (Dec 2022)

(a) Definition. *Proposal*, as used in this clause, means either—

(1) A final indirect cost rate proposal submitted by the Contractor after the expiration of its fiscal year which-

(i) Relates to any payment made on the basis of billing rates; or

(ii) Will be used in negotiating the final contract price; or

(2) The final statement of costs incurred and estimated to be incurred under the Incentive Price Revision clause (if applicable), which is used to establish the final contract price.

(b) Contractors which include unallowable indirect costs in a proposal may be subject to penalties. The penalties are prescribed in 10 U.S.C.3748 or 41

U.S.C.chapter 43, as applicable, which is implemented in Section 42.709 of the Federal Acquisition Regulation (FAR).

(c) The Contractor shall not include in any proposal any cost that is unallowable, as defined in subpart 2.1 of the FAR, or an executive agency supplement to the FAR.

(d) If the Contracting Officer determines that a cost submitted by the Contractor in its proposal is expressly unallowable under a cost principle in the FAR, or an executive agency supplement to the FAR, that defines the allowability of specific selected costs, the Contractor shall be assessed a penalty equal to–

(1) The amount of the disallowed cost allocated to this contract; plus

(2) Simple interest, to be computed-

(i) On the amount the Contractor was paid (whether as a progress or billing payment) in excess of the amount to which the Contractor was entitled; and

(ii) Using the applicable rate effective for each six-month interval prescribed by the Secretary of the Treasury pursuant to Pub.L.92-41 (85 Stat.97).

(e) If the Contracting Officer determines that a cost submitted by the Contractor in its proposal includes a cost previously determined to be unallowable for that Contractor, then the Contractor will be assessed a penalty in an amount equal to two times the amount of the disallowed cost allocated to this contract.

(f) Determinations under paragraphs (d) and (e) of this clause are final decisions within the meaning of 41 U.S.C. chapter 71, Contract Disputes.

(g) Pursuant to the criteria in FAR 42.709-6, the Contracting Officer may waive the penalties in paragraph (d) or (e) of this clause.

(h) Payment by the Contractor of any penalty assessed under this clause does not constitute repayment to the Government of any unallowable cost which has been paid by the Government to the Contractor.

(End of clause)
[**M1453**]

I–94 FAR 52.242-4 Certification of Final Indirect Costs (Jan 1997) (Deviation) (PF 2022- 23) (OCT 2021)

(a) The Contractor shall-

(1) Certify any proposal to establish or modify final indirect cost rates;

(2) Use the format in paragraph (c) of this clause to certify; and

(3) Have the certificate signed by an individual of the Contractor's organization at a level no lower than a vice president or chief financial officer of the business segment of the Contractor that submits the proposal.

(b) Failure by the Contractor to submit a signed certificate, as described in this clause, may result in final indirect costs at rates unilaterally established by the Contracting Officer.

(c) The certificate of final indirect costs shall read as follows:

Certificate of Final Indirect Costs

This is to certify that I have reviewed this proposal to establish final indirect cost rates and to the best of my knowledge and belief:

1. All costs included in this proposal (identify proposal and date) to establish final indirect cost rates for (identify period covered by rate) are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to the contracts to which the final indirect cost rates will apply; and

2. This proposal does not include any costs which are expressly unallowable under applicable cost principles of the FAR or its supplements.

Firm: _____

Signature: _____

Name of Certifying Official: _____

Title: _____

Date of Execution: _____

(End of clause)
[M1382]

I–95 FAR 52.242-5 Payments to Small Business Subcontractors (Jan 2017)

(a) *Definitions*. As used in this clause-

Reduced payment means a payment that is for less than the amount agreed upon in a subcontract in accordance with its terms and conditions, for supplies and services for which the Government has paid the prime contractor.

Untimely payment means a payment that is more than 90 days past due under the terms and conditions of a subcontract, for supplies and services for which the Government has paid the prime contractor.

(b) *Notice*. The Contractor shall notify the Contracting Officer, in writing, not later than 14 days after-

(1) A small business subcontractor was entitled to payment under the terms and conditions of the subcontract; and

(2) The Contractor-

(i) Made a reduced or untimely payment to the small business subcontractor; or

(ii) Failed to make a payment, which is now untimely.

(c) *Content of notice*. The Contractor shall include the reason(s) for making the reduced or untimely payment in any notice required under paragraph (b) of this clause.

(End of clause)
[**M1414**]

I–96 FAR 52.242-13 Bankruptcy (Jul 1995)

In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish, by certified mail or electronic commerce method authorized by the contract, written notification of the bankruptcy to the Contracting Officer responsible for administering the contract. This notification shall be furnished within five days of the initiation of the proceedings relating to bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of Government contract numbers and contracting offices for all Government contracts against which final payment has not been made. This obligation remains in effect until final payment under this contract.

(End of Clause)

I–97 FAR 52.244-5 Competition in Subcontracting (Aug 2024)

(a) The Contractor shall select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the contract.

(b) If the Contractor is an approved mentor under the DoD Mentor-Protégé Program (10 U.S.C. 4902), the Contractor may award subcontracts under this contract on a noncompetitive basis to its protégés.

(End of Clause)
[1582]

I–98 FAR 52.244-6 Subcontracts for Commercial Products and Commercial Services (Feb 2024)

(a) (a) *Definitions.* As used in this clause—

Commercial product, commercial service and *commercially available off-the-shelf item* have the meanings contained in Federal Acquisition Regulation (FAR) 2.101.

Subcontract includes a transfer of commercial products or commercial services between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

(b) (b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial products, commercial services, or non-developmental items as components of items to be supplied under this contract.

(c) (c)

(1) (1) The Contractor shall insert the following clauses in subcontracts for commercial products or commercial services:

(i) (i) 52.203-13, Contractor Code of Business Ethics and Conduct (NOV 2021) (41 U.S.C. 3509), if the subcontract exceeds the threshold specified in FAR 3.1004(a) on the date of subcontract award, and has a performance period of more than 120 days. In altering this clause to identify the appropriate parties, all disclosures of violation of the civil False Claims Act or of Federal criminal law shall be directed to the agency Office of the Inspector General, with a copy to the Contracting Officer.

(ii) (ii) 52.203-15, Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (JUN 2010) (Section 1553 of Pub. L. 111-5), if the subcontract is funded under the Recovery Act.

(iii) (iii) 52.203-17, Contractor Employee Whistleblower Rights (Nov 2023) (41 U.S.C. 4712); this clause does not apply to contracts of DoD, NASA, the Coast Guard, or applicable elements of the intelligence community—see FAR 3.900(a)

(iv) (iv) 52.203-19, Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (JAN 2017).

(v) (v) 52.204-21, Basic Safeguarding of Covered Contractor Information Systems (NOV 2021) , other than subcontracts for commercially available off-the-shelf items, if

flow down is required in accordance with paragraph (c) of FAR clause 52.204-21.

(vi) (vi) 52.204-23, Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab Covered Entities (DEC 2023) (Section 1634 of Pub. L. 115-91).

(vii) (vii) 52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment. (NOV 2021) (Section 889(a)(1)(A) of Pub. L. 115-232).

(viii) Reserved

(A) (ix) (A) 52.204–30, Federal Acquisition Supply Chain Security Act Orders—Prohibition. (Dec 2023) (Pub. L. 115–390, title II).

(B) (B) Alternate I (Dec 2023) of 52.204–30.

(viii) (x) 52.219-8, Utilization of Small Business Concerns (FEB 2024) (15 U.S.C.637(d)(2) and (3)), if the subcontract offers further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds the applicable threshold specified in FAR 19.702(a) on the date of subcontract award, the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(ix) (xi) 52.222-21, *Prohibition* of Segregated Facilities (APR 2015).

(x) (xii) 52.222-26, Equal Opportunity (*Sept* 2016) (E.O.11246).

(xi) (xiii) 52.222-35, Equal Opportunity for Veterans (JUN 2020) (38 U.S.C.4212(a));

(xii) (xiv) 52.222-36, Equal Opportunity for Workers with Disabilities (JUN 2020)(29 U.S.C.793).

(xiii) (xv) 52.222-37, Employment Reports on Veterans (JUN 2020) (38 U.S.C.4212).

(xiv) (xvi) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (DEC 2010) (E.O. 13496), if flow down is required in accordance with paragraph (f) of FAR clause 52.222-40.

(xv) (xvii)

(A) (A) 52.222-50, Combating Trafficking in Persons (NOV 2021) (22 U.S.C. chapter 78 and E.O. 13627).

(B) (B) Alternate I (MAR 2015) of 52.222-50(22 U.S.C. chapter 78 and E.O. 13627).

(xvi) (xviii) 52.222-55, Minimum Wages for Contractor Workers under Executive Order 14026 (JAN 2022), if flow down is required in accordance with paragraph (k) of FAR clause 52.222-55.

(xvii) (xix) 52.222-62, Paid Sick Leave Under Executive Order 13706 (JAN 2022) (E.O. 13706), if flow down is required in accordance with paragraph (m) of FAR clause 52.222-62.

(xviii) (xx)

(A) (A) 52.224-3, Privacy Training (JAN 2017) (5 U.S.C. 552a) if flow down is required in accordance with 52.224-3(f).

(B) (B) Alternate I (JAN 2017) of 52.224-3, if flow down is required in accordance with 52.224-3(f) and the agency specifies that only its agency-provided training is acceptable).

(xix) (xxi) 52.225-26, Contractors Performing Private Security Functions Outside the United States (OCT 2016) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; 10 U.S.C. Subtitle A, Part V, Subpart G Note).

(xx) (xxii) 52.232-40, Providing Accelerated Payments to Small Business Subcontractors (MAR 2023) , if flow down is required in accordance with paragraph (c) of FAR clause 52.232-40.

(xxi) (xxiii) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (NOV 2021) (46 U.S.C. 55305 and 10 U.S.C.2631), if flow down is required in accordance with paragraph (d) of FAR clause 52.247-64).

(xxii) FAR 52.222-90, Addressing DEI Discrimination by Federal Contractors (DEVIATION APR 2026)

(2) (2) While not required, the Contractor may flow down to subcontracts for commercial products or commercial services a minimal number of additional clauses necessary to satisfy its contractual obligations.

(d) (d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

(End of Clause)
[1582]

I–99 FAR 52.246-26 Reporting Nonconforming Items (Aug 2024)

(a) *Definitions.* As used in this clause—

Common item means an item that has multiple applications versus a single or peculiar application.

Counterfeit item means an unlawful or unauthorized reproduction, substitution, or alteration that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified item from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used items represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.

Critical item means an item, the failure of which is likely to result in hazardous or unsafe conditions for individuals using, maintaining, or depending upon the item; or is likely to prevent performance of a vital agency mission.

Critical nonconformance means a nonconformance that is likely to result in hazardous or unsafe conditions for individuals using, maintaining, or depending upon the supplies or services; or is likely to prevent performance of a vital agency mission.

Design activity means an organization, Government or contractor, that has responsibility for the design and configuration of an item, including the preparation or maintenance of design documents. Design activity could be the original organization, or an organization to which design responsibility has been transferred.

Major nonconformance means a nonconformance, other than critical, that is likely to result in failure of the supplies or services, or to materially reduce the usability of the supplies or services for their intended purpose.

Suspect counterfeit item means an item for which credible evidence (including but not limited to, visual inspection or testing) provides reasonable doubt that the item is authentic.

(b) The Contractor shall—

(1) Screen Government-Industry Data Exchange Program (GIDEP) reports, available at www.gidep.org, as a part of the Contractor's inspection system or program for the control of quality, to avoid the use and delivery of counterfeit or suspect counterfeit items or delivery of items that contain a major or critical nonconformance. This requirement does not apply if the Contractor is a foreign corporation or partnership that does not have an office, place of business, or fiscal paying agent in the United States;

(2) Provide written notification to the Contracting Officer within 60 days of becoming aware or having reason to suspect, such as through inspection, testing, record review, or notification from another source (*e.g.*, seller, customer, third party) that any end item, component, subassembly, part, or material contained in supplies purchased by

the Contractor for delivery to, or for, the Government is counterfeit or suspect counterfeit;

(3) Retain counterfeit or suspect counterfeit items in its possession at the time of discovery until disposition instructions have been provided by the Contracting Officer; and

(4) Except as provided in paragraph (c) of this clause, submit a report to GIDEP at www.gidep.org within 60 days of becoming aware or having reason to suspect, such as through inspection, testing, record review, or notification from another source (*e.g.*, seller, customer, third party) that an item purchased by the Contractor for delivery to, or for, the Government is–

(i) A counterfeit or suspect counterfeit item; or

(ii) A common item that has a major or critical nonconformance.

(c) The Contractor shall not submit a report as required by paragraph (b)(4) of this clause, if—

(1) The Contractor is a foreign corporation or partnership that does not have an office, place of business, or fiscal paying agent in the United States;

(2) The Contractor is aware that the counterfeit, suspect counterfeit, or nonconforming item is the subject of an on-going criminal investigation, unless the report is approved by the cognizant law-enforcement agency; or

(3) For nonconforming items other than counterfeit or suspect counterfeit items, it can be confirmed that the organization where the defect was generated (*e.g.*, original component manufacturer, original equipment manufacturer, aftermarket manufacturer, or distributor that alters item properties or configuration) has not released the item to more than one customer.

(d) Reports submitted in accordance with paragraph (b)(4) of this clause shall not include—

(1) Trade secrets or confidential commercial or financial information protected under the Trade Secrets Act (18 U.S.C. 1905); or

(2) Any other information prohibited from disclosure by statute or regulation.

(e) Additional guidance on the use of GIDEP is provided at https://www.gidep.org/login?returnUrl=%2Fdashboard.

(f) If this is a contract with the Department of Defense, as provided in paragraph (c)(5) of section 818 of the National Defense Authorization Act for Fiscal Year 2012

(Pub. L. 112-81), the Contractor or subcontractor that provides a written report or notification under this clause that the end item, component, part, or material contained electronic parts (*i.e.*, an integrated circuit, a discrete electronic component (including, but not limited to, a transistor, capacitor, resistor, or diode), or a circuit assembly)) that are counterfeit electronic parts or suspect counterfeit electronic parts shall not be subject to civil liability on the basis of such reporting, provided that the Contractor or any subcontractor made a reasonable effort to determine that the report was factual.

(g) Subcontracts.

(1) Except as provided in paragraph (g)(2) of this clause, the Contractor shall insert this clause, including this paragraph (g), in subcontracts that are for–

(i) Items subject to higher-level quality standards in accordance with the clause at Federal Acquisition Regulation (FAR) 52.246-11, Higher-Level Contract Quality Requirement;

(ii) Items that the Contractor determines to be critical items for which use of the clause is appropriate;

(iii) Electronic parts or end items, components, parts, or materials containing electronic parts, whether or not covered in paragraph (g)(1)(i) or (ii) of this clause, if the subcontract exceeds the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award,and this contract is by, or for, the Department of Defense (as required by paragraph (c)(4) of section 818 of the National Defense Authorization Act for Fiscal Year 2012 (Pub. L. 112-81)); or

(iv) For the acquisition of services, if the subcontractor will furnish, as part of the service, any items that meet the criteria specified in paragraphs (g)(1)(i) through (g)(1)(iii) of this clause.

(2) The Contractor shall not insert the clause in subcontracts for–

(i) Commercial products and commercial services; or

(ii) Medical devices that are subject to the Food and Drug Administration reporting requirements at 21 CFR 803.

(3) The Contractor shall not alter the clause other than to identify the appropriate parties.

(End of clause)

I–100 FAR 52.247-1 Commercial Bill of Lading Notations (Feb 2006)

When the Contracting Officer authorizes supplies to be shipped on a commercial bill of lading and the Contractor will be reimbursed these transportation costs as direct allowable costs, the Contractor shall ensure before shipment is made that the commercial shipping documents are annotated with either of the following notations, as appropriate:

(a) If the Government is shown as the consignor or the consignee, the annotation shall be:

Transportation is for the ***Department of Energy*** and the actual total transportation charges paid to the carrier(s) by the consignor or consignee are assignable to, and shall be reimbursed by, the Government.

(b) If the Government is not shown as the consignor or the consignee, the annotation shall be:

Transportation is for the ***Department of Energy*** and the actual total transportation charges paid to the carrier(s) by the consignor or consignee shall be reimbursed by the Government, pursuant to cost-reimbursement contract No. DE-AC05-76RL01830. This may be confirmed by contacting the U.S. Department of Energy; Pacific Northwest Site Office; P.O. Box 350, K9-42; Richland, Washington, 99352.

(End of Clause)
[M490]

I–101 FAR 52.247-63 Preference for U.S.-Flag Air Carriers (Jun 2003)

(a) *Definitions.* As used in this clause--

"International air transportation" means transportation by air between a place in the United States and a place outside the United States or between two places both of which are outside the United States.

"United States" means the 50 States, the District of Columbia, and outlying areas.

"U.S.-flag air carrier" means an air carrier holding a certificate under 49 U.S.C. Chapter 411.

(b) *Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974* (49 U.S.C. 40118) (Fly America Act) requires that all Federal agencies and Government contractors and subcontractors use U.S.-flag air carriers for U.S. Government-financed international air transportation of personnel (and their personal effects) or property, to the extent that service by those carriers is

available. It requires the Comptroller General of the United States, in the absence of satisfactory proof of the necessity for foreign-flag air transportation, to disallow expenditures from funds, appropriated or otherwise established for the account of the United States, for international air transportation secured aboard a foreign-flag air carrier if a U.S.-flag air carrier is available to provide such services.

(c) If available, the Contractor, in performing work under this contract, shall use U.S.-flag carriers for international air transportation of personnel (and their personal effects) or property.

(d) In the event that the Contractor selects a carrier other than a U.S.-flag air carrier for international air transportation, the Contractor shall include a statement on vouchers involving such transportation essentially as follows:

Statement of Unavailability of U.S.-Flag Air Carriers

International air transportation of persons (and their personal effects) or property by U.S.-flag air carrier was not available or it was necessary to use foreign-flag air carrier service for the following reasons (see section 47.403 of the Federal Acquisition Regulation): *[State reasons]:*

_____

(End of statement)

(e) The Contractor shall include the substance of this clause, including this paragraph (e), in each subcontract or purchase under this contract that may involve international air transportation.

(End of Clause)

I–102 FAR 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006)

(a) Except as provided in paragraph (e) of this clause, the Cargo Preference Act of 1954 (46 U.S.C. Appx 1241(b)) requires that Federal departments and agencies shall transport in privately owned U.S.-flag commercial vessels at least 50 percent of the gross tonnage of equipment, materials, or commodities that may be transported in ocean vessels (computed separately for dry bulk carriers, dry cargo liners, and tankers). Such transportation shall be accomplished when any equipment, materials, or commodities, located within or outside the United States, that may be transported by ocean vessel are --

(1) Acquired for a U.S. Government agency account;

(2) Furnished to, or for the account of, any foreign nation without provision for reimbursement;

(3) Furnished for the account of a foreign nation in connection with which the United States advances funds or credits, or guarantees the convertibility of foreign currencies; or

(4) Acquired with advance of funds, loans, or guaranties made by or on behalf of the United States.

(b) The Contractor shall use privately owned U.S.-flag commercial vessels to ship at least 50 percent of the gross tonnage involved under this contract (computed separately for dry bulk carriers, dry cargo liners, and tankers) whenever shipping any equipment, materials, or commodities under the conditions set forth in paragraph (a) above, to the extent that such vessels are available at rates that are fair and reasonable for privately owned U.S.-flag commercial vessels.

(c)

(1) The Contractor shall submit one legible copy of a rated on-board ocean bill of lading for each shipment to both --

(i) The Contracting Officer, and

(ii) The:

Office of Cargo Preference
Maritime Administration (MAR-590)
400 Seventh Street, SW
Washington, DC 20590

Subcontractor bills of lading shall be submitted through the Prime Contractor.

(2) The Contractor shall furnish these bill of lading copies

(i) within 20 working days of the date of loading for shipments originating in the United States, or

(ii) within 30 working days for shipments originating outside the United States. Each bill of lading copy shall contain the following information:

(A) Sponsoring U.S. Government agency.
(B) Name of vessel.
(C) Vessel flag of registry.
(D) Date of loading.
(E) Port of loading.
(F) Port of final discharge.
(G) Description of commodity.
(H) Gross weight in pounds and cubic feet if available.
(I) Total ocean freight revenue in U.S. dollars.

(d) The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts or purchase orders under this contract, except those described in paragraph (e)(4).

(e) The requirement in paragraph (a) does not apply to --

(1) Cargoes carried in vessels or as required or authorized by law or treaty;

(2) Ocean transportation between foreign countries of supplies purchased with foreign currencies made available, or derived from funds that are made available, under the Foreign Assistance Act of 1961 (22 U.S.C. 2353);

(3) Shipments of classified supplies when the classification prohibits the use of non-Government vessels; and

(4) Subcontracts or purchase orders for the acquisition of commercial items unless—

(i) This contract is—

(A) A contract or agreement for ocean transportation services; or

(B) A construction contract; or

(ii) The supplies being transported are—

(A) Items the Contractor is reselling or distributing to the Government without adding value. (Generally, the Contractor does not add value to the items when it subcontracts items for f.o.b. destination shipment); or

(B) Shipped in direct support of U.S. military—

(1) Contingency operations:

(2) Exercises; or

(3) Forces deployed in connection with United Nations or North Atlantic Treaty Organization humanitarian or peacekeeping operations.

(f) Guidance regarding fair and reasonable rates for privately owned U.S.-flag commercial vessels may be obtained from the:

Office of Costs and Rates
Maritime Administration
400 Seventh Street, SW
Washington, DC 20590
Phone: 202-366-2324.

(End of Clause)
[M490]

I–103 FAR 52.247-67 Submission of Transportation Documents for Audit (Feb 2006)

(a) The Contractor shall submit to the address identified below, for prepayment audit, transportation documents on which the United States will assume freight charges that were paid –

(1) By the Contractor under a cost-reimbursement contract; and

(2) By a first-tier subcontractor under a cost-reimbursement subcontract thereunder.

(b) Cost-reimbursement Contractors shall only submit for audit those bills of lading with freight shipment charges exceeding $100. Bills under $100 shall be retained on-site by the Contractor and made available for on-site audits. This exception only applies to freight shipment bills and is not intended to apply to bills and invoices for any other transportation services.

(c) Contractors shall submit the above referenced transportation documents to—

General Services Administration
Attn: FWA
1800 F Street, NW
Washington, DC 20405

(End of Clause)
[M779]

I–104 FAR 52.249-6 Termination (Cost-Reimbursement) (May 2004) (Modified by DEAR 970.4905-1 (Dec 2000)

(a) The Government may terminate performance of work under this contract in whole or, from time to time, in part, if –

(1) The Contracting Officer determines that a termination is in the Government's interest; or

(2) The Contractor defaults in performing this contract and fails to cure the default within 10 days (unless extended by the Contracting Officer) after receiving a notice specifying the default. "Default" includes failure to make progress in the work so as to endanger performance.

(b) The Contracting Officer shall terminate by delivering to the Contractor a Notice of Termination specifying whether termination is for default of the Contractor or for convenience of the Government, the extent of termination, and the effective date. If, after termination for default, it is determined that the Contractor was not in default or that the Contractor's failure to perform or to make progress in performance is due to causes beyond the control and without the fault or negligence of the Contractor as set forth in the Excusable Delays clause, the rights and obligations of the parties will be the same as if the termination was for the convenience of the Government.

I After receipt of a Notice of Termination, and except as directed by the Contracting Officer, the Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:

(1) Stop work as specified in the notice.

(2) Place no further subcontracts or orders (referred to as subcontracts in this clause), except as necessary to complete the continued portion of the contract.

(3) Terminate all subcontracts to the extent they relate to the work terminated.

(4) Assign to the Government, as directed by the Contracting Officer, all right, title, and interest of the Contractor under the subcontracts terminated, in which case the Government shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.

(5) With approval or ratification to the extent required by the Contracting Officer, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts, the cost of which

would be reimbursable in whole or in part, under this contract; approval or ratification will be final for purposes of this clause.

(6) Transfer title (if not already transferred) and, as directed by the Contracting Officer, deliver to the Governme– --

(i) The fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated;

(ii) The completed or partially completed plans, drawings, information, and other property that, if the contract had been completed, would be required to be furnished to the Government; and

(iii) The jigs, dies, fixtures, and other special tools and tooling acquired or manufactured for this contract, the cost of which the Contractor has been or will be reimbursed under this contract.

(7) Complete performance of the work not terminated.

(8) Take any action that may be necessary, or that the Contracting Officer may direct, for the protection and preservation of the property related to this contract that is in the possession of the Contractor and in which the Government has or may acquire an interest.

(9) Use its best efforts to sell, as directed or authorized by the Contracting Officer, any property of the types referred to in subparagraI(c)(6) of this clause; provided, however, that the Contractor

(i) is not required to extend credit to any purchaser and

(ii) may acquire the property under the conditions prescribed by, and at prices approved by, the Contracting Officer.

The proceeds of any transfer or disposition will be applied to reduce any payments to be made by the Government under this contract, credited to the price or cost of the work, or paid in any other manner directed by the Contracting Officer.

(d) The Contractor shall submit complete termination inventory schedules no later than 120 days from the effective date of termination, unless extended in writing by the Contracting Officer upon written request of the Contractor within this 120-day peId.

(e) After expiration of the plant clearance period as defined in Subpart 49.001 of the Federal Acquisition Regulation, the Contractor may submit to the Contracting Officer a list, certified as to quantity and quality, of termination inventory not previously disposed of, excluding items authorized for disposition by the Contracting Officer. The Contractor may request the Government to remove those items or enter into an agreement for their storage. Within 15 days, the Government will accept the items and remove them or enter into a storage agreement. The Contracting Officer may verify the list upon removal of the items, or if stored, within 45 days from submission of the list, and shall correct the list, as necessary, before final settlement.

(f) After termination, the Contractor shall submit a final termination settlement proposal to the Contracting Officer in the form and with the certification prescribed by the Contracting Officer. The Contractor shall submit the proposal promptly, but no later than 1 year from the effective date of termination, unless extended in writing by the Contracting Officer upon written request of the Contractor within this 1-year period. However, if the Contracting Officer determines that the facts justify it, a termination settlement proposal may be received and acted on after 1 year or any extension. If the Contractor fails to submit the proposal within the time allowed, the Contracting Officer may determine, on the basis of information available, the amount, if any, due the Contractor because of the termination and shall pay the amount determined.

(g) Subject to paragraph (f) of this clause, the Contractor and the Contracting Officer may agree on the whole or any part of the amount to be paid (including an allowance for fee) because of the termination. The contract shall be amended, and the Contractor paid the agreed amount.

(h) If the Contractor and the Contracting Officer fail to agree in whole or in part on the amount of costs and/or fee to be paid because of the termination of work, the Contracting Officer shall determine, on the basis of information available, the amount, if any, due the Contractor, and shall pay that amount, which shall include the following:

(1) All costs reimbursable under this contract, not previously paid, for the performance of this contract before the effective date of the termination, and those costs that may continue for a reasonable time with the approval of or as directed by the Contracting Officer; however, the Contractor shall discontinue those costs as rapidly as practicable.

(2) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subparagraph (h)(1) of this clause.

(3) The reasonable costs of settlement of the work terminated, i–luding --

(i) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;

(ii) The termination and settlement of subcontracts (excluding the amounts of such settlements); and

(iii) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory. If the termination is for default, no amounts for the preparation of the Contractor's termination settlement proposal may be included.

(4) A portion of the fee payable under the contract, determined as follows:

(i) If the contract is terminated for the convenience of the Government, the settlement shall include a percentage of the fee equal to the percentage of completion of work contemplated under the contract, but excluding subcontract effort included in subcontractors' termination proposals, less previous payments for fee.

(ii) If the contract is terminated for default, the total fee payable shall be such proportionate part of the fee as the total number of articles (or amount of services) delivered to and accepted by the Government is to the total number of articles (or amount of services) of a like kind required by the contract.

(5) If the settlement includes only fee, it will be determined under subparagraph (h)(4) of this clause.

(i) The cost principles and procedures in Part 31 of the Federal Acquisition Regulation as supplemented in subpart 970.31 of the Department of Energy Acquisition Regulation, in effect on the date of this contract, shall govern all costs claimed, agreed to, or determined under this clause.

(j) The Contractor shall have the right of appeal, under the Disputes clause, from any determination made by the Contracting Officer under paragraph (f), (h), or (l) of this clause, except that if the Contractor failed to submit the termination settlement proposal within the time provided in paragraph (f) and failed to request a time extension, there is no right of appeal. If the Contracting Officer has made a determination of the amount due under paragraph (f), (h) or (l) of this clause, the Government shall pay the Co–ractor --

(1) The amount determined by the Contracting Officer if there is no right of appeal or if no timely appeal has been taken; or

(2) The amount finally determined on an appeal.

(k) In arriving at the amount due the Contractor under this clause, there shall be – ducted --

(1) All unliquidated advance or other payments to the Contractor, under the terminated portion of this contract;

(2) Any claim which the Government has against the Contractor under this contract; and

(3) The agreed price for, or the proceeds of sale of materials, supplies, or other things acquired by the Contractor or sold under this clause and not recovered by or credited to the Government.

(l) The Contractor and Contracting Officer must agree to any equitable adjustment in fee for the continued portion of the contract when there is a partial termination. The Contracting Officer shall amend the contract to reflect the agreement.

(m)

(1) The Government may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Contractor for the terminated portion of the contract, if the Contracting Officer believes the total of these payments will not exceed the amount to which the Contractor will be entitled.

(2) If the total payments exceed the amount finally determined to be due, the Contractor shall repay the excess to the Government upon demand, together with interest computed at the rate established by the Secretary of the Treasury under 50 U.S.C. App. 1215(b)(2). Interest shall be computed for the period from the date the excess payment is received by the Contractor to the date the excess is repaid. Interest shall not be charged on any excess payment due to a reduction in the Contractor's termination settlement proposal because of retention or other disposition of termination inventory until 10 days after the date of the retention or disposition, or a later date determined by the Contracting Officer because of the circumstances.

(n) The provisions of this clause relating to fee are inapplicable if this contract does not include a fee.

(End of Clause)

[M432]

I–105 FAR 52.249-14 Excusable Delays (Apr 1984)

(a) Except for defaults of Subcontractors at any tier, the Contractor shall not be in default because of any failure to perform this Contract under its terms if the failure arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of these causes are

(1) acts of God or of the public enemy,
(2) acts of the Government in either its sovereign or contractual capacity,
(3) fires,
(4) floods,
(5) epidemics,
(6) quarantine restrictions,
(7) strikes,
(8) freight embargoes, and
(9) unusually severe weather.

In each instance, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. "Default" includes failure to make progress in the work so as to endanger performance.

(b) If the failure to perform is caused by the failure of a subcontractor at any tier to perform or make progress, and if the cause of the failure was beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be deemed to be in default, unless --

(1) The subcontracted supplies or services were obtainable from other sources;

(2) The Contracting Officer ordered the Contractor in writing to purchase these supplies or services from the other source; and

(3) The Contractor failed to comply reasonably with this order.

(c) Upon request of the Contractor, the Contracting Officer shall ascertain the facts and extent of the failure. If the Contracting Officer determines that any failure to perform results from one or more of the causes above, the delivery schedule shall be revised, subject to the rights of the Government under the termination clause of this Contract.

(End of Clause)

I–106 FAR 52.250-1 Indemnification Under Public Law 85-804- Alternate I (Apr 1984)

a) “Contractor’s principal officials,” as used in the clause, means directors, officers, managers, superintendents, or other representatives supervising or directing-

(1) All or substantially all of the Contractor's business;

(2) All or substantially all of the Contractor's operations at anyone plant or separate location in which this contract is being performed; or

(3) A separate and complete major industrial operation in connection with the performance of this contract.

b) Under Public Law 85-804 (50 U.S.C. §1431-1435) and Executive Order 10789, as amended, and regardless of any other provisions of this contract, the Government shall, subject to the limitations contained in the other paragraphs of this clause, indemnify the Contractor against-

(1) Claims (including reasonable expenses of litigation or settlement) by third persons (including employees of the Contractor) for death; personal injury; or loss of use, loss of, or damage to property;

(2) Loss of use, loss of, or damage to Contractor property, excluding loss of profit; and

(3) Loss of use, loss of, damage to Government property, excluding loss of profit.

c) This indemnification applies only to the extent that the claim, loss, or damage (1) arises out of or results from a risk defined in this contract as unusually hazardous or nuclear and (2) is not compensated for by insurance or otherwise. Any such claim, loss, or damage, to the extent that it is within the deductible amounts of the Contractor's insurance, is not covered under this clause. If insurance coverage or other financial protection in effect on the date the approving official authorizes use of this clause is reduced, the Government's liability under this clause shall not increase as a result.

d) When the claim, loss, or damage is cause by willful misconduct or lack of good faith on the part of any of the Contractor's principal officials, the Contractor shall not be indemnified for-

(1) Government claims against the Contractor (other than those arising through subrogation); or

(2) Loss or damage affecting the Contractor's property.

e) With the Contracting Officer's prior written approval, the Contractor may, in any subcontract under this contract, indemnify the subcontractor against any risk defined in this contract as unusually hazardous or nuclear. This indemnification shall provide, between the Contractor and the subcontractor, the same rights and

duties, and the same provisions for notice, furnishing of evidence or proof, and Government settlement or defense of claims as this clause provides. The Contracting Officer may also approve indemnification of subcontractors at any lower tier, under the same terms and conditions. The Government shall indemnify the Contractor against liability to subcontractors incurred under subcontract provisions approved by the Contracting Officer.

f) The rights and obligations of the parties under this clause shall survive this contract's termination, expiration, or completion. The Government shall make no payment under this clause unless the agency head determines that the amount is just and reasonable. The Government may pay the Contractor or subcontractors, or may directly pay parties to whom the Contractor or subcontractors may be liable.

g) The Contractor shall-

(1) Promptly notify the Contracting Officer of any claim or action against, or any loss by, the Contractor or any subcontractors that may be reasonably expected to involve indemnification under this clause;

(2) Immediately furnish to the Government copies of all pertinent papers the Contractor receives;

(3) Furnish evidence or proof of any claim, loss, or damage covered by this clause in the manner and form the Government requires; and

(4) Comply with the Government's directions and execute any authorizations required in connection with settlement or defense of claims or actions.

h) The Government may direct, control, or assist in settling or defending any claim or action that may involve indemnification under this clause.

i) The cost of insurance (including self-insurance programs) covering a risk defined in this contract as unusually hazardous or nuclear shall not be reimbursed except to the extent that the Contracting Officer has required or approved this insurance. The Government's obligations under this clause are-

(1) Excepted from the release required under this contract's clause relating to Allowable cost; and

(2) Not affected by this contract's Obligation of Funds clause.

(End of clause)

[M515]

I–107 FAR 52.251-1 Government Supply Sources (Apr 2012) (Deviation)

The Contracting Officer may issue the Contractor an authorization to use Government supply sources in the performance of this contract. Title to all property acquired by the Contractor under such an authorization shall vest in the Government unless otherwise specified in the contract. The provisions of the clause at ***DEAR 970.5245-1***, ***Property***, apply to all property acquired under such authorization.

(End of Clause)
[M1025]

I–108 FAR 52.251-2 Interagency Fleet Management System Vehicles and Related Services (Jan 1991)

The Contracting Officer may issue the Contractor an authorization to obtain interagency fleet management system (IFMS) vehicles and related services for use in the performance of this Contract. The use, service, and maintenance of interagency fleet management system vehicles and the use of related services by the Contractor shall be in accordance with 41 CFR 101-39 and 41 CFR 101-38.301-1.

(End of Clause)

I–109 FAR 52.252-6 Authorized Deviations in Clauses (Nov 2020)

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(b) The use in this solicitation or contract of any _____ *[insert regulation name]* (48 CFR _____) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

(End of Clause)
[M1414]

I–110 FAR 52.253-1 Computer Generated Forms (Jan 1991)

(a) Any data required to be submitted on a Standard or Optional Form prescribed by the Federal Acquisition Regulation (FAR) may be submitted on a computer generated version of the form, provided there is no change to the name, content, or sequence of the data elements on the form, and provided the form carries the Standard or Optional Form number and edition date.

(b) Unless prohibited by agency regulations, any data required to be submitted on an agency unique form prescribed by an agency supplement to the FAR may be submitted on a computer generated version of the form provided there is no

change to the name, content, or sequence of the data elements on the form and provided the form carries the agency form number and edition date.

(c) If the Contractor submits a computer generated version of a form that is different than the required form, then the rights and obligations of the Parties will be determined based on the content of the required form.

(End of Clause)

I–111 DEAR 952.203-1 Identification of Contractor Employees (Dec 2024)

Contractors and their employees shall be properly identified in communications (e.g., email communications, texts, video and teleconference calls, etc.) and in meetings so that all participants can differentiate between Federal employees and contractor employees

(End of Clause)
[1665]

I–112 DEAR 952.203-70 Whistleblower Protection for Contractor Employees (Dec 2000)

(a) The Contractor shall comply with the requirements of "DOE Contractor Employee Protection Program" at 10 CFR part 708 for work performed on behalf of DOE directly related to activities at DOE-owned or-leased sites.

(b) The Contractor shall insert or have inserted the substance of this clause, including this paragraph (b), in subcontracts at all tiers, for subcontracts involving work performed on behalf of DOE directly related to activities at DOE-owned or leased sites.

(End of Clause)

I–113 DEAR 952.204-2 Security Requirements (Dec 2024)

(a) *Definitions. Classified Information* means information that is classified as Restricted Data or Formerly Restricted Data or Transclassified Foreign Nuclear Information under the Atomic Energy Act of 1954, or information identified as National Security Information and therefore determined to require protection against unauthorized disclosure under E.O. 13526, Classified National Security Information, as amended, or prior or successive Executive orders.

Contracting Officer means the DOE Contracting Officer.

Contract, when this clause is used in a subcontract, means subcontract.

Contractor, when this clause is included in a subcontract, means subcontractor.

Cyber system means any combination of facilities, equipment, personnel, procedures, and communications integrated to provide cyber services; examples include business systems, control systems, and access control systems (National Infrastructure Protection Plan, 2009).

Restricted Data means all data concerning design, manufacture, or utilization of atomic weapons; production of special nuclear material; or use of special nuclear material in the production of energy, but excluding data declassified or removed from the Restricted Data category pursuant to section 142 of the Atomic Energy Act of 1954 (42 U.S.C. 2162).

Formerly Restricted Data means information removed from the Restricted Data category based on a joint determination by DOE or its predecessor agencies and the Department of Defense (DoD) that the information—

(1) Relates primarily to the military utilization of atomic weapons; and

(2) Can be adequately protected as National Security Information. However, such information is subject to the same restrictions on transmission to other countries or regional defense organizations that apply to Restricted Data.

National Security Information means information that has been determined, pursuant to E.O. 13526, Classified National Security Information, as amended, or any predecessor or successor order, to require protection against unauthorized disclosure, and that is marked to indicate its classified status when in documentary form.

Special Access Program means any program that is established to control access, distribution, and to provide protection for particularly sensitive classified information beyond that normally required for RESTRICTED DATA, TOP SECRET, SECRET, or CONFIDENTIAL information.

Special nuclear material means—

(1) Plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material that, pursuant to section 51 of the Atomic Energy Act of 1954 (42 U.S.C. 2071) has been determined to be special nuclear material, but does not include source material; or

(2) Any material artificially enriched by any of the foregoing, but does not include source material.

(b) *Responsibility.* The Contractor shall, in accordance with DOE security regulations and requirements, be responsible for protecting all classified information and all classified matter (including documents, material and special nuclear material) which are in the Contractor's possession in connection with the performance of work under this

contract against sabotage, espionage, loss or theft. Except as otherwise expressly provided in this contract, the Contractor shall, upon completion or termination of this contract, transmit to DOE any classified matter or special nuclear material in the possession of the Contractor or any person under the Contractor's control in connection with performance of this contract. If retention by the Contractor of any classified matter is required after the completion or termination of the contract, the Contractor shall identify the items and classification levels and categories of matter proposed for retention, the reasons for the retention, and the proposed period of retention. If the retention is approved by the Contracting Officer, the security provisions of the contract shall continue to be applicable to the classified matter retained. Special nuclear material shall not be retained after the completion or termination of the contract.

(c) *Regulations.* The Contractor shall comply with all security and classification regulations and contract requirements of DOE.

(d) *Access authorizations of personnel.*

(1) The Contractor shall not permit any individual to have access to any classified information, special nuclear material, or Special Access Program (SAP) information, except in accordance with the Atomic Energy Act of 1954, as amended, and the DOE's regulations and contract requirements applicable to the particular level and category of classified information or particular category of special nuclear material.

(2) The Contractor shall conduct a thorough review or background review, as defined at 48 CFR 904.401, of any uncleared applicants or employees, and must test individuals for illegal drugs prior to selecting them for positions requiring DOE access authorizations.

(i) The review must –

(A) Verify applicant's or employee's educational backgrounds, including any high school diplomas obtained within the past five years, and degrees or diplomas granted by an institution of higher learning;

(B) Contact listed employers for the last three years and listed personal references;

(C) Conduct local law enforcement checks when such checks are not prohibited by state or local law or regulation and when the uncleared applicant or uncleared employee resides in the jurisdiction where the Contractor is located; and

(D) Conduct a credit check and other checks as appropriate.

(ii) For DOE access authorization, contractor reviews are not required for applicants who possesses a current access authorization from DOE or another Federal agency, or whose access authorization may be reapproved without a federal background investigation pursuant to Executive Order 12968 of August 2, 1995, as amended, Access to Classified Information, Sections 3.3(c) and (d).

(iii) In collecting and using this information to make a determination as to whether it is appropriate to select an uncleared applicant or uncleared employee to a position requiring an access authorization, the Contractor must comply with all applicable laws, regulations, and Executive orders, including those –

(A) Governing the processing and privacy of an individual's information, such as the Fair Credit Reporting Act, Americans with Disabilities Act Amendments Act of 2008 (ADAAA), and Health Insurance Portability and Accountability Act; and

(B) prohibiting discrimination in employment, such as under the Genetic Information Nondiscrimination Act of 2008, ADAAA, Title VII and the Older Workers Benefit and Protection Act of 1990, including with respect to pre- and post-offer of employment disability related questioning.

(iv) In addition to a review, each candidate for a DOE access authorization must be tested to demonstrate the absence of any illegal drug, as defined in 10 CFR 707.4. All positions requiring access authorizations are deemed *testing designated positions* in accordance with 10 CFR part 707. All employees possessing access authorizations are subject to applicant, random or for cause testing for use of illegal drugs. DOE will not process candidates for a DOE access authorization unless their tests confirm the absence from their system of any illegal drug.

(v) When an uncleared applicant or uncleared employee receives an offer of employment for a position that requires a DOE access authorization, the Contractor shall not place that individual in such a position prior to the individual's receipt of a DOE access authorization, unless an approval has been obtained from the head of the cognizant local DOE security office. If the individual is hired and placed in the position prior to receiving an access authorization, the uncleared employee may not be afforded access to classified information or matter or special nuclear material (in categories requiring access authorization) until an access

authorization has been granted.

(vi) The Contractor must maintain a record of information concerning each uncleared applicant or uncleared employee who is selected for a position requiring an access authorization. Upon request only, the following information will be furnished to the head of the cognizant local DOE Security Office:

(A) The date(s) each Review was conducted;

(B) Each entity that provided information concerning the individual;

(C) A certification that the review was conducted in accordance with all applicable laws, regulations, and Executive orders, including those governing the processing and privacy of an individual's information collected during the review;

(D) A certification that all information collected during the review was reviewed and evaluated in accordance with the Contractor's personnel policies; and

(E) The results of the test for illegal drugs.

(vii) *Criminal liability.* It is understood that disclosure of any classified information relating to the work or services ordered hereunder to any person not entitled to receive it, or failure to protect any classified information, special nuclear material, or other Government property that may come to the Contractor or any person under the Contractor's control in connection with work under this contract, may subject the Contractor, its agents, employees, or Subcontractors to criminal liability under the laws of the United States (see the Atomic Energy Act of 1954, 42 U.S.C. 2011 *et seq.;* 18 U.S.C. 793 and 794).

(e) *Foreign ownership, control, or influence (FOCI).*

(1) The Contractor shall immediately provide the cognizant security office written notice of any change in the extent and nature of FOCI over the Contractor which would affect any answer to the questions presented in the Standard Form (SF) 328, *Certificate Pertaining to Foreign Interests,* executed prior to award of this contract. The Contractor will submit the FOCI information in the format directed by DOE. When completed, the Contractor must sign the SF 328 and submit it to the Contracting Officer. In addition, any notice of changes in ownership or control which are required to be reported to the Securities and Exchange Commission, the

Federal Trade Commission, or the Department of Justice, shall also be furnished concurrently to the Contracting Officer and to the cognizant security office.

(2) If a Contractor has changes involving FOCI, DOE must determine whether the changes will pose an undue risk to the common defense and security. In making this determination, DOE will consider proposals made by the Contractor to avoid or mitigate foreign influences.

(3) If the cognizant security office at any time determines that the Contractor is, or is potentially, subject to FOCI, the Contractor shall comply with such instructions as the Contracting Officer shall provide in writing to protect any classified information or special nuclear material.

(4) The Contracting Officer may terminate this contract for default either if the Contractor fails to meet obligations imposed by this clause or if the Contractor creates a FOCI situation in order to avoid performance or a termination for default. The Contracting Officer may terminate this contract for convenience if the Contractor becomes subject to FOCI for reasons other than avoidance of performance of the contract, cannot, or chooses not to, avoid or mitigate the FOCI problem.

(f) *Employment announcements.* When placing announcements seeking applicants for positions requiring access authorizations, the Contractor shall include in the written vacancy announcement, a notification to prospective applicants that reviews, and tests for the absence of any illegal drug as defined in 10 CFR 707.4, will be conducted by the employer and a background investigation by the Federal Government may be required to obtain an access authorization prior to employment, and that subsequent reinvestigations may be required. If the position is covered by the Counterintelligence Evaluation Program regulations at 10 CFR part 709, the announcement should also alert applicants that successful completion of a counterintelligence evaluation may include a counterintelligence-scope polygraph examination.

(g) *Flow down to subcontracts.* The Contractor agrees to insert terms that conform substantially to the language of this clause, including this paragraph and related DOE policies, in all subcontracts that will require subcontractor employees to possess access authorizations.

Additionally, the Contractor must require such subcontractors to have an existing DOD or DOE facility clearance or submit a completed SF 328, *Certificate Pertaining to Foreign Interests*, as required in title 48 of the CFR consistent with the clause at 48 CFR 952.204-73, Facility Clearance, and obtain a foreign ownership, control and influence determination prior to award of a subcontract. Facility clearance may be granted prior to award or after award of a subcontract in accordance with the clause at 48 CFR 952.204-

73, Facility Clearance. Information to be provided by a subcontractor pursuant to this clause may be submitted directly to the Contracting Officer.

(End of clause)
[**1665**]

I–114 DEAR 952.204-70 Classification/Declassification (Dec 2024)

(a) *Definitions*. *Classified information* means information that is classified as Restricted Data, Formerly Restricted Data or Transclassified Foreign Nuclear Information under the Atomic Energy Act of 1954, or information identified as National Security Information and therefore determined to require protection against unauthorized disclosure under E.O. 13526, Classified National Security Information, as amended, or prior or successive Executive orders.

Contractor, as used in this clause, includes subcontractors.

Document means any recorded information, regardless of the nature of the medium or the method or circumstances of recording (e.g., email).

Information means facts, data, or knowledge itself.

Material means a product or substance that contains or reveals information, regardless of its physical form or characteristics.

(b) The Contractor shall comply with all provisions of DOE's regulations and DOE directives applicable to work involving the classification and declassification of information, documents, or material. (Note: The decision to classify or declassify information is considered an inherently Governmental function. As such, only Government personnel may serve as Federal Government original classifiers. Both Government and Contractor personnel may serve as derivative classifiers; this involves making decisions based upon classification guidance and, where authorized by DOE directives, portion marked source documents that reflects the decisions of Federal Government. Both Government and Contractor personnel may also serve as derivative declassifiers; this involves making decisions based only on classification guidance).

(c) The Contractor shall ensure that any document or material that may contain classified information is reviewed by either a derivative classifier, or in the case of documents intended for public release, a classification officer or a specifically designated DC, in accordance with classification regulations, and DOE directives. In accordance with DOE directives DCs must use classification/declassification guidance furnished to the Contractor by the DOE or a portion marked source

document, when authorized to determine whether it contains classified information prior to dissemination. For information not addressed in classification/declassification guidance, but whose sensitivity appears to warrant classification, the Contractor shall ensure it is reviewed by a Federal Government original classifier or the Director, Office of Classification in accordance with classification directives or regulations.

(d) The Contractor shall ensure that existing classified documents (containing either Restricted Data, Formerly Restricted Data, Transclassified Foreign Nuclear Information, or National Security Information) in its possession or under its control are periodically reviewed by a Federal Government or Contractor derivative declassifier in accordance with classification regulations, DOE directives and classification/declassification guidance furnished to the Contractor by DOE to determine if the documents are no longer appropriately classified. Priorities for declassification review of classified documents shall be based on the degree of public and researcher interest and the likelihood of declassification upon review. Documents that no longer contain classified information are to be declassified. Declassified documents then shall be reviewed to determine if they are publicly releasable. Documents that are declassified and determined to be publicly releasable are to be made available to the public in order to maximize the public's access while minimizing security costs.

(e) *Subcontracts*. The Contractor shall insert this clause in any subcontract that involves or may involve access to classified information.

(End of Clause)
[**1665**]

I–115 DEAR 952.204-71 Sensitive Foreign Nations Controls (MAR 2011)

(a) In connection with any activities in the performance of this contract, the Contractor agrees to comply with the "Sensitive Foreign Nations Controls" requirements attached to this contract, relating to those countries, which may from time to time, be identified to the Contractor by written notice as sensitive foreign nations. The Contractor shall have the right to terminate its performance under this contract upon at least 60 days' prior written notice to the Contracting Officer if the Contractor determines that it is unable, without substantially interfering with its polices or without adversely impacting its performance to continue performance of the work under this contract as a result of such notification. If the Contractor elects to terminate performance, the provisions of this contract regarding termination for the convenience of the Government shall apply.

(b) The provisions of this clause shall be included in any subcontracts which may involve making unclassified information about nuclear technology available to sensitive foreign nations.

(End of clause)
[M1339]

I–116 DEAR 952.204-74 Counterintelligence (Dec 2024)

(a) The Contractor shall take all reasonable precautions in performing the work under this contract to protect Department of Energy (DOE) programs, facilities, technology, personnel, unclassified sensitive information and classified matter from foreign intelligence threats and activities conducted for governmental or industrial purposes, in accordance with the current version of DOE Order 475.1, Counterintelligence Program; E.O. 12333 of December 4, 1981, U.S. Intelligence Activities; and other applicable national and DOE counterintelligence requirements.

(b) The Contractor shall appoint qualified employees to function as contractor counterintelligence officers. A contractor counterintelligence officer is responsible for conducting defensive counterintelligence briefings and debriefings of employees traveling to foreign countries or interacting with foreign nationals; providing thoroughly documented written reports relative to targeting, suspicious activity and other matters of counterintelligence interest; immediately reporting targeting, suspicious activity and other counterintelligence concerns to the DOE Headquarters Counterintelligence Division; and providing assistance to other elements of the U.S. Intelligence Community as stated in E.O. 12333, DOE Order 475.1, and other applicable national and DOE counterintelligence requirements.

(End of Clause)

[1655]

I–117 DEAR 952.204-75 Public Affairs (Dec 2000)

(a) The Contractor must cooperate with the Department in releasing unclassified information to the public and news media regarding DOE policies, programs, and activities relating to its effort under the Contract. The responsibilities under this clause must be accomplished through coordination with the Contracting Officer and appropriate DOE public affairs personnel in accordance with procedures defined by the Contracting Officer.

(b) The Contractor is responsible for the development, planning, and coordination of proactive approaches for the timely dissemination of unclassified information regarding DOE activities onsite and offsite, including, but not limited to, operations and programs. Proactive public affairs programs may utilize a variety of communication media, including public workshops, meetings or hearings, open houses, newsletters, press releases, conferences, audio/visual presentations, speeches, forums, tours, and other appropriate stakeholder interactions.

(c) The Contractor's internal procedures must ensure that all releases of information to the public and news media are coordinated through, and approved by, a management official at an appropriate level within the Contractor's organization.

(d) The Contractor must comply with DOE procedures for obtaining advance clearances on oral, written, and audio/visual informational material prepared for public dissemination or use.

(e) Unless prohibited by law, and in accordance with procedures defined by the Contracting Officer, the Contractor must notify the Contracting Officer and appropriate DOE public affairs personnel of communications or contacts with Members of Congress relating to the effort performed under the Contract.

(f) In accordance with procedures defined by the Contracting Officer, the Contractor must notify the Contracting Officer and appropriate DOE public affairs personnel of activities or situations that may attract regional or national news media attention and of non-routine inquiries from national news media relating to the effort performed under the Contract.

(g) In releases of information to the public and news media, the Contractor must fully and accurately identify the Contractor's relationship to the Department and fully and accurately credit the Department for its role in funding programs and projects resulting in scientific, technical, and other achievements.

(End of Clause)

I–118 DEAR 952.204-77 Computer Security (Aug 2006)

(a) Definitions.

(1) Computer means desktop computers, portable computers, computer networks (including the DOE Network and local area networks at or controlled by DOE organizations), network devices, automated information systems, and or other related computer equipment owned by, leased, or operated on behalf of the DOE.

(2) Individual means a DOE Contractor or subcontractor employee, or any other person who has been granted access to a DOE computer or to information on a DOE computer, and does not include a member of the public who sends an e-mail message to a DOE computer or who obtains information available to the public on DOE Web sites.

(b) Access to DOE computers. A Contractor shall not allow an individual to have access to information on a DOE computer unless—

(1) The individual has acknowledged in writing that the individual has no expectation of privacy in the use of a DOE computer; and

(2) The individual has consented in writing to permit access by an authorized investigative agency to any DOE computer used during the period of that individual's access to information on a DOE computer, and for a period of three years thereafter.

(c) No expectation of privacy. Notwithstanding any other provision of law (including any provision of law enacted by the Electronic Communications Privacy Act of 1986), no individual using a DOE computer shall have any expectation of privacy in the use of that computer.

(d) Written records. The Contractor is responsible for maintaining written records for itself and subcontractors demonstrating compliance with the provisions of paragraph (b) of this section. The Contractor agrees to provide access to these records to the DOE, or its authorized agents, upon request.

(e) Subcontracts. The Contractor shall insert this clause, including this paragraph (e), in subcontracts under this contract that may provide access to computers owned, leased or operated on behalf of the DOE.

(End of Clause)
[M1067]

I–119 DEAR 952.208-7 Tagging of Leased Vehicles (Apr 1984)

(a) DOE intends to use U.S. Government license tags.

(b) While it is the intention that vehicles leased hereunder shall operate on Federal tags, the DOE reserves the right to utilize State tags if necessary to accomplish its mission. Should State tags be required, the Contractor shall furnish the DOE the documentation required by the State to acquire such tags.

(End of Clause)

I–120 DEAR 952.209-72 Organizational Conflicts of Interest (Aug 2009) Alternate 1 (Aug 2009)

(a) Purpose. The purpose of this clause is to ensure that the Contractor (1) is not biased because of its financial, contractual, organizational, or other interests which relate to the work under this contract, and (2) does not obtain any unfair competitive advantage over other parties by virtue of its performance of this contract.

(b) Scope. The restrictions described herein shall apply to performance or participation by the Contractor and any of its affiliates or their successors in interest (hereinafter collectively referred to as "Contractor") in the activities covered by this clause as a prime Contractor, subcontractor, cosponsor, joint venturer, consultant, or in any similar capacity. For the purpose of this clause, affiliation occurs when a business concern is controlled by or has the power to control another or when a third party has the power to control both.

(1) Use of Contractor's Work Product.

(i) The Contractor shall be ineligible to participate in any capacity in Department contracts, subcontracts, or proposals therefore (solicited and unsolicited) which stem directly from the Contractor's performance of work under this contract for a period of 5 years after the completion of this contract. Furthermore, unless so directed in writing by the Contracting Officer, the Contractor shall not perform any advisory and assistance services work under this contract on any of its products or services or the products or services of another firm if the Contractor is or has been substantially involved in their development or marketing. Nothing in this subparagraph shall preclude the Contractor from competing for follow-on contracts for advisory and assistance services.

(ii) If, under this contract, the Contractor prepares a complete or essentially complete statement of work or specifications to be used in competitive acquisitions, the Contractor shall be ineligible to perform or participate in any capacity in any contractual effort which is based on such statement of work or specifications. The Contractor shall not incorporate its products or services in such statement of work or specifications unless so directed in writing by the Contracting Officer, in which case the restriction in this subparagraph shall not apply.

(iii) Nothing in this paragraph shall preclude the Contractor from offering or selling its standard and commercial items to the Government.

(2) Access to and use of information.

(i) If the Contractor, in the performance of this contract, obtains access to information, such as Department plans, policies, reports, studies, financial plans, internal data protected by the Privacy Act of 1974 (5 U.S.C. 552a), or data which has not been released or otherwise made available to the public, the Contractor agrees that without prior written approval of the Contracting Officer it shall not—

(A) use such information for any private purpose unless the information has been released or otherwise made available to the public;

(B) compete for work for the Department based on such information for a period of six (6) months after either the completion of this contract or until such information is released or otherwise made available to the public, whichever is first;

(C) submit an unsolicited proposal to the Government which is based on such information until one year after such information is released or otherwise made available to the public; and

(D) release such information unless such information has previously been released or otherwise made available to the public by the Department.

(ii) In addition, the Contractor agrees that to the extent it receives or is given access to proprietary data, data protected by the Privacy Act of 1974 (5 U.S.C. 552a), or other confidential or privileged technical, business, or financial information under this contract, it shall treat such information in accordance with any restrictions imposed on such information.

(iii) The Contractor may use technical data it first produces under this contract for its private purposes consistent with paragraphs (b)(2)(i) (A) and (D) of this clause and the patent, rights in data, and security provisions of this contract.

(c) Disclosure after award.

(1) The Contractor agrees that, if changes, including additions, to the facts disclosed by it prior to award of this contract, occur during the performance of this contract, it shall make an immediate and full disclosure of such changes in writing to the Contracting Officer. Such disclosure may include a description of any action which the Contractor has taken or proposes to take to avoid, neutralize, or mitigate any resulting conflict of interest. The Department may, however, terminate the contract for convenience if it deems such termination to be in the best interest of the Government.

(2) In the event that the Contractor was aware of facts required to be disclosed or the existence of an actual or potential organizational conflict of interest and did not disclose such facts or such conflict of interest to the Contracting Officer, DOE may terminate this contract for default.

(d) Remedies. For breach of any of the above restrictions or for nondisclosure or misrepresentation of any facts required to be disclosed concerning this contract, including the existence of an actual or potential organizational conflict of interest at the time of or after award, the Government may terminate the contract for default, disqualify the Contractor from subsequent related contractual efforts, and pursue such other remedies as may be permitted by law or this contract.

(e) Waiver. Requests for waiver under this clause shall be directed in writing to the Contracting Officer and shall include a full description of the requested waiver and the reasons in support thereof. If it is determined to be in the best interests of the Government, the Contracting Officer may grant such a waiver in writing.

(f) Subcontracts.

(1) The Contractor shall include a clause, substantially similar to this clause, including this paragraph (f), in subcontracts expected to exceed the simplified acquisition threshold determined in accordance with 48 CFR part 13 and involving the performance of advisory and assistance services as that term is defined at 48 CFR 2.101. The terms "contract, " "Contractor," and "Contracting Officer" shall be appropriately modified to preserve the Government's rights.

(2) Prior to the award under this contract of any such subcontracts for advisory and assistance services, the Contractor shall obtain from the proposed subcontractor or consultant the disclosure required by 48 CFR 909.507-1, and shall determine in writing whether the interests disclosed present an actual or significant potential for an organizational conflict of interest. Where an actual or significant potential organizational conflict of interest is identified, the Contractor shall take actions to avoid, neutralize, or mitigate the organizational conflict to the satisfaction of the Contractor. If the conflict cannot be avoided or neutralized, the Contractor must obtain the approval of the DOE Contracting Officer prior to entering into the subcontract.

(End of clause)
[1665]

I–121 DEAR 952.211-71 Priorities and Allocations (Atomic Energy) (Apr 2008)

The Contractor shall follow the provisions of Defense Priorities and Allocations System (DPAS) regulation (15 CFR Part 700) in obtaining controlled materials and other products and materials needed to fill this contract.

(End of Clause)
[M779]

I–122 DEAR 952.215-70 Key Personnel (Dec 2024)

(a) The personnel listed below or elsewhere in this contract are considered essential to the work being performed under this contract. Before removing, replacing, or diverting any of the listed or specified personnel, the Contractor must:

(1) Notify the Contracting Officer reasonably in advance and submit justification including resumes for any proposed substitutions; and

(2) Obtain the Contracting Officer's written approval. Notwithstanding the foregoing, the Contractor may immediately remove or suspend any key person if necessary to maintain satisfactory standards of employee competency, conduct, and integrity under the clause at 48 CFR 970.5203-3, Contractor's Organization, although the Contractor must notify Contracting Officer prior to or concurrently with such action.

(b) The list of personnel may, with the consent of the contracting parties, be amended from time to time during the course of the contract to add or delete personnel. The Contractor must provide written notice to the cognizant security office if changes to the list of personnel affect key personnel connected to a facility clearance.

(1) Deborah K. Gracio, Laboratory Director;
(2) William Pike, Interim Deputy Director for Science & Technology;
(3) Randy R. Hansen, Deputy Director for Operations and Chief Operations Officer;

(End of Clause)
[1665]

I–123 DEAR 952.217-70 Acquisition of Real Property (Mar 2011)

(a) Notwithstanding any other provision of the contract, the prior approval of the Contracting Officer shall be obtained when, in performance of this contract, the Contractor acquires or proposes to acquire use of real property by:

(1) Purchase, on the Government's behalf or in the Contractor's own name, with title eventually vesting in the Government.

(2) Lease for which the Department of Energy will reimburse the incurred costs as a reimbursable contract cost.

(3) Acquisition of temporary interest through easement, license or permit, and the Government funds the entire cost of the temporary interest.

(b) Justification of and execution of any real property acquisitions shall be in accordance and compliance with directions provided by the Contracting Officer.

(c) The substance of this clause, including this paragraph (c), shall be included in any subcontract occasioned by this contract under which property described in paragraph (a) of this clause shall be acquired.

(End of clause)
[M1025]

I–124 DEAR 952.223-78 Sustainable Acquisition Program (Dec 2024)

(a) Pursuant to DOE policy, as specified in 48 CFR 923.170, the Contractor shall maintain a sustainable acquisition program that ensures procurement of environmentally preferable products and services as required of DOE by statute, regulation and Executive order. This program shall apply to all products and services acquired in performance of this contract, including first-tier subcontracts, which have reasonable opportunities for environmentally preferable purchasing, consistent with the requirements specified above.

(b) The Contractor shall coordinate its sustainable acquisition activities and submit any required annual reports at the end of the Government fiscal year, through their Sustainability Coordinator (or equivalent), or as otherwise directed by the Contracting Officer. Reporting under this paragraph is only required if the contract offers subcontracting opportunities exceeding the simplified acquisition threshold in any contract year.

(c) *Subcontracts*. These provisions shall be flowed down only to first tier subcontracts exceeding the simplified acquisition threshold that support operation of the DOE facility and offer significant subcontracting opportunities for energy-efficient or environmentally sustainable products or services. When this clause is included in a subcontract, the word "Contractor" will be understood to mean "Subcontractor."

(End of clause)
[1665]

I–125 DEAR 952.226-71 Utilization of Energy Policy Act Target Entities (Dec 2024)

(a) *Definition*. Energy Policy Act (EPAct 1992) target groups, as used in this clause, has the meaning conveyed in 48 CFR 926.7002.

(b) *Obligation*. In addition to its obligations under the clause of this contract entitled Utilization of Small Business Concerns (48 CFR 52.219-8), the contractor, in performance of this contract, agrees to provide its best efforts to competitively award subcontracts to entities from among the EPAct 1992 target groups.

(End of clause)
[1665]

I–126 DEAR 952.226-74 Workforce Restructuring and Displaced Employee Hiring Preference (Dec 2024)

(a) *Definition*. *Eligible employee* means a current or former employee of a contractor or subcontractor employed at a Department of Energy Defense Nuclear Facility

(1) whose position of employment has been, or will be, involuntarily terminated (except if terminated for cause), (2) who has also met the

eligibility criteria contained in the Department of Energy guidance for contractor work force restructuring, as may be amended or supplemented from time to time, and (3) who is qualified for a particular job vacancy with the Department or one of its contractors with respect to work under its contract with the Department at the time the particular position is available.

(b) Consistent with Department of Energy guidance for contractor work force restructuring, as may be amended or supplemented from time to time, the Contractor agrees that it will provide a preference in hiring to an eligible employee to the extent practicable for work performed under this Contract.

(c) The requirements of this clause shall be included in subcontracts at any tier (except for subcontracts for commercial items pursuant to 41 U.S.C. 403) expected to exceed $500,000.

(End of Clause)
[1655]

I–127 DEAR 952.235-71 Research Misconduct (Jul 2005)

(a) The Contractor is responsible for maintaining the integrity of research performed pursuant to this contract award including the prevention, detection, and remediation of research misconduct as defined by this clause, and the conduct of inquiries, investigations, and adjudication of allegations of research misconduct in accordance with the requirements of this clause.

(b) Unless otherwise instructed by the Contracting Officer, the Contractor must conduct an initial inquiry into any allegation of research misconduct. If the Contractor determines that there is sufficient evidence to proceed to an investigation, it must notify the Contracting Officer and, unless otherwise instructed, the Contractor must:

(1) Conduct an investigation to develop a complete factual record and an examination of such record leading to either a finding of research misconduct and an identification of appropriate remedies or a determination that no further action is warranted.

(2) If the investigation leads to a finding of research misconduct, conduct an adjudication by a responsible official who was not involved in the inquiry or investigation and is separated organizationally from the element which conducted the investigation. The adjudication must include a review of the investigative record and, as warranted, a determination of appropriate corrective actions and sanctions.

(3) Inform the Contracting Officer if an initial inquiry supports a formal investigation and, if requested by the Contracting Officer thereafter, keep the

Contracting Officer informed of the results of the investigation and any subsequent adjudication. When an investigation is complete, the Contractor will forward to the Contracting Officer a copy of the evidentiary record, the investigative report, any recommendations made to the Contractor's adjudicating official, and the adjudicating official's decision and notification of any corrective action taken or planned, and the subject's written response (if any).

(c) The Department of Energy (DOE) may elect to act in lieu of the Contractor in conducting an inquiry or investigation into an allegation of research misconduct if the Contracting Officer finds that—

(1) The research organization is not prepared to handle the allegation in a manner consistent with this clause;

(2) The allegation involves an entity of sufficiently small size that it cannot reasonably conduct the inquiry;

(3) DOE involvement is necessary to ensure the public health, safety, and security, or to prevent harm to the public interest; or

(4) The allegation involves possible criminal misconduct.

(d) In conducting the activities under paragraphs (b) and (c)of this clause, the Contractor and the Department, if it elects to conduct the inquiry or investigation, shall adhere to the following guidelines:

(1) Safeguards for information and subjects of allegations. The Contractor shall provide safeguards to ensure that individuals may bring allegations of research misconduct made in good faith to the attention of the Contractor without suffering retribution. Safeguards include: protection against retaliation; fair and objective procedures for examining and resolving allegations; and diligence in protecting positions and reputations. The Contractor shall also provide the subjects of allegations confidence that their rights are protected and that the mere filing of an allegation of research misconduct will not result in an adverse action. Safeguards include timely written notice regarding substantive allegations against them, a description of the allegation and reasonable access to any evidence submitted to support the allegation or developed in response to an allegation and notice of any findings of research misconduct.

(2) Objectivity and Expertise. The Contractor shall select individual(s) to inquire, investigate, and adjudicate allegations of research misconduct who have appropriate expertise and have no unresolved conflict of interest. The individual(s) who conducts an adjudication must not be the same individual(s) who conducted the inquiry or investigation, and must be separate organizationally from the element that conducted the inquiry or investigation.

(3) Timeliness. The Contractor shall coordinate, inquire, investigate and adjudicate allegations of research misconduct promptly, but thoroughly. Generally, an investigation should be completed within 120 days of initiation, and adjudication should be complete within 60 days of receipt of the record of investigation.

(4) Confidentiality. To the extent possible, consistent with fair and thorough processing of allegations of research misconduct and applicable law and regulation, knowledge about the identity of the subjects of allegations and informants should be limited to those with a need to know.

(5) Remediation and Sanction. If the Contractor finds that research misconduct has occurred, it shall assess the seriousness of the misconduct and its impact on the research completed or in process. The Contractor must take all necessary corrective actions. Such action may include but are not limited to, correcting the research record and as appropriate imposing restrictions, controls, or other parameters on research in process or to be conducted in the future. The Contractor must coordinate remedial actions with the Contracting Officer. The Contractor must also consider whether personnel sanctions are appropriate. Any such sanction must be considered and effected consistent with any applicable personnel laws, policies, and procedures, and shall take into account the seriousness of the misconduct and its impact, whether it was done knowingly or intentionally, and whether it was an isolated event or pattern of conduct.

(e) DOE reserves the right to pursue such remedies and other actions as it deems appropriate, consistent with the terms and conditions of the award instrument and applicable laws and regulations. However, the Contractor's good faith administration of this clause and the effectiveness of its remedial actions and sanctions shall be positive considerations and shall be taken into account as mitigating factors in assessing the need for such actions. If DOE pursues any such action, it will inform the subject of the action of the outcome and any applicable appeal procedures.

(f) Definitions.

Adjudication means a formal review of a record of investigation of alleged research misconduct to determine whether and what corrective actions and sanctions should be taken.

Fabrication means making up data or results and recording or reporting them.

Falsification means manipulating research materials, equipment, or processes, or changing or omitting data or results such that the research is not accurately represented in the research record.

Finding of Research Misconduct means a determination, based on a preponderance of the evidence, that research misconduct has occurred. Such a finding requires a conclusion

that there has been a significant departure from accepted practices of the relevant research community and that it be knowingly, intentionally, or recklessly committed.

Inquiry means information gathering and initial fact-finding to determine whether an allegation or apparent instance of misconduct warrants an investigation.

Investigation means the formal examination and evaluation of the relevant facts.

Plagiarism means the appropriation of another person's ideas, processes, results, or words without giving appropriate credit.

Research means all basic, applied, and demonstration research in all fields of science, medicine, engineering, and mathematics, including, but not limited to, research in economics, education, linguistics, medicine, psychology, social sciences statistics, and research involving human subjects or animals.

Research Misconduct means fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results, but does not include honest error or differences of opinion.

Research record means the record of all data or results that embody the facts resulting from scientists' inquiries, including, but not limited to, research proposals, laboratory records, both physical and electronic, progress reports, abstracts, theses, oral presentations, internal reports, and journal articles.

(g) By executing this contract, the Contractor provides its assurance that it has established an administrative process for performing an inquiry, mediating if possible, or investigating, and reporting allegations of research misconduct; and that it will comply with its own administrative process and the requirements of 10 CFR part 733 for performing an inquiry, possible mediation, investigation and reporting of research misconduct.

(h) The Contractor must insert or have inserted the substance of this clause, including paragraph (g), in subcontracts at all tiers that involve research.

(End of Clause)
[M1025]

I–128 DEAR 952.247-70 Foreign Travel (Jun 2010)

Contractor foreign travel shall be conducted pursuant to the requirements contained in Department of Energy (DOE) Order 551.1C, or its successor, Official Foreign Travel, or its successor in effect at the time of award.

(End of Clause)
[M779]

I–129 DEAR 952.250-70 Nuclear Hazards Indemnity Agreement (Dec 2024)

(a) *Definitions.* Except as otherwise specified within this clause, all definitions set forth in the Atomic Energy Act of 1954, as amended (hereinafter called the Act), shall apply to this clause.

"Extraordinary nuclear occurrence" means an event that DOE has determined to be such an occurrence, as defined in the Act. A determination of whether or not there has been an extraordinary nuclear occurrence will be made in accordance with the procedures in 10 CFR part 840.

"Public liability," referred to below, is public liability as defined in the Act, which (1) arises out of or in connection with the activities under this contract, including transportation; and (2) arises out of or results from a nuclear incident or precautionary evacuation.

(b) *Authority.* This clause is incorporated into this contract pursuant to the authority contained in subsection 170d. of the Act.

(c) *Financial protection.* Except as hereafter permitted or required in writing by DOE, the Contractor will not be required to provide or maintain, and will not provide or maintain at Government expense, any form of financial protection to cover public liability, as described in paragraph (a) of this clause. DOE may, however, at any time require in writing that the Contractor provide and maintain financial protection of such a type and in such amount as DOE shall determine to be appropriate to cover such public liability, provided that the costs of such financial protection are reimbursed to the Contractor by DOE.

(d) *Indemnification.* To the extent that the Contractor and other persons indemnified are not compensated by any financial protection permitted or required by DOE, DOE will indemnify the Contractor and other persons indemnified against (i) claims for public liability as described in paragraph (a) of this clause; and (ii) such legal costs of the Contractor and other persons indemnified as are approved by DOE, provided that DOE's liability, including such legal costs, shall not exceed the amount set forth in section 170e(1)(B) of the Act in the aggregate for each nuclear incident or precautionary evacuation occurring within the United States or $2,000,000,000 in the aggregate for each nuclear incident occurring outside the United States, irrespective of the number of persons indemnified in connection with this contract.

(e)

(1) *Waiver of defenses.* In the event of a nuclear incident (as defined in the Act) arising out of nuclear waste activities (as defined in the Act), the Contractor, on behalf of itself and other persons indemnified, agrees to waive any issue or defense as to charitable or governmental immunity.

(2) In the event of an extraordinary nuclear occurrence that—

(i) Arises out of, results from, or occurs in the course of the construction, possession, or operation of a production or utilization facility; or

(ii) Arises out of, results from, or occurs in the course of transportation of source material, by-product material, or special nuclear material to or from a production or utilization facility; or

(iii) Arises out of or results from the possession, operation, or use by the Contractor or a subcontractor of a device utilizing special nuclear material or by-product material, during the course of the contract activity; or

(iv) Arises out of, results from, or occurs in the course of nuclear waste activities, the Contractor, on behalf of itself and other persons indemnified, agrees to waive—

(A) Any issue or defense as to the conduct of the claimant (including the conduct of persons through whom the claimant derives its cause of action) or fault of persons indemnified, including, but not limited to negligence, contributory negligence, assumption of risk, or unforeseeable intervening causes, whether involving the conduct of a third person or an act of God;

(B) Any issue or defense as to charitable or governmental immunity; and any issue or defense based on any statute of limitations, if suit is instituted within three years of the date on which the claimant first knew, or reasonably could have known, of his injury or change and the cause thereof. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. The waiver shall be judicially enforceable in accordance with its terms by the claimant against the person indemnified.

(v) For the purpose of making a determination of whether or not there has been an extraordinary nuclear occurrence, "offsite," as used in 10 CFR part 840, means “away from the contract location," a phrase that means any DOE facility, installation, or site at which contractual activity under this contract is being carried out, and any contractor-owned or controlled facility, installation, or site at

which the Contractor is engaged in the performance of contractual activity under this contract.

(3) The waivers set forth in paragraph (e) of this clause—

(i) Shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action;

(ii) Shall be judicially enforceable in accordance with its terms by the claimant against the person indemnified;

(iii) Shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages;

(iv) Shall not apply to any injury or damage to a claimant (or claimant's property) that is intentionally sustained by the claimant, or that results from a nuclear incident intentionally and wrongfully caused by the claimant;

(v) Shall not apply to injury to a claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place, if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law;

(vi) Shall not apply to any claim resulting from a nuclear incident occurring outside the United States;

(vii) Shall be effective only with respect to those obligations set forth in this clause and in insurance policies, contracts or other proof of financial protection; and

(viii) Shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim not within the protection afforded under

(A) the limit of liability provisions under subsection 170e. of the Act, and (B) the terms of this agreement and the terms of insurance policies, contracts, or other proof of financial protection.

(f) *Notification and litigation of claims.* The Contractor shall give immediate written notice to DOE of any known action or claim filed or made against the Contractor or other person indemnified for public liability as defined in paragraph (a) of this clause. Except as otherwise directed by DOE, the Contractor shall furnish promptly to DOE copies of all pertinent papers received by the Contractor or filed

with respect to such actions or claims. DOE shall have the right to, and may collaborate with, the Contractor and any other person indemnified in the settlement or defense of any action or claim and shall have the right to

(1) Require the prior approval of DOE for the payment of any claim that DOE may be required to indemnify hereunder; and

(2) Appear through the Attorney General on behalf of the Contractor or other person indemnified in any action brought upon any claim that DOE may be required to indemnify hereunder, take charge of such action, and settle or defend any such action. If the settlement or defense of any such action or claim is undertaken by DOE, the Contractor or other person indemnified shall furnish all reasonable assistance in effecting a settlement or asserting a defense.

(g) *Continuity of DOE obligations.* The obligations of DOE under this clause shall not be affected by any failure on the part of the Contractor to fulfill its obligation under this contract and shall be unaffected by the death, disability, or termination of existence of the Contractor, or by the completion, termination or expiration of this contract.

(h) *Effect of other clauses.* The provisions of this clause shall not be limited in any way by, and shall be interpreted without reference to, any other clause of this contract, including the Disputes clause, provided, however, that this clause is subject to the clauses at 48 CFR 52.203-5, Covenant Against Contingent Fees, and 970.5232-3, Accounts, Records, and Inspection, and any provisions later added to this contract, as required by applicable Federal law, including statutes, Executive orders and regulations, to be included in Nuclear Hazards Indemnity Agreements.

(i) *Civil penalties.* The Contractor and its subcontractors and suppliers who are indemnified under the provisions of this clause are subject to civil penalties, pursuant to section 234A of the Act, for violations of applicable DOE nuclear-safety related rules, regulations, or orders, and pursuant to section 234C of the Act, for violations of applicable DOE worker safety and health related rules, regulations, and orders. If the Contractor is a not-for-profit contractor, as defined by section 234Ad.(2), the total amount of civil penalties paid shall not exceed the total amount of fees paid within any one-year period (as determined by the Secretary) under this contract.

(j) *Criminal penalties.* Any individual director, officer, or employee of the Contractor or of its subcontractors and suppliers indemnified under the provisions of this clause are subject to criminal penalties, pursuant to section 223(c) of the Act, for knowingly and willfully violating the Act, and applicable DOE nuclear safety-related rules, regulations or orders for which violation results in, or, if undetected, would have resulted in a nuclear incident.

(k) *Inclusion in Subcontracts.* The Contractor shall insert this clause in any subcontract that may involve the risk of public liability, as that term is defined in the Act and further described in paragraph (a) of this clause. However, this clause shall not be included in subcontracts in which the subcontractor is subject to Nuclear Regulatory Commission (NRC) financial protection requirements under section 170b. of the Act or NRC agreements of indemnification under section 170c. or k. of the Act for the activities under the subcontract.

(l) Effective Date. This contract was in effect prior to August 8, 2005 and contains the clause at DEAR 952.250-70 (JUNE 1996) or prior version. The indemnity of paragraph (d) is limited to the indemnity provided by the Price-Anderson Amendments Act of 1988 for any nuclear incident to which the indemnity applies that occurred before August 8, 2005.

The indemnity of paragraph (d) of this clause applies to any nuclear incident that occurred on or after August 8, 2005. The Contractor's liability for violations of the Atomic Energy Act of 1954 under this contract is that in effect prior to August 8, 2005.

(End of Clause)

[1665]

I–130 DEAR 952.251-70 Contractor Employee Travel Discounts (Aug 2009)

(a) The Contractor shall take advantage of travel discounts offered to Federal Contractor employee travelers by AMTRAK, hotels, motels, or car rental companies, when use of such discounts would result in lower overall trip costs and the discounted services are reasonably available. Vendors providing these services may require the Contractor employee to furnish them a letter of identification signed by the authorized Contracting Officer.

(b) Contracted airlines. Contractors are not eligible for GSA contract city pair fares.

(c) Discount rail service. AMTRAK voluntarily offers discounts to Federal travelers on official business and sometimes extends those discounts to Federal contractor employees.

(d) Hotels/motels. Many lodging providers extend their discount rates for Federal employees to Federal contractor employees.

(e) Car rentals. Surface Deployment and Distribution Command (SDDC) of the Department of Defense negotiates rate agreements with car rental companies that are available to Federal travelers on official business. Some car rental companies extend those discounts to Federal contractor employees.

(f) Obtaining travel discounts.

(1) To determine which vendors offer discounts to Government contractors, the Contractor may review commercial publications such as the Official Airline guides Official Traveler, Innovata, or National Telecommunications. The Contractor may also obtain this information from GSA contract Travel Management Centers or the Department of Defense's Commercial Travel Offices.

(2) The vendor providing the service may require the Government contractor to furnish a letter signed by the Contracting Officer. The following illustrates a standard letter of identification.

OFFICIAL AGENCY LETTERHEAD

TO: Participating Vendor

SUBJECT: OFFICIAL TRAVEL OF GOVERNMENT CONTRACTOR

(FULL NAME OF TRAVELER), the bearer of this letter is an employee of (COMPANY NAME) which has a contract with this agency under Government contract (CONTRACT NUMBER). During the period of the contract (GIVE DATES), AND WITH THE APPROVAL OF THE CONTRACT VENDOR, the employee is eligible and authorized to use available travel discount rates in accordance with Government contracts and/or agreements. Government Contract City Pair fares are not available to Contractors.

SIGNATURE, Title and telephone number of Contracting Officer

(End of clause)
[M779]

I–131 DEAR 970.5203-1 Management Controls (Jun 2007)(SC Alternate)(APR 2018)(Deviation)(PF 2022-23)(OCT 2021)

(a)

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 by Contractor management to reasonably ensure that:

(1) Mission and functions assigned to the Contractor are properly executed;

(2) Systems and controls employed by the Contractor are documented and satisfactory to DOE.

(3) All levels of management are accountable for effective management systems and internal controls within their areas of assigned responsibility;

(4) Provide reasonable assurance that Government resources are safeguarded

against theft, fraud, waste, and unauthorized use;

(5) Promote work and worker safety;

(6) Promote efficient and effective operations including consideration of outsourcing of functions;

(7) Reduce or eliminate operational risks to Government facilities;

(8) All obligations and costs incurred are allowable in accordance with the intended purposes and the terms and conditions of the contract;

(9) All revenues, expenditures, transactions and assets are properly record, manage, and report;

(10) Financial, statistical and other necessary reports are maintained in an accurate, reliable, and timely manner, with proper accountability and management controls;

(11) Systems are periodically reviewed to provide reasonable assurance that the objectives of the systems are being accomplished and that its controls are working effectively;

(12) 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;

(13) 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; and

(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.

(c) On an annual basis, the Contractor through an officer at a level above the Laboratory Director, shall submit an assurance to the Contracting Officer that the system of management controls, including all systems revised in accordance with the Special Contract Requirements H clause of this Contract, entitled, “Application of DOE Contractor Requirements Documents”, is adequate to assure that the objectives of the management system are being accomplished and that the system and controls are effective and efficient.”

(End of Clause)
[M1382]

I–132 DEAR 970.5203-2 Performance Improvement and Collaboration (May 2006)

(a) The contractor agrees that it shall affirmatively identify, evaluate, and institute practices, where appropriate, that will improve performance in the areas of environmental and health, safety, scientific and technical, security, business and administrative, and any other areas of performance in the management and operation of the contract. This may entail the alteration of existing practices or the institution of new procedures to more effectively or efficiently perform any aspect of contract performance or reduce overall cost of operation under the contract. Such improvements may result from changes in organization, outsourcing decisions, simplification of systems while retaining necessary controls, or any other approaches consistent with the statement of work and performance measures of this contract.

(b) The contractor agrees to work collaboratively with the Department, all other management and operating, DOE major facilities management contractors and affiliated contractors which manage or operate DOE sites or facilities for the following purposes: (i) to exchange information generally, (ii) to evaluate concepts that may be of benefit in resolving common issues, in confronting common problems, or in reducing costs of operations, and (iii) to otherwise identify and implement DOE-complex-wide management improvements discussed in paragraph (a). In doing so, it shall also affirmatively provide information relating to its management improvements to such contractors, including lessons learned, subject to security considerations and the protection of data proprietary to third parties.

(c) The contractor may consult with the contracting officer in those instances in which improvements being considered pursuant to paragraph (a) involve the cooperation of the DOE. The contractor may request the assistance of the contracting officer in the communication of the success of improvements to other management and operating contractors in accordance with paragraph (b) of this clause.

(d) The contractor shall notify the contracting officer and seek approval where necessary to fulfill its obligations under the contract. Compliance with this clause in no way alters the obligations of the Contractor under any other provision of this contract.

(End of Clause)
[M490]

I–133 DEAR 970.5203-3 Contractor's Organization (Dec 2000) (SC Alternate)

(a) *Control of employees.* The Contractor shall be responsible for maintaining satisfactory standards of employee competency, conduct, and integrity and shall be responsible for taking such disciplinary action with respect to its employees as may be necessary. In the event the Contractor fails to remove any employee from the contract work whom DOE deems incompetent, careless, or insubordinate, or whose continued employment on the work is deemed by DOE to be inimical to the Department's mission, the Contracting Officer may require, with the approval of the Secretary of Energy, the Contractor to remove the employee from work under the contract. This includes the right to direct the Contractor to remove its most senior key person from work under the contract for serious contract performance deficiencies.

(b) *Standards and procedures.* The Contractor shall establish such standards and procedures as are necessary to implement the requirements set forth in 48 CFR 970.0371. Such standards and procedures shall be subject to the approval of the Contracting Officer.

(End of Clause)
[**M1414**]

I–134 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]

I–135 DEAR 970.5204-3 Access to and Ownership of Records (Dec 2024)

(a) Government-owned records. Except as provided in paragraph (b) of this clause, all records acquired or generated by the contractor in its performance of this contract, including records series described within the contract as Privacy Act systems of records, shall be the property of the Government and shall be maintained in accordance with 36 CFR, Chapter XII, Subchapter B, “Records Management.” The contractor shall ensure records classified as Privacy Act system of records are maintained in accordance with FAR 52.224.2 “Privacy Act.”

(b) Contractor-owned records. The following records are considered the property of the contractor and are not within the scope of paragraph (a) of this clause.

(1) Employment-related records (such as worker's compensation files; employee relations records, records on salary and employee benefits; drug testing records, labor negotiation records; records on ethics, employee concerns; records generated during the course of responding to allegations of research misconduct; records generated during other employee related investigations conducted under an expectation of confidentiality; employee assistance program records; and personnel and medical/health-related records and similar files), and non-employee patient medical/health-related records, except those records described by the contract as being operated and maintained by the Contractor in Privacy Act system of records.

(2) Confidential contractor financial information, internal corporate governance records and correspondence between the contractor and other segments of the contractor located away from the DOE facility (i.e., the contractor's corporate headquarters);

(3) Records relating to any procurement action by the contractor, except for records that under 48 CFR 970.5232-3 are described as the property of the Government; and

(4) Legal records, including legal opinions, litigation files, and documents covered by the attorney-client and attorney work product privileges; and

(5) The following categories of records maintained pursuant to the technology transfer clause of this contract:

(i) Executed license agreements, including exhibits or appendices containing information on royalties, royalty rates, other financial information, or commercialization plans, and all related documents, notes and correspondence.
(ii) The contractor's protected Cooperative Research and Development Agreement (CRADA) information and appendices to a CRADA that contain licensing terms and conditions, or royalty or royalty rate information.
(iii) Patent, copyright, mask work, and trademark application files and related contractor invention disclosures, documents and correspondence, where the contractor has elected rights or has permission to assert rights and has not relinquished such rights or turned such rights over to the Government.

(c) Contract completion or termination. Upon contract completion or termination, the contractor shall ensure final disposition of all Government-owned records to a Federal Record Center, the National Archives and Records Administration, to a successor contractor, its designee, or other destinations, as directed by the Contracting Officer. Upon the request of the Government, the contractor shall

provide either the original contractor-owned records or copies of the records identified in paragraph (b) of this clause, to DOE or its designees, including successor contractors. Upon delivery, title to such records shall vest in DOE or its designees, and such records shall be protected in accordance with applicable federal laws (including the Privacy Act) as appropriate. If the contractor chooses to provide its original contractor-owned records to the Government or its designee, the contractor shall retain future rights to access and copy such records as needed.

(d) Inspection, copying, and audit of records. All records acquired or generated by the Contractor under this contract in the possession of the Contractor, including those described at paragraph (b) of this clause, shall be subject to inspection, copying, and audit by the Government or its designees at all reasonable times, and the Contractor shall afford the Government or its designees reasonable facilities for such inspection, copying, and audit; provided, however, that upon request by the Contracting Officer, the Contractor shall deliver such records to a location specified by the Contracting Officer for inspection, copying, and audit. The Government or its designees shall use such records in accordance with applicable federal laws (including the Privacy Act), as appropriate.

(e) Applicability. This clause applies to all records created, received and maintained by the contractor without regard to the date or origination of such records including all records acquired from a predecessor contractor.

(f) Records maintenance and retention. Contractor shall create, maintain, safeguard, and disposition records in accordance with 36 CFR, Chapter XII, Subchapter B, "Records Management" and the National Archives and Records Administration (NARA)-approved Records Disposition Schedules. Records retention standards are applicable for all classes of records, whether or not the records are owned by the Government or the contractor. The Government may waive application of the NARA-approved Records Disposition Schedules, if, upon termination or completion of the contract, the Government exercises its right under paragraph (c) of this clause to obtain copies of records described in paragraph (b) and delivery of records described in paragraph (a) of this clause.

(g) Subcontracts.

(1) The contractor shall include the requirements of this clause in all subcontracts that contain the *Radiation Protection and Nuclear Criticality* clause at 48 CFR 952.223-72, or whenever an on-site subcontract scope of work:

(i) Could result in potential exposure to:
(A) Radioactive materials;
(B) Beryllium; or
(C) Asbestos; or
(ii) Involves a risk associated with chronic or acute exposure to toxic chemicals or substances or other hazardous materials that can

cause adverse health impacts, in accordance with 10 CFR part 851. In determining its flow-down responsibilities, the Contractor shall include the requirements of this clause in all on-site subcontracts where the scope of work is performed in:

(A) Radiological Areas and/or Radioactive Materials Areas (as defined at 10 CFR 835.2);
(B) Areas where beryllium concentrations exceed or can reasonably be expected to exceed action levels specified in 10 CFR part 850;
(C) An Asbestos Regulated area (as defined at 29 CFR 1926.1101 or 1910.1001); or
(D) A workplace where hazard prevention and abatement processes are implemented in compliance with 10 CFR 851.21 to specifically control potential exposure to toxic chemicals or substances or other hazardous materials that can cause long term health impacts.

(2) The Contractor may elect to take on the obligations of the provisions of this clause in lieu of the subcontractor and maintain records that would otherwise be maintained by the subcontractor.

(End of Clause)
[**1665**]

I–136 DEAR 970.5208-1 Printing (Dec 2000)

(a) To the extent that duplicating or printing services may be required in the performance of this Contract, the Contractor shall provide or secure such services in accordance with the Government Printing and Binding Regulations, Title 44 of the U.S. Code, and DOE Directives relative thereto.

(b) The term "Printing" includes the following processes: Composition, platemaking, presswork, binding, microform publishing, or the end items produced by such processes. Provided, however, that performance of a requirement under this Contract involving the duplication of less than 5,000 copies of a single page, or no more than 25,000 units in the aggregate of multiple pages, will not be deemed to be printing.

(c) Printing services not obtained in compliance with this guidance shall result in the cost of such printing being disallowed.

(d) The Contractor shall include the substance of this clause in all subcontracts hereunder which require printing (as that term is defined in Title I of the U.S.

Government Printing and Binding Regulations).

(End of Clause)

I–137 DEAR 970.5211-1 Work Authorization (May 2007)

(a) Work authorization proposal. Prior to the start of each fiscal year, the Contracting Officer or designee shall provide the Contractor with program execution guidance in sufficient detail to enable the Contractor to develop an estimated cost, scope, and schedule. In addition, the Contracting Officer may unilaterally assign work. The Contractor shall submit to the Contracting Officer or other designated official, a detailed description of work, a budget of estimated costs, and a schedule of performance for the work it recommends be undertaken during that upcoming fiscal year.

(b) Cost estimates. The Contractor and the Contracting Officer shall establish a budget of estimated costs, description of work, and schedule of performance for each work assignment. If agreement cannot be reached as to scope, schedule, and estimated cost, the Contracting Officer may issue a unilateral work authorization, pursuant to this clause. The work authorization, whether issued bilaterally or unilaterally shall become part of the contract. No activities shall be authorized or costs incurred prior to Contracting Officer issuance of a work authorization or direction concerning continuation of activities of the contract.

(c) Performance. The Contractor shall perform work as specified in the work authorization, consistent with the terms and conditions of this contract.

(d) Modification. The Contracting Officer may at any time, without notice, issue changes to work authorizations within the overall scope of the contract. A proposal for adjustment in estimated costs and schedule for performance of work, recognizing work made unnecessary as a result, along with new work, shall be submitted by the Contractor in accordance with paragraph (a) of this clause. Resolution shall be in accordance with paragraph (b) of this clause.

(e) Increase in estimated cost. The Contractor shall notify the Contracting Officer immediately whenever the cost incurred, plus the projected cost to complete work is projected to differ (plus or minus) from the estimate by 10 percent. The Contractor shall submit a proposal for modification in accordance with paragraph (a) of this clause. Resolution shall be in accordance with paragraph (b) of this clause.

(f) Expenditure of funds and incurrence of costs. The expenditure of monies by the Contractor in the performance of all authorized work shall be governed by the ``Obligation of Funds" or equivalent clause of the contract.

(g) Responsibility to achieve environment, safety, health, and security compliance. Notwithstanding other provisions of the contract, the Contractor may, in the event of an emergency, take that corrective action necessary to sustain operations consistent with applicable environmental, safety, health, and security statutes, regulations, and procedures. If such action is taken, the Contractor shall notify the Contracting Officer within 24 hours of initiation and, within 30 days, submit a proposal for adjustment in estimated costs and schedule established in accordance with paragraphs (a) and (b) of this clause.

(End of Clause)
[M707]

I–138 DEAR 970.5215-1 Total Available Fee: Base Fee Amount and Performance Fee Amount (Dec 2024)

(a) Total Available Fee. Total available fee, consisting of a base fee amount (which may be zero) and a performance fee amount (consisting of an incentive fee component for objective performance requirements, an award fee component for subjective performance requirements, or both) determined in accordance with the provisions of this clause, is available for payment in accordance with the clause of this Contract entitled, "Payments and advances."

(b) Fee Negotiations. For any fee negotiations under this contract, at any time prior to the beginning of the evaluation period the negotiations cover, the Contracting Officer and Contractor shall attempt to reach agreement on: the requirements for the evaluation period including, if appropriate, the evaluation areas and individual requirements subject to incentives; the total available fee amount of the evaluation period; and the allocation of the total available fee amount. If agreement is reached prior to the beginning of the evaluation period, the Contracting Officer shall modify the contract to reflect the agreement. If agreement is not reached prior to the beginning of the evaluation period, the Contracting Officer will, prior to the beginning of the evaluation period, unilaterally determine: the requirements of the evaluation period including, if appropriate, the evaluation areas and individual requirements subject to incentives, the total available fee amount, and the allocation of the total available fee, amount. The Contracting Officer shall modify the contract to reflect the determination.

(c) Determination of Total Available Fee Amount Earned.

(1) The Department of Energy (DOE) shall, at the conclusion of each specified evaluation period, evaluate the Contractor's performance of all requirements and determine the total available fee amount earned. At DOE’s discretion, if the contract established specific incentivized requirements and a schedule for their completion and the Contractor completes them during the evaluation period, DOE may evaluate the Contractor's performance upon the requirements' completion. The Contractor agrees the determination of the total available fee amount

earned is a unilateral determination made by the Fee Determining Official (FDO). DOE will identify the FDO. The FDO will be the DOE Operations/Field Office Manager, or another DOE official designated by the Assistant Secretary or equivalent (not delegable).

(2) If the award fee cycle consists of one evaluation period, award fee not earned during the evaluation period shall not be allocated to future evaluation periods. At the sole discretion of DOE, if the award fee cycle consists of more than one evaluation period, award fee not earned during the evaluation period may be allocated to future evaluation periods within the same award fee cycle.

(3) Following each evaluation period, the Contractor may submit a self-assessment within 7 calendar days after the end of the period. This self-assessment shall address both the strengths and weaknesses of the Contractor's performance during the evaluation period. Where deficiencies in performance are noted, the Contractor shall describe the actions planned or taken to correct them and avoid their recurrence. The FDO will review the Contractor's self-assessment as part of the evaluation of the Contractor's performance during the period.

(4) The FDO will evaluate the Contractor's performance in accordance with the Performance Evaluation and Measurement Plan (PEMP) described in paragraph (d) of this clause unless otherwise set forth in the contract. The Contractor shall be promptly advised in writing of the total available fee amount earned determination and the basis of the determination.

(d) Performance Evaluation and Measurement Plan(s). To the extent not set forth elsewhere in the Contract:

(1) The DOE shall establish a Performance Evaluation and Measurement Plan (PEMP) upon which the determination of the total available fee amount earned shall be based. The PEMP will address all of the requirements of Contract performance specified in the Contract directly or by reference. The Contracting Officer shall provide the Contractor with a copy of the PEMP before the start of an evaluation period.

(2) The PEMP will set forth the criteria upon which the Contractor will be evaluated relating to any technical, schedule, management, and/or cost objectives selected for evaluation. The PEMP will include, per 48 CFR 16.402-1, a cost incentive (or constraint). The criteria in the PEMP should be objective but may also include subjective criteria. The Plan will set forth the method by which the total available fee amount will be allocated, and the total available fee amount earned will be determined.

(3) The PEMP may be revised, either unilaterally (by DOE) or bilaterally, during the evaluation period. If it is revised, the Contracting Officer shall notify the Contractor—

(i) Of unilateral revisions (unless they are urgent and high priority) at least ninety calendar days prior to the end of the evaluation period and at least thirty calendar days prior to the effective date of the revision;

(ii) Of bilateral revisions (unless they are urgent and high priority) at least sixty calendar days prior to the end of the evaluation period;

(iii) Of urgent and high priority revisions, whether made unilaterally or bilaterally, at least thirty calendar days prior to the end of the evaluation period.

(e) Schedule for total available fee amount earned determinations. The FDO shall issue the final total available fee amount earned determination in accordance with the schedule set forth in the PEMP or as otherwise set forth in this Contract.

(1) The determination for the evaluation period must be made within the later of: sixty calendar days after the receipt by the Contracting Officer of the Contractor's self-assessment, if one is required or permitted; seventy calendar days after the end of the evaluation period; or a longer period if the Contractor and Contracting Officer agree.

(2) If the FDO elects to evaluates the Contractor's performance of any specific requirements upon their completion, the determination of any fee amount earned must be made: within seventy calendar days of the requirements' completion; or a longer period if the Contractor and Contracting Officer agree.

(3) If the determination is not made within the periods stated above, the Contractor shall be entitled to interest on the total available fee amount earned at the rate established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 *(41 U.S.C. 7109)* that is in effect on the payment date. This rate is referred to as the "Renegotiation Board Interest Rate," and is published in the Federal Register semiannually on or about January 1 and July 1. The interest on any late total available fee amount earned determination will accrue daily and be compounded in 30-day increments inclusive from the first day after the schedule determination date through the actual date the determination is made. That is, interest accrued at the end of any 30-day period will be added to the total available fee amount earned and be subject to interest if not paid in the succeeding 30-day period.

(End of Clause)
[1665]

I–139 DEAR 970.5215-3 Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts (Dec 2024)

(a) *Definitions.* "Amount of payment for otherwise earned fee, fixed fee, profit, or other incentives for an evaluation period" means the quantity the Contracting Officer or Fee Determining Official determines the Contractor is due for its performance in consideration of the Performance Evaluation and Measurement Plan, Award Fee Plan, or similar document prior to a separate determination that the Contractor did not comply with a term or condition of the contract or experienced a failure relating to: environment, safety, and health or security or safeguarding of Restricted Data and other classified information. If the contract includes incentives allocable to more than one evaluation period, the amount of payment for otherwise earned fee, fixed fee, profit, or other incentives for an evaluation period includes the allocable amount of payment for each such incentive for otherwise earned fee, fixed fee, profit, or other incentives. The allocable amount is the total amount divided by the number of evaluation periods the incentive covered. "Amount actually payable to the Contractor for an evaluation period" means: (the amount of payment for otherwise earned fee, fixed fee, profit, or other incentives for the evaluation period) less (the amount of any reduction under this clause and the amount of any reductions under other clauses to the amount of payment for otherwise earned fee, fixed fee, profit, or other incentives for the evaluation period).

(b) *General.* (Note: If this contract does not include the Security Requirements clause (48 CFR 952.204-2), the requirements of this clause related to security or safeguarding of Restricted Data and other classified information do not apply.)

(1) The amount of payment of otherwise earned fee, fixed fee, profit, or other incentives for any evaluation period under this contract is dependent upon the Contractor's and the Contractor's employees' compliance during the evaluation period with the performance requirements of this contract relating to:

(i) Environment, safety and health (ES&H), which includes worker safety and health (WS&H); and

(ii) Security or safeguarding of Restricted Data and other classified information.

(2) The ES&H performance requirements of this contract are set forth in its ES&H terms and conditions, including the DOE approved contractor Integrated Safety Management System (ISMS) or similar document. Financial incentives for timely mission accomplishment or cost

effectiveness shall never compromise or impede full and effective implementation of the ISMS and full ES&H compliance.

(3) The security or safeguarding of Restricted Data and other classified information performance requirement of this contract are set forth in: the clause of this contract entitled, “Security Requirements”; the clause of this contract entitled “Laws, Regulations, and DOE Directives”; and other terms and conditions of this contract.

(4) If the Contractor does not meet the performance requirements of this contract relating to ES&H or security or safeguarding of Restricted Data and other classified information during any evaluation period established under the contract pursuant to the clause of this contract entitled “Total Available Fee: Base Fee Amount and Performance Fee Amount," the amount of payment of otherwise earned fee, fixed fee, profit or other incentives for the evaluation period may be unilaterally reduced by the Contracting Officer.

(c) Amount of Reduction.

(1) The Contracting Officer will unilaterally determine the amount of reduction to the amount of payment for otherwise earned fee, fixed fee, profit, or other incentives for an evaluation period based on the severity of the performance failure pursuant to the degrees of failure specified in paragraphs (e) and (f) of this clause. The percent reduction for each performance failure will be: not less than 26% nor more than 100% for a first degree failure; not less than 11% or more than 26% for a second degree failure; and no more than 11% for a third degree failure.

(2) For a reduction allocable to more than one evaluation period, the Government will effect the allocation at the end of the evaluation period in which it determines the total amount of the reduction. The allocable amount is the total reduction amount divided by the number of evaluation periods the reduction covered.

(3) The Government will reduce the payment of otherwise earned fee, fixed fee, profit, or other incentives as soon as practicable after the end of the evaluation period in which the performance failure occurs. If the Government is not aware of the failure, it will effect the reduction as soon as practicable after becoming aware.

(4) In determining the reduction and in applying the mitigating factors, the Contracting Officer must consider the Contractor’s overall performance in meeting the ES&H, and security or safeguarding of Restricted Data and

other classified information performance requirements of the contract. Such consideration must include performance against any site-specific performance criteria/requirements that provide additional definition or guidance for the amount of reduction or for the applicability of mitigating factors. In all cases, the Contracting Officer must consider mitigating factors that may warrant a reduction below the reduction that would be appropriate absent mitigating factors. Mitigating factors include, but are not limited to, the following (paragraphs (c)(4)(v), (vi), (vii), and (viii) of this clause apply to ES&H only):

(i) Degree of control the Contractor had over the event or incident;

(ii) Efforts the Contractor made to anticipate and mitigate the possibility of the event in advance;

(iii) Contractor self-identification and response to the event to mitigate impacts and recurrence;

(iv) General status (trend and absolute performance) of: ES&H and compliance in related areas; or of safeguarding Restricted Data and other classified information and compliance in related areas.

(v) Contractor demonstration to the Contracting Officer's satisfaction that the principles of industrial ES&H standards are routinely practiced;

(vi) Event caused by "Good Samaritan" act by the Contractor (e.g., offsite emergency response);

(vii) Contractor demonstration that a performance measurement system is routinely used to improve and maintain ES&H performance (including effective resource allocation) and to support DOE corporate decision-making (e.g., policy, ES&H programs); and

(viii) Contractor demonstration that an operating experience and feedback program is functioning that demonstrably affects continuous improvement in ES&H by use of lessons learned and best practices inter- and intra-DOE sites.

(d) *Reductions to the amount of payments the Contractor has received for earned fee, fixed fee, profit, or other incentives under this and other clauses.*

(1) The amount of reduction under this clause for an evaluation period, in combination with the amount of any reduction under any other clause,

shall not exceed the amount of payment for otherwise earned fee, fixed fee, profit, or other incentives for the evaluation period.

(2) If at any time during the contract any reductions under this clause or other clauses result in the sum of the amount of payments the Contractor has received for earned fee, fixed fee, profit, or other incentives to exceed the sum of the amounts of actually payable to the Contractor, the Contractor shall immediately return the excess to the Government.

(3) At the end of the contract—

(i) The Government will pay the Contractor the amount by which the sum of amounts actually payable to the Contractor exceeds the sum of the payments the Contractor has received; or

(ii) The Contractor shall return to the Government the amount by which the sum of the payments the Contractor has received exceeds the sum of the amounts actually payable to the Contractor.

(e) *Environment, Safety and Health (ES&H)*. Performance failures occur if the Contractor does not comply with the contract's ES&H terms and conditions, including applicable ES&H laws, regulations, DOE directives, and the DOE approved Contractor ISMS. The degrees of performance failure under which reductions of earned or fixed fee, profit, or share of cost savings will be determined are:

(1) *First Degree*. Performance failures most adverse to ES&H are first degree. They include:

(i) Failure to develop and obtain required DOE approval of an ISMS. (The Government will perform necessary reviews in a timely manner and not unreasonably withhold approval.)

(ii) Performance failures determined, per applicable ES&H laws, regulations, or DOE directives, to have resulted in, or that could reasonably be expected to result in, serious injury or death to a worker.

(iii) Occurrence of any accident or event that meets the criteria of Appendix A of DOE Order 225.1B (or successor Order) and results in a determination to conduct a Federal Accident Investigation Board.

(2) *Second Degree*. Performance failures significantly adverse to ES&H are second degree. They include:

(i) Failures to comply with an approved ISMS.

(ii) Failures that have been determined, per applicable ES&H laws, regulations, or DOE directives, to have resulted in, or could reasonably be expected to result in, an actual injury, exposure, or exceedance that occurred or nearly occurred but had minor practical long-term health consequences.

(iii) A breakdown of the Safety Management System.

(iv) The following performance failures or performance failures of similar import will be considered second degree:

(A) Non-compliance with applicable ES&H laws, regulations, or DOE directives actually resulting in an accident that meets the criteria of Appendix A of DOE Order 225.1B (or successor Order) but not resulting in a determination to conduct a Federal Accident Investigation Board.

(B) Non-compliance with applicable ES&H laws, regulations, or DOE directives that results in a near miss of an accident or event that could have resulted in an adverse effect and a determination to conduct a Federal Accident Investigation Board. (A near miss is a situation in which an inappropriate action occurs, or a necessary action is omitted, that does not result in an adverse effect.)

(3) *Third Degree*. Performance failures determined per applicable ES&H laws, regulations, or DOE directives to reflect a lack of focus on improving ES&H are third degree. They include:

(i) Non-compliance with applicable ES&H laws, regulations, or DOE directives actually resulting in potential breakdown of the Safety Management System. The following performance failures or performance failures of similar import will be considered third degree:

(A) Failure to implement effective corrective actions to address deficiencies/non-compliances documented through: external (e.g., Federal) oversight and/or reported per DOE Order 231.B (or successor Order) requirements; or internal oversight of 10 CFR parts 830, 835, 850, and 851, or DOE Orders 227.1A and 436.1 (or successor order) requirements.

(B) Multiple similar non-compliances identified by external (e.g., Federal) oversight that in aggregate indicate a significant programmatic breakdown.

(C) Non-compliances that have, or may have, significant negative impacts to the worker, the public, or the environment or that indicate a significant programmatic breakdown.

(D) Failure to notify DOE upon discovery of events or conditions where notification is required by the terms and conditions of the contract.

(f) *Security or Safeguarding Restricted Data and Other Classified Information*. Performance failures occur if the Contractor does not comply with the terms and conditions of this contract relating to the safeguarding of Restricted Data and other classified information. The degrees of performance failure under which reductions of fee, profit, or other incentives will be determined are as follows:

(1) *First Degree*. Performance failures determined, in accordance with applicable law, regulation, or DOE directive, to have resulted in, or that can reasonably be expected to result in, exceptionally grave damage to the national security are first degree. The following are examples:

(i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating a risk of, loss, compromise, or unauthorized disclosure of Top Secret Restricted Data or other information classified as Top Secret, any classification level of information in a Special Access Program (SAP), information identified as sensitive compartmented information (SCI), or high risk nuclear weapons-related data.

(ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data, or other information classified as Top Secret, any classification level of information in an SAP, information identified as SCI, or high risk nuclear weapons-related data.

(iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data, or other information classified as Top Secret, any classification level of information in an SAP, information identified as SCI, or high risk nuclear weapons-related data.

(iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data or other information classified as Top Secret, any classification level of information in an SAP, information identified as SCI, or high risk nuclear weapons-related data.

(2) *Second Degree*. Performance failures determined, in accordance with applicable law, DOE regulation, or directive, to have actually resulted in, or that can reasonably be expected to result in, serious damage to the national security are second degree. The following are examples:

(i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Secret Restricted Data or other information classified as Secret.

(ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Secret Restricted Data, or other information classified as Secret.

(iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of Secret Restricted Data or other classified information regardless of classification (except for information covered by paragraph (f)(1)(iii) of this clause).

(iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Secret Restricted Data or other classified information classified as Secret.

(3) *Third Degree*. Performance failures determined, in accordance with applicable law, regulation, or DOE directive, to have actually resulted in, or that can reasonably be expected to result in, undue risk to the common defense and security are third degree. This category also includes performance failures that result from a lack of Contractor management and/or employee attention to the proper safeguarding of Restricted Data and other classified information. These performance failures may be indicators of future more severe performance failures and/or conditions that if identified and corrected early would prevent serious incidents. The following are examples:

(i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Restricted Data or other information classified as Confidential.

(ii) Failure to promptly report alleged or suspected violations of laws, regulations, or directives pertaining to the safeguarding of Restricted Data or other classified information.

(iii) Failure to identify or timely execute corrective actions to mitigate or eliminate identified vulnerabilities and reduce residual risk relating to the protection of Restricted Data or other classified information in accordance with the Contractor's Safeguards and Security Plan or other security plan, as applicable.

(iv) Contractor actions that result in performance failures that by themselves pose minor risk, but when viewed in the aggregate indicate degradation in the integrity of the Contractor's safeguards and security management system relating to the protection of Restricted Data and other classified information.

(End of Clause)
[1665]

I–140 DEAR 970.5216-7 Allowable Cost and Payment (OCT 2021)(Deviation)(PF 2022-23)(OCT 2021)

(a) Invoicing.

(1) The Government will make payments to the Contractor per DEAR 970.5232-2, "Payments and advances." The payments will only be for amounts determined to be allowable by the Contracting Officer in accordance with the: Federal Acquisition Regulation (FAR) subpart 31.2 in effect on the date of this contract; the Department of Energy Acquisition Regulation subpart 970.31 in effect on the date of this contract; and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.

(b) Reimbursing costs.

(1) The Government will make payments to the Contractor per DEAR 970.5232-2, "Payments and advances." The payments will only be for allowable costs. For the purpose of reimbursing allowable costs (except as provided in paragraph (b)(2) of this clause, with respect to pension, deferred profit sharing, and employee stock ownership plan contributions), the term "costs" includes only—

(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;

(ii) When the Contractor is not delinquent in paying costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for-

(A) Supplies and services purchased directly for the contract and associated financing payments to subcontractors, provided payments determined due will be made–

(1) In accordance with the terms and conditions of a subcontract or invoice; and

(2) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government (the Government will make payments to the Contractor per DEAR 970.5232-2, "Payments and advances");

(B) Materials issued from the Contractor's inventory and placed in the production process for use on the contract;

(C) Direct labor;

(D) Direct travel;

(E) Other direct in-house costs; and

(F) Properly allocable and allowable indirect costs, as shown in the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts; and

(iii) The amount of financing payments that have been paid by cash, check, or other forms of payment to subcontractors.

(2) Accrued costs of Contractor contributions under employee pension plans shall be excluded until actually paid unless-

(i) The Contractor's practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractor's indirect costs for payment purposes).

(3) Notwithstanding the audit and adjustment of invoices or vouchers under paragraph (g) of this clause, allowable indirect costs under this contract shall be obtained by applying indirect cost rates established in accordance with paragraph (d) of this clause.

(4) Any statements in specifications or other documents incorporated in this contract by reference designating performance of services or furnishing of materials at the

Contractor's expense or at no cost to the Government shall be disregarded for purposes of cost-reimbursement under this clause.

(c) *Small business concerns*. The Government will make payments to the Contractor per DEAR 970.5232-2, "Payments and advances."

(d) Final indirect cost rates.

(1) Final annual indirect cost rates and the appropriate bases shall be established in accordance with subpart 42.7 of the Federal Acquisition Regulation (FAR) in effect for the period covered by the indirect cost rate proposal.

(2)

(i) The Contractor shall submit an adequate final indirect cost rate proposal to the Contracting Officer (or cognizant Federal agency official) and auditor within the 6-month period following the expiration of each of its fiscal years. Reasonable extensions, for exceptional circumstances only, may be requested in writing by the Contractor and granted in writing by the Contracting Officer. The Contractor shall support its proposal with adequate supporting data.

(ii) The proposed rates shall be based on the Contractor's actual cost experience for that period. The appropriate Government representative and the Contractor shall establish the final indirect cost rates as promptly as practical after receipt of the Contractor's proposal.

(iii) An adequate indirect cost rate proposal shall include the following data unless otherwise specified by the cognizant Federal agency official:

(A) Summary of all claimed indirect expense rates, including pool, base, and calculated indirect rate.

(B) *General and Administrative expenses (final indirect cost pool)*. Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts).

(C) *Overhead expenses (final indirect cost pool)*. Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) for each final indirect cost pool.

(D) *Occupancy expenses (intermediate indirect cost pool)*. Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) and expense reallocation to final indirect cost pools.

(E) Claimed allocation bases, by element of cost, used to distribute indirect costs.

(F) Facilities capital cost of money factors computation.

(G) Reconciliation of books of account (*i.e.*, General Ledger) and claimed direct costs by major cost element.

(H) Schedule of direct costs by contract and subcontract and indirect expense applied at claimed rates, as well as a subsidiary schedule of Government participation percentages in each of the allocation base amounts.

(I) Schedule of cumulative direct and indirect costs claimed and billed by contract and subcontract.

(J) *Subcontract information*. Listing of subcontracts awarded to companies for which the contractor is the prime or upper-tier contractor (include prime and subcontract numbers; subcontract value and award type; amount claimed during the fiscal year; and the subcontractor name, address, and point of contact information).

(K) Summary of each time-and-materials and labor-hour contract information, including labor categories, labor rates, hours, and amounts; direct materials; other direct costs; and, indirect expense applied at claimed rates.

(L) Reconciliation of total payroll per IRS form 941 to total labor costs distribution.

(M) Listing of decisions/agreements/approvals and description of accounting/organizational changes.

(N) Certificate of final indirect costs (see 52.242-4, Certification of Final Indirect Costs).

(O) Contract closing information for contracts physically completed in this fiscal year (include contract number, period of performance, contract ceiling amounts, contract fee computations, level of effort, and indicate if the contract is ready to close).

(iv) The following supplemental information is not required to determine if a proposal is adequate, but may be required during the audit process:

(A) Comparative analysis of indirect expense pools detailed by account to prior fiscal year and budgetary data.

(B) General organizational information and limitation on allowability of compensation for certain contractor personnel. See 31.205-6(p). Additional salary reference information is available at https://www.whitehouse.gov/wp-content/uploads/2017/11/ContractorCompensationCapContractsAwardedBeforeJune24.pdf and https://www.whitehouse.gov/wp-content/uploads/2017/11/ContractorCompensationCapContractsAwardedafterJune24.pdf

(C) Identification of prime contracts under which the contractor performs as a subcontractor.

(D) Description of accounting system (excludes contractors required to submit a CAS Disclosure Statement or contractors where the description of the accounting system has not changed from the previous year's submission).

(E) Procedures for identifying and excluding unallowable costs from the costs claimed and billed (excludes contractors where the procedures have not changed from the previous year's submission).

(F) Certified financial statements and other financial data (*e.g.*, trial balance, compilation, review, *etc.*).

(G) Management letter from outside CPAs concerning any internal control weaknesses.

(H) Actions that have been and/or will be implemented to correct the weaknesses described in the management letter from subparagraph (G) of this section.

(I) List of all internal audit reports issued since the last disclosure of internal audit reports to the Government.

(J) Annual internal audit plan of scheduled audits to be performed in the fiscal year when the final indirect cost rate submission is made.

(K) Federal and State income tax returns.

(L) Securities and Exchange Commission 10-K annual report.

(M) Minutes from board of directors meetings.

(N) Listing of delay claims and termination claims submitted which contain costs relating to the subject fiscal year.

(O) Contract briefings, which generally include a synopsis of all pertinent contract provisions, such as: contract type, contract amount, product or service(s) to be provided, contract performance period, rate ceilings, advance approval requirements, pre-contract cost allowability limitations, and billing limitations.

(v) The Contractor shall update the billings on all contracts to reflect the final settled rates and update the schedule of cumulative direct and indirect costs claimed and billed, as required in paragraph (d)(2)(iii)(I) of this section, within 60 days after settlement of final indirect cost rates.

(3) The Contractor and the appropriate Government representative shall execute a written understanding setting forth the final indirect cost rates. The understanding shall specify (i) the agreed-upon final annual indirect cost rates, (ii) the bases to

which the rates apply, (iii) the periods for which the rates apply, (iv) any specific indirect cost items treated as direct costs in the settlement, and (v) the affected contract and/or subcontract, identifying any with advance agreements or special terms and the applicable rates. The understanding shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this contract. The understanding is incorporated into this contract upon execution.

(4) Failure by the parties to agree on a final annual indirect cost rate shall be a dispute within the meaning of the Disputes clause.

(5) Within 120 days (or longer period if approved in writing by the Contracting Officer) after settlement of the final annual indirect cost rates for all years of a physically complete contract, the Contractor shall submit a completion invoice or voucher to reflect the settled amounts and rates. The completion invoice or voucher shall include settled subcontract amounts and rates. The prime contractor is responsible f or settling subcontractor amounts and rates included in the completion invoice or voucher and providing status of subcontractor audits to the contracting officer upon request.

(6)

(i) If the Contractor fails to submit a completion invoice or voucher within the time specified in paragraph (d)(5) of this clause, the Contracting Officer may-

(A) Determine the amounts due to the Contractor under the contract; and

(B) Record this determination in a unilateral modification to the contract.

(ii) This determination constitutes the final decision of the Contracting Officer in accordance with the Disputes clause.

(e) *Billing rates*. Until final annual indirect cost rates are established for any period, the Government shall reimburse the Contractor at billing rates established by the Contracting Officer or by an authorized representative (the cognizant auditor), subject to adjustment when the final rates are established. These billing rates-

(1) Shall be the anticipated final rates; and

(2) May be prospectively or retroactively revised by mutual agreement, at either party's request, to prevent substantial overpayment or underpayment.

(f) *Quick-closeout procedures*. Quick-closeout procedures are applicable when the conditions in

FAR 42.708(a) are satisfied.

(g) *Audit*. At any time or times before final payment, the Contracting Officer may have the Contractor's invoices or vouchers and statements of cost audited. Any payment may be-

(1) Reduced by amounts found by the Contracting Officer not to constitute allowable costs; or

(2) Adjusted for prior overpayments or underpayments.

(h) Final payment. The Government will make final payment to the Contractor per DEAR 970.5232-2, "Payments and advances."

(End of clause)
[M1382]

I–141 DEAR 970.5217-1 Strategic Partnership Projects Program (Non-DOE Funded Work) (Dec 2024)

(a) *Authority to perform Strategic Partnership Projects*. Pursuant to the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 *et seq.*) the Contractor may perform work for non-DOE entities (sponsors) on a fully reimbursable basis in accordance with this clause. For instances in which the Atomic Energy Act of 1954 does not apply, and no other specific authority applies, DOE may use the Economy Act of 1932, as amended (31 U.S.C. 1535), as authority to accept and perform the work.

(b) *Contractor's implementation*. The Contractor must draft, implement, and maintain formal policies, practices, and procedures in accordance with this clause, which must be submitted to the Contracting Officer for review and approval.

(c) *Conditions of participation in Strategic Partnership Projects program*. The Contractor:

(1) Must not perform Strategic Partnership Projects (SPP) activities that would place it in direct competition with the domestic private sector;

(2) Must not respond to a request for proposals or any other solicitation from another Federal agency or non-Federal organization that involves direct comparative competition, either as an offeror, team member, or subcontractor to an offeror; however, the Contractor may, following notification to the Contracting Officer, respond to Broad Agency Announcements, Financial Assistance solicitations, and similar solicitations from another Federal Agency or non-Federal organizations when the selection is based on merit or peer review, the work involves basic or applied research to further advance scientific knowledge or understanding, and a response does not result in direct, comparative competition;

(3) Must not commence work on any SPP project until it has been approved by the DOE Contracting Officer or designated representative or, if it includes support for a Special Access Program (SAP), receives formal approval outlined in DOE

Order 471.5 (or its successor), or the work falls under an approved Master Scope of Work (MSW);

(4) Must not incur project costs until receipt of DOE notification that a budgetary resource is available for the project, except as provided in 48 CFR 970.5232-6;

(5) Must ensure that all costs associated with the performance of the work under a SPP project are included in the project's cost estimate, as provided for in the current version of DOE Order 522.1, Pricing of Departmental Materials and Services, including specifically all DOE direct costs and applicable surcharges;

(6) Must maintain records for the accumulation of costs and the billing of such work to ensure that DOE's appropriated funds are not used in support of SPP projects and to provide an accounting of the expenditures to DOE and the sponsor upon request;

(7) Must perform all SPP projects in accordance with the standards, policies, and procedures that apply to performance under this contract, including but not limited to environmental, safety and health, security, safeguards and classification procedures, and human and animal research regulations;

(8) May subcontract portion(s) of a SPP project; however, the Contractor must select the subcontractor and the work to be subcontracted. Any subcontracted work must be in direct support of the Contractor's performance as defined in the DOE approved SPP project;

(9) Must maintain a summary listing of project information for each active Strategic Partnership Projects project, consisting of—

(i) Sponsoring agency;

(ii) Total estimated costs;

(iii) Project title and description;

(iv) Project point of contact; and

(v) Estimated start and completion dates; and

(10) May use a Master Scope of Work (MSW) as defined in 48 CFR 970.5227-3 for a SPP project.

(d) Negotiation and execution of Strategic Partnership Projects agreement.

(1) When delegated authority by the Contracting Officer, the Contractor may negotiate the terms and conditions that will govern the performance of a specific Strategic Partnership Projects project. Such terms and conditions must be consistent with the terms, conditions, and requirements of the Contractor's contract with DOE. The Contractor may use DOE-approved contract terms and conditions as delineated in DOE Order 481.1 or terms and conditions previously approved by the responsible Contracting Officer or authorized designee for agreements with non-Federal entities. The Contractor must not hold itself out as representing DOE when negotiating the proposed Strategic Partnership Projects agreement.

(2) With the exception of a SPP project using a Contracting Officer approved MSW, the Contractor must submit all SPP projects to the DOE Contracting Officer for DOE review and approval. The Contractor shall also include in any request for DOE SPP project approval a listing of any associated background intellectual property having a prior assignment, exclusive licensing or option for exclusive licensing. The Contractor may not start work under a SPP project agreement until it has received notice of DOE approval except when the work falls under an approved MSW.

(3) The Contractor is authorized to reserve the intellectual property indemnity clause for Federally-funded sponsors, state and local governments and public universities. The Contractor is further authorized to include in subcontracts with other domestic sponsors (i.e., private universities and small and large businesses) a warranty provision in lieu of a patent indemnification clause.

(e) Preparation of project proposals. When the Contractor proposes to perform Strategic Partnership Projects activities pursuant to this clause, it may assist the project sponsor in the preparation of project proposal packages including the preparation of cost estimates.

(f) Strategic Partnership Projects appraisals. DOE may conduct periodic appraisals of the Contractor's compliance with its Strategic Partnership Projects Program policies, practices and procedures. The Contractor must provide facilities and other support in conjunction with such appraisals as directed by the Contracting Officer or authorized designee.

(g) Annual Strategic Partnership Projects report. The Contractor must provide assistance as required by the Contracting Officer or authorized designee in the preparation of a DOE Annual Summary Report of Strategic Partnership Projects Activities under the contract.

(End of Clause)

I–142 DEAR 970.5222-1 Collective Bargaining Agreements Management and Operating Contracts (Dec 2000)

When negotiating collective bargaining agreements applicable to the work force under this Contract, the Contractor shall use its best efforts to ensure such agreements contain provisions designed to assure continuity of services. All such agreements entered into during the Contract period of performance should provide that grievances and disputes involving the interpretation or application of the agreement will be settled without resorting to strike, lockout, or other interruption of normal operations. For this purpose, each collective bargaining agreement should provide an effective grievance procedure with arbitration as its final step, unless the Parties mutually agree upon some other method of assuring continuity of operations. As part of such agreements, management and labor should agree to cooperate fully with the Federal Mediation and Conciliation Service. The Contractor shall include the substance of this clause in any subcontracts for protective services or other services performed on the DOE-owned site, which will affect the continuity of operation of the facility.

(End of Clause)

I–143 DEAR 970.5222-2 Overtime Management (Dec 2000)

(a) The Contractor shall maintain adequate internal controls to ensure that employee overtime is authorized only if cost effective and necessary to ensure performance of work under this Contract.

(b) The Contractor shall notify the Contracting Officer when in any given year it is likely that overtime usage as a percentage of payroll may exceed 4%.

(c) The Contracting Officer may require the submission, for approval, of a formal annual overtime control plan whenever Contractor overtime usage as a percentage of payroll has exceeded, or is likely to exceed, 4%, or if the Contracting Officer otherwise deems overtime expenditures excessive. The plan shall include, at a minimum:

(1) An overtime premium fund (maximum dollar amount);

(2) Specific controls for casual overtime for non-exempt employees;

(3) Specific parameters for allowability of exempt overtime;

(4) An evaluation of alternatives to the use of overtime; and

(5) Submission of a semi-annual report that includes for exempt and non-exempt employees:

(i) Total cost of overtime;

(ii) Total cost of straight time;

(iii) Overtime cost as a percentage of straight-time cost;

(iv) Total overtime hours;

(v) Total straight-time hours; and

(vi) Overtime hours as a percentage of straight-time hours.

(End of Clause)

I–144 DEAR 970.5222-4 Unemployment Compensation (Dec 2024)

(a) When under state law the contractor is permitted the option to pay unemployment claims either through the state unemployment insurance tax (pay in) or by reimbursing the state for actual claims paid out to former employees (opt out), the contractor shall provide the following:
   (1) *Statement of Coverage.* The statement of coverage shall identify whether the contractor will opt into the state unemployment fund through payment of the unemployment insurance tax or opt out by reimbursing the state(s) for actual claims paid. A statement of coverage shall be provided within 30 calendar days of contract award, contract extension, or exercise of an option.
   (2) Change in Election Status. The contractor shall notify the contracting officer no less than 30 calendar days before state approval is sought to change its pay in or opt out election.

(b) The Government reserves the right to request additional information to assess budgetary and programmatic risks and impact when the contractor chooses to opt out.

(End of Clause)
[1665]

I–145 DEAR 970.5223-1 Integration of Environment, Safety, and Health into Work Planning and Execution (Dec 2000)

(a) For the purposes of this clause,

(1) Safety encompasses environment, safety and health, including pollution prevention and waste minimization; and

(2) Employees include subcontractor employees.

(b) In performing work under this Contract, the Contractor shall perform work safely, in a manner that ensures adequate protection for employees, the public, and the environment, and shall be accountable for the safe performance of work. The Contractor shall exercise a degree of care commensurate with the work and the

associated hazards. The Contractor shall ensure that management of environment, safety and health (ES&H) functions and activities becomes an integral but visible part of the Contractor's work planning and execution processes. The Contractor shall, in the performance of work, ensure that:

(1) Line management is responsible for the protection of employees, the public, and the environment. Line management includes those Contractor and subcontractor employees managing or supervising employees performing work.

(2) Clear and unambiguous lines of authority and responsibility for ensuring (ES&H) are established and maintained at all organizational levels.

(3) Personnel possess the experience, knowledge, skills, and abilities that are necessary to discharge their responsibilities.

(4) Resources are effectively allocated to address ES&H, programmatic, and operational considerations. Protecting employees, the public, and the environment is a priority whenever activities are planned and performed.

(5) Before work is performed, the associated hazards are evaluated and an agreed-upon set of ES&H standards and requirements are established which, if properly implemented, provide adequate assurance that employees, the public, and the environment are protected from adverse consequences.

(6) Administrative and engineering controls to prevent and mitigate hazards are tailored to the work being performed and associated hazards. Emphasis should be on designing the work and/or controls to reduce or eliminate the hazards and to prevent accidents and unplanned releases and exposures.

(7) The conditions and requirements to be satisfied for operations to be initiated and conducted are established and agreed-upon by DOE and the Contractor. These agreed-upon conditions and requirements are requirements of the Contract and binding upon the Contractor. The extent of documentation and level of authority for agreement shall be tailored to the complexity and hazards associated with the work and shall be established in a Safety Management System.

(c) The Contractor shall manage and perform work in accordance with a documented Safety Management System (System) that fulfills all conditions in paragraph (b) of this clause at a minimum. Documentation of the System shall describe how the Contractor will:

(1) Define the scope of work;
(2) Identify and analyze hazards associated with the work;

(3) Develop and implement hazard controls;
(4) Perform work within controls; and
(5) Provide feedback on adequacy of controls and continue to improve safety management.

(d) The System shall describe how the Contractor will establish, document, and implement safety performance objectives, performance measures, and commitments in response to DOE program and budget execution guidance while maintaining the integrity of the System. The System shall also describe how the Contractor will measure system effectiveness.

(e) The Contractor shall submit to the Contracting Officer documentation of its System for review and approval. Dates for submittal, discussions, and revisions to the System will be established by the Contracting Officer. Guidance on the preparation, content, review, and approval of the System will be provided by the Contracting Officer. On an annual basis, the Contractor shall review and update, for DOE approval, its safety performance objectives, performance measures, and commitments consistent with and in response to DOE's program and budget execution guidance and direction. Resources shall be identified and allocated to meet the safety objectives and performance commitments as well as maintain the integrity of the entire System. Accordingly, the System shall be integrated with the Contractor's business processes for work planning, budgeting, authorization, execution, and change control.

(f) The Contractor shall comply with, and assist the Department of Energy in complying with, ES&H requirements of all applicable laws and regulations, and applicable directives identified in the clause of this Contract entitled "Laws, Regulations, and DOE Directives." The Contractor shall cooperate with Federal and non-Federal agencies having jurisdiction over ES&H matters under this Contract.

(g) The Contractor shall promptly evaluate and resolve any noncompliance with applicable ES&H requirements and the System. If the Contractor fails to provide resolution or if, at any time, the Contractor's acts or failure to act causes substantial harm or an imminent danger to the environment or health and safety of employees or the public, the Contracting Officer may issue an order stopping work in whole or in part. Any stop work order issued by a Contracting Officer under this clause (or issued by the Contractor to a subcontractor in accordance with paragraph (i) of this clause) shall be without prejudice to any other legal or contractual rights of the Government. In the event that the Contracting Officer issues a stop work order, an order authorizing the resumption of the work may be issued at the discretion of the Contracting Officer. The Contractor shall not be entitled to an extension of time or additional fee or damages by reason of, or in connection with, any work stoppage ordered in accordance with this clause.

(h) Regardless of the performer of the work, the Contractor is responsible for compliance with the ES&H requirements applicable to this Contract. The Contractor is responsible for flowing down the ES&H requirements applicable to this Contract to subcontracts at any tier to the extent necessary to ensure the Contractor's compliance with the requirements.

(i) The Contractor shall include a clause substantially the same as this clause in subcontracts involving complex or hazardous work on site at a DOE-owned or-leased facility. Such subcontracts shall provide for the right to stop work under the conditions described in paragraph (g) of this clause. Depending on the complexity and hazards associated with the work, the Contractor may choose not to require the subcontractor to submit a Safety Management System for the Contractor's review and approval.

(End of Clause)

I–146 DEAR 970.5225-1 Compliance with Export Control Laws and Regulations (Nov 2015)

(a) The Contractor shall comply with all applicable U.S. export control laws and regulations.

(b) The Contractor's responsibility to comply with all applicable laws and regulations exists independent of, and is not established or limited by, the information provided by this clause.

(c) Nothing in the terms of this contract adds to, changes, supersedes, or waives any of the requirements of applicable Federal laws, Executive Orders, and regulations, including but not limited to—

(1) The Atomic Energy Act of 1954, as amended;

(2) The Arms Export Control Act (22 U.S.C. 2751 *et seq.*);

(3) The Export Administration Act of 1979 (50 U.S.C. app. 2401 *et seq.*), as continued under the International Emergency Economic Powers Act (Title II of Pub. L. 95-223, 91 Stat. 1626, October 28, 1977; 50 U.S.C. 1701 *et seq.*);

(4) Trading with the Enemy Act (50 U.S.C. App. 5(b), as amended by the Foreign Assistance Act of 1961);

(5) Assistance to Foreign Atomic Energy Activities (10 CFR part 810);

(6) Export and Import of Nuclear Equipment and Material (10 CFR part 110);

(7) International Traffic in Arms Regulations (ITAR) (22 CFR parts 120 through 130);

(8) Export Administration Regulations (EAR) (15 CFR parts 730 through 774); and

(9) Regulations administered by the Office of Foreign Assets Control (31 CFR parts 500 through 598).

(d) In addition to the Federal laws and regulations cited above, National Security Decision Directive (NSDD) 189, National Policy on the Transfer of Scientific, Technical, and Engineering Information establishes a national policy that, to the maximum extent possible, the products of fundamental research shall remain unrestricted. NSDD 189 provides that no restrictions may be placed upon the conduct or reporting of federally funded fundamental research that has not received national security classification, except as provided in applicable U.S. statutes. As a result, contracts confined to the performance of unclassified fundamental research generally do not involve any export-controlled activities.

NSDD 189 does not take precedence over statutes. NSDD 189 does not exempt any research from statutes that apply to export controls such as the Atomic Energy Act, as amended; the Arms Export Control Act; the Export Administration Act of 1979, as amended; or the U.S. International Emergency Economic Powers Act; or the regulations that implement those statutes (*e.g.,* the ITAR, the EAR, 10 CFR part 110 and 10 CFR part 810). Thus, if items (*e.g.,* commodities, software or technologies) that are controlled by U.S. export control laws or regulations are used to conduct research or are generated as part of the research efforts, the export control laws and regulations apply to the controlled items.

(e) The Contractor shall include the substance of this clause, including this paragraph (e), in all solicitations and subcontracts.

(End of clause)
[M1067]

I–147 RESERVED

I–148 DEAR 970.5226-2 Workforce Restructuring under Section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Dec 2000)

(a) Consistent with the objectives of Section 3161 of the National Defense Authorization Act for Fiscal Year 1993, *42 U.S.C. 7274h,* in instances where the Department of Energy has determined that a change in workforce at a Department of Energy Defense Nuclear Facility is necessary, the Contractor agrees to (1) comply with the Department of Energy Workforce Restructuring Plan for the facility, if applicable, and (2) use its best efforts to accomplish workforce restructuring or displacement so as to mitigate social and economic impacts.

(b) The requirements of this clause shall be included in subcontracts at any tier (except subcontracts for commercial items pursuant to *41 U.S.C. 403)* expected to exceed $500,000.

(End of Clause)

I–149 DEAR 970.5226-3 Community Commitment (Dec 2000)

It is the policy of the DOE to be a constructive partner in the geographic region in which DOE conducts its business. The basic elements of this policy include: (1) Recognizing the diverse interests of the region and its stakeholders, (2) engaging regional stakeholders in issues and concerns of mutual interest, and (3) recognizing that giving back to the community is a worthwhile business practice. Accordingly, the Contractor agrees that its business operations and performance under the Contract will be consistent with the intent of the policy and elements set forth above.

(End of Clause)

I–150 DEAR 970.5226-5 Workplace Substance Abuse Programs at DOE Sites (Dec 2010)

(a) Program Implementation. The Contractor shall, consistent with 10 CFR part 707, Workplace Substance Abuse Programs at DOE Sites, incorporated herein by reference with full force and effect, develop, implement, and maintain a workplace substance abuse program.

(b) Remedies. In addition to any other remedies available to the Government, the Contractor's failure to comply with the requirements of 10 CFR part 707 or to perform in a manner consistent with its approved program may render the Contractor subject to: the suspension of contract payments, or, where applicable, a reduction in award fee; termination for default; and suspension or debarment.

(c) *Subcontracts*.

(1) The Contractor agrees to notify the Contracting Officer reasonably in advance of, but not later than 30 days prior to, the award of any subcontract the Contractor believes may be subject to the requirements of 10 CFR part 707, unless the Contracting Officer agrees to a different date.

(2) The DOE Prime Contractor shall require all subcontracts subject to the provisions of 10 CFR part 707 to agree to develop and implement a workplace substance abuse program that complies with the requirements of 10 CFR part 707, Workplace Substance Abuse Programs at DOE Sites, as a condition for award of the subcontract. The DOE Prime Contractor shall review and approve each subcontractor's program, and shall

periodically monitor each subcontractor's implementation of the program for effectiveness and compliance with 10 CFR part 707.

(3) The Contractor agrees to include, and require the inclusion of, the requirements of this clause in all subcontracts, at any tier, that are subject to the provisions of 10 CFR part 707.

(End of Clause)
[1665]

I–151 DEAR 970.5227-2 Rights in Data – Technology Transfer (Dec 2024)

(a) Definitions—*Assistant General Counsel for Technology Transfer and Intellectual Property* is the senior intellectual property counsel for the Department of Energy, as distinguished from the NNSA Patent Counsel, and, where used in this clause, indicates that the authority for the activity(ies) being described belongs to DOE.

Computer data bases, as used in this clause, means a collection of data in a form capable of, and for the purpose of, being stored in, processed, and operated on by a computer. The term does not include computer software.

Computer software, as used in this clause, means:

(1) Computer programs which are data comprising a series of instructions, rules, routines, or statements, regardless of the media in which recorded, that allow or cause a computer to perform a specific operation or series of operations; and

(2) Data comprising source code listings, design details, algorithms, processes, flow charts, formulae, and related material that would enable the computer program to be produced, created, or compiled. The term does not include computer data bases.

Data, as used in this clause, means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software. The term “data” does not include data incidental to the administration of this contract, such as financial, administrative, cost and pricing, or management information.

Department of Energy (DOE), as used in this clause, includes the National Nuclear Security Administration (NNSA), unless otherwise identified or indicated.

Limited rights data, as used in this clause, means data, other than computer software, developed at private expense that embody trade secrets or are commercial or financial and confidential or privileged. The Government's rights to use, duplicate, or disclose limited rights data are as set forth in the Limited Rights Notice of paragraph (h) of this

clause.

Open source software, as used in this clause, means computer software with its source code that is distributed under a license in which the user is granted the right to use, copy, modify, and prepare derivative works thereof, without having to make royalty payments.

Patent Counsel means the DOE or NNSA Patent Counsel assisting the contracting activity.

Restricted computer software, as used in this clause, means computer software developed at private expense and that is a trade secret; is commercial or financial and is confidential or privileged; or is published copyrighted computer software, including minor modifications of any such computer software. The Government's rights to use, duplicate, or disclose restricted computer software are as set forth in the Restricted Rights Notice of paragraph (i) of this clause.

Technical data, as used in this clause, means recorded data, regardless of form or characteristic, that are of a scientific or technical nature. Technical data does not include computer software, but does include manuals and instructional materials and technical data formatted as a computer data base.

Unlimited rights, as used in this clause, means the rights of the Government to use, disclose, reproduce, prepare derivative works, distribute copies to the public, including by electronic means, and perform publicly and display publicly, in any manner, including by electronic means, and for any purpose whatsoever, and to have or permit others to do so.

(b) *Allocation of Rights*.

(1) Except as may be otherwise expressly provided or directed in writing by the Patent Counsel, the Government shall have:

(i) Ownership of all technical data and computer software first produced in the performance of this Contract;

(ii) Unlimited rights in technical data and computer software specifically used in the performance of this Contract, except as provided herein regarding copyright, limited rights data, or restricted computer software, and except for data subject to the withholding provisions for protected Cooperative Research and Development Agreement (CRADA) information in accordance with Technology Transfer actions under this Contract, or other data specifically protected by statute for a period of time or, where, approved by Patent Counsel, appropriate instances of the DOE Strategic Partnership Projects Program;

(iii) The right to inspect technical data and computer software first produced or specifically used in the performance of this Contract at all reasonable times. The Contractor shall make available all necessary facilities to allow DOE personnel to perform such inspection;

(iv) The right to have all technical data and computer software first produced or specifically used in the performance of this Contract delivered to the Government or otherwise disposed of by the Contractor, either as the Contracting Officer may from time to time direct during the progress of the work or in any event as the Contracting Officer shall direct upon completion or termination of this Contract. When delivering all contractor-produced computer software to the DOE Office of Scientific and Technical Information (OSTI), the Contractor shall submit a complete package as prescribed in paragraph (e)(3) of this clause. The Contractor agrees to leave a copy of such data at the facility or plant to which such data relate, and to make available for access or to deliver to the Government such data upon request by the Contracting Officer. If such data are limited rights data or restricted computer software, the rights of the Government in such data shall be governed solely by the provisions of paragraph (h) of this clause ("Rights in Limited Rights Data") or paragraph (i) of this clause ("Rights in Restricted Computer Software"); and

(v) The right to remove, cancel, correct, or ignore any markings not authorized by the terms of this Contract on any data furnished hereunder if, in response to a written inquiry by DOE concerning the propriety of the markings, the Contractor fails to respond thereto within 60 days or fails to substantiate the propriety of the markings. In either case DOE will notify the Contractor of the action taken.

(2) The Contractor shall have:

(i) The right to withhold limited rights data and restricted computer software unless otherwise provided in provisions of this clause;

(ii) The right to use for its private purposes, subject to patent, security or other provisions of this Contract, data it first produces in the performance of this Contract, except for data in DOE’s Uranium Enrichment Technology, including diffusion, centrifuge, and atomic vapor laser isotope separation, provided the data requirements of this Contract have been met as of the date of the private use of such data; and

(iii) The right to assert copyright subsisting in scientific and technical works, and works produced by Contractor under 48 CFR 952.204-75 as provided in paragraph (d) of this clause and the right to request permission to assert copyright subsisting in works other than scientific and technical articles as provided in paragraph (e) of this clause.

(3) The Contractor agrees that for limited rights data or restricted computer software or other technical business or financial data in the form of recorded information which it receives from, or is given access to by DOE or a third party, including a DOE contractor or subcontractor, and for technical data or computer software it first produces under this Contract which is authorized to be marked by DOE, the Contractor shall treat such data in accordance with any restrictive legend contained thereon.

(4) In the performance of DOE contracted obligations, each Contractor is required to manage scientific and technical information (STI) produced under the contract as a direct and integral part of the work and ensure its broad availability to all customer segments by making STI available to DOE's central STI coordinating office, OSTI. Requirements for all such reportable information to OSTI are in DOE Order 241.1B, or successor version, whether it is publicly releasable, controlled unclassified information, or classified.

(c) *Copyright (General)*.

(1) The Contractor agrees not to mark, register, or otherwise assert copyright in any data in a published or unpublished work, other than as set forth in paragraph (d), (e), or (f) of this clause.

(2) Except for material to which the Contractor has obtained the right to assert copyright in accordance with paragraph (d), (e), or (f) of this clause, the Contractor agrees not to include in the data delivered under this Contract any material copyrighted by the Contractor and not to knowingly include any material copyrighted by others without first granting or obtaining at no cost a license therein for the benefit of the Government of the same scope as set forth in paragraph (d) of this clause. If the Contractor believes that such copyrighted material for which the license cannot be obtained must be included in the data to be delivered, rather than merely incorporated therein by reference, the Contractor shall obtain the written authorization of the Contracting Officer to include such material in the data prior to its delivery.

(3) If the Contractor has not been granted permission to copyright data or computer software first produced under the contract where such permission is necessary, i.e., for works other than scientific and technical

journal articles and data produced under a CRADA, and if the Government desires to obtain copyright in such data or computer software, the Patent Counsel may direct the Contractor to establish claim to copyright in such data or computer software and to assign such copyright to the Government or its designated assignee.

(d) *Copyrighted works (scientific and technical works)*.

(1) The Contractor shall have the right to assert, without prior approval of the Contracting Officer, copyright subsisting in scientific and technical works composed under this contract or based on or containing data first produced by the Contractor in the performance of this Contract, and published in academic, technical or professional journals, symposia, proceedings, contributions to chapters of book compilations or similar means of dissemination to make broadly available to the public or scientific community for the purpose of scientific, research, knowledge and education. Such scientific and technical works may be recorded or fixed in any medium including but not limited to print, online, web, audio, video or other medium, and released or disseminated through any communication or distribution channel including but not limited to articles, reports, books, non-architectural drawings, repositories, videos, websites, workshops, or social media. When assertion of copyright is made, the Contractor shall affix the applicable copyright notice of 17 U.S.C. 401 or 402 and acknowledgment of Government sponsorship (including contract number) on the data when such data are delivered to the Government as well as when the data are published or deposited for registration as a published work in the U.S. Copyright Office. The Contractor grants to the Government, and others acting on its behalf, a nonexclusive, paid-up, irrevocable, world-wide license in such copyrighted data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government.

(2) For each scientific or technical work first produced or composed under this contract and submitted for publication or similar means of dissemination, the contractor shall provide notice to the publisher of the Government’s license in the copyright that is substantially similar to or otherwise references one of the following notices below:

A suitable notice (long version) reflecting the Government's non-exclusive, paid-up, irrevocable, world-wide license in the copyright.

Notice: This work was produced by [insert the name of the Contractor] under contract No. [insert the contract number] with the U.S. Department of Energy. The United States Government retains and the publisher, by accepting the work for publication, acknowledges that the United States Government retains a non-exclusive, paid-up, irrevocable, world-wide license to publish or reproduce the published form of this work,

or allow others to do so, for United States Government purposes. The Department of Energy will provide public access to these results of federally sponsored research in accordance with the DOE Public Access Plan [insert current link].

(End of notice)

A suitable notice (short version) reflecting the Government's non-exclusive, paid-up, irrevocable, world-wide license in the copyright follows:

Notice: This work was produced by [insert the name of the Contractor] under Contract No. [insert the contract number] with the U.S. Department of Energy. Publisher acknowledges the U.S. Government license to provide public access under the DOE Public Access Plan [insert current link].

(3) The title to the copyright of the original of unclassified graduate theses and the original of related unclassified scientific papers shall vest in the author thereof, subject to the right of DOE to retain duplicates of such documents and to use such documents for any purpose whatsoever without any claim on the part of the author or the Contractor for additional compensation.

(e) Copyrighted works (other than scientific and technical works and data produced under a CRADA). The Contractor may obtain permission to assert copyright subsisting in technical data and computer software first produced by the Contractor in performance of this contract, when the Contractor needs to control distribution to advance the goals of the technology transfer mission and where the Contractor can show that commercialization would be enhanced by such copyright protection, subject to the following:

(1) *Contractor Request to Assert Copyright.*

(i) For data other than scientific and technical works under paragraph (d) of this clause and data produced under a CRADA, the Contractor shall submit in writing to Patent Counsel its request to assert copyright in data first produced in the performance of this Contract pursuant to this clause. The right of the Contractor to copyright data first produced under a CRADA is as described in the individual CRADA. Each request by the Contractor must include:

(A) The identity of the data (including any computer program) for which the Contractor requests permission to assert copyright, as well as an abstract which is descriptive of the data and is suitable for dissemination purposes;

(B) The program under which it was funded;

(C) Whether, to the best knowledge of the Contractor, the data is subject to an international treaty or agreement;

(D) Whether the data is subject to export control; and if so, which jurisdiction;

(E) A statement that the Contractor plans to commercialize the data in compliance with the clause of this contract entitled, "Technology Transfer Mission," within five (5) years after obtaining permission to assert copyright or, on a case-by-case basis, a specified longer period where the Contractor can demonstrate that the ability to commercialize effectively is dependent upon such longer period; and

(F) For data other than computer software, a statement explaining why the assertion of copyright is necessary to enhance commercialization and is consistent with DOE's dissemination responsibilities.

(ii) For data that is developed using other funding sources in addition to DOE funding, the permission to assert copyright in accordance with this clause must also be obtained by the Contractor from all other funding sources prior to the Contractor's request to Patent Counsel. The request shall include the Contractor's certification or other documentation acceptable to Patent Counsel demonstrating such permission has been obtained.

(iii) Permission for the Contractor to assert copyright in excepted categories of data as determined exclusively by DOE will be expressly withheld. Such excepted categories include data whose release:

(A) Would be detrimental to national security, i.e., involve classified information or data or sensitive information under section 148 of the Atomic Energy Act of 1954, as amended, or are subject to export control for nonproliferation and other nuclear-related national security purposes;

(B) Would not enhance the appropriate transfer or dissemination and commercialization of such data;

(C) Would have a negative impact on U.S. industrial competitiveness;

(D) Would prevent DOE from meeting its obligations under treaties and international agreements; or

(E) Would be detrimental to one or more of DOE's programs.

(iv) The Contractor will obtain the advanced written approval of the Patent Counsel to assert copyright where data are determined to be in the following excepted categories:

(A) Under export control restrictions;

(B) Developed with Naval Reactors' funding;

(C) Subject to disposition of data rights under treaties and international agreements. Additional excepted categories may be added by the Assistant General Counsel for Technology Transfer and Intellectual Property. Where data are determined to be under export control restriction, the Contractor may obtain permission to assert copyright subject to the provisions of this clause for purposes of limited commercialization in a manner that complies with export control statutes and applicable regulations. In addition, notwithstanding any other provision of this contract, all data developed with Naval Reactors' funding and those data that are classified fall within excepted categories. The rights of the Contractor in data are subject to the disposition of data rights in the treaties and international agreements identified at DOE's Office of International Affairs (International Commitments—IEC).

(2) *Patent Counsel Review and Response to Contractor's Request*. The Patent Counsel shall use its best efforts to respond in writing within 60 days of receipt of a complete request by the Contractor to assert copyright in technical data and computer software pursuant to this clause. Such response shall either give or withhold DOE's permission for the Contractor to assert copyright or advise the Contractor that DOE needs additional time to respond, and the reasons therefor. If Patent Counsel grants permission for the Contractor to assert copyright in computer software, the permission automatically extends to subsequent minor versions (e.g., minor revisions, patches and bug fixes) having the same funding source, same name and substantially same functionality as the original computer software, and may be extended to subsequent major versions representing significant modifications of the program with the approval of Patent Counsel.

(3) *Permission for Contractor to Assert Copyright*.

(i) For computer software, the Contractor shall furnish, or make available to the DOE Office of Scientific and Technical Information (OSTI) in accordance with OSTI guidelines at the time permission to assert copyright is given under paragraph (e)(2) of this clause:

(A) Announcement information/metadata contained in the Software Announcement Notice 241.4;

(B) the source code and/or executable file for each software program; and

(C) Documentation, if any, which may consist of a user manual, sample test cases, or similar information, needed by a technically competent user to understand and use the software (whether included on the software media itself or provided in a separate file or in paper format).

(ii) The Contractor acknowledges that the DOE designated software distribution and control point may provide a technical description of the software in an announcement identifying its availability from the copyright holder.

(iii) Unless otherwise directed by the Patent Counsel, for data other than computer software to which the Contractor has received permission to assert copyright under paragraph (e)(2) of this clause, the Contractor shall within sixty (60) days of obtaining such permission furnish, or make available to OSTI in accordance with OSTI guidelines, a copy of such data as well as an abstract of the data suitable for dissemination purposes. The Contractor acknowledges that OSTI may provide an abstract of the data in an announcement to DOE, its contractors and to the public identifying its availability from the copyright holder.

(iv) Once the Contractor is given permission to assert copyright in data, the Contractor may begin to commercialize the copyrighted data by making copyrighted data available for licensing to third parties and by offering other types of distribution to third parties. During the period in which commercialization activities pertaining to the copyrighted data are continuing, or for a specified period of time prescribed by Patent Counsel in paragraph (e)(2) of this clause, the Contractor grants to the

Government, and others acting on its behalf, a paid-up, nonexclusive, irrevocable worldwide license in such copyrighted data to reproduce, prepare derivative works and perform publicly and display publicly, by or on behalf of the Government. For all previously approved and current copyrighted data that the Contractor is actively commercializing, the Contractor may continue to commercialize in accordance with this paragraph.

(v) When the Contractor abandons commercialization activities pertaining to the data to which the Contractor has been given permission to assert copyright or at the end of the specified period as prescribed by Patent Counsel, the Contractor grants to the Government, and others acting on its behalf, a paid-up, nonexclusive, irrevocable worldwide license in such copyrighted data to reproduce, distribute copies to the public, prepare derivative works, perform publicly and display publicly, and to permit others to do so.

(vi) At any time the Contractor abandons commercialization activities for copyrighted data, the Contractor shall advise OSTI and Patent Counsel and, upon request, assign the copyright to the Government so that the Government can distribute the copyrighted data to the public. When the Contractor abandons commercialization activities, the Contractor will provide to OSTI the latest version of the copyrighted data (for example, source code, object code, minimal support documentation, drawings or updated manuals.) In addition, the Contractor will provide annually to Patent Counsel, if requested, a list of all copyrighted data that the Contractor has abandoned commercial licensing activity during that year.

(vii) Whenever the Contractor asserts copyright in data pursuant to this paragraph (e), the Contractor shall affix the applicable copyright notice of 17 U.S.C. 401 or 402 on the copyrighted data and also an acknowledgment of the Government sponsorship and license rights of paragraphs (e)(3)(iv) and (v) of this clause. Such action shall be taken when the data are delivered to the Government, licensed or deposited for registration as a published work in the U.S. Copyright Office, or when submitted for publication. The acknowledgment of Government sponsorship and license rights shall be substantially similar to the following:

Notice: These data were produced by (insert name of Contractor) under Contract No. ___with the Department of Energy. During the period of commercialization or such other time period specified by the Department of Energy, the Government is granted for itself

and others acting on its behalf a nonexclusive, paid-up, irrevocable worldwide license in this data to reproduce, prepare derivative works, and perform publicly and display publicly, by or on behalf of the Government. Subsequent to that period the Government is granted for itself and others acting on its behalf a nonexclusive, paid-up, irrevocable worldwide license in this data to reproduce, prepare derivative works, distribute copies to the public, perform publicly and display publicly, and to permit others to do so. The specific term of the license can be identified by inquiry made to Contractor or DOE. Neither the United States nor the United States Department of Energy, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any data, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights.

(End of notice)

(viii) With respect to any data to which the Contractor has received permission to assert copyright, the DOE has the right, during the period that Contractor is commercializing the data as provided for in paragraph (e)(3)(iv) of this clause, to request the Contractor to grant a nonexclusive, partially exclusive or exclusive license in any field of use to a responsible applicant(s) upon terms that are reasonable under the circumstances, and if the Contractor refuses such request, to grant such license itself, if the DOE determines that the Contractor has not made a satisfactory demonstration that either it or its licensee(s) is actively pursuing commercialization of the data as set forth in paragraph (e)(1)(i) of this clause. Before licensing under this paragraph, DOE shall furnish the Contractor a written request for the Contractor to grant the stated license, and the Contractor shall be allowed thirty (30) days (or such longer period as may be authorized by the Contracting Officer for good cause shown in writing by the Contractor) after such notice to show cause why the license should not be granted. The Contractor shall have the right to appeal the decision of the DOE to grant the stated license to the Invention Licensing Appeal Board as set forth in 10 CFR 781.65— “Appeals.”

(ix) No costs shall be allowable for maintenance of copyrighted data, primarily for the benefit of the Contractor and/or a licensee which exceeds DOE Program needs, except as expressly provided in writing by the Contracting Officer. The Contractor may use its net royalty income to effect such maintenance costs.

(4) The following notice may be included in computer software prior to any publication or release and prior to the Contractor's obtaining permission from the Department of Energy to assert copyright in the computer software pursuant to paragraph (c)(3) of this clause.

Notice: This computer software was prepared by [insert the Contractor's name and the individual author], hereinafter the Contractor, under Contract [insert the Contract Number] with the Department of Energy (DOE). All rights in the computer software are reserved by DOE on behalf of the United States Government and the Contractor as provided in the Contract. You are authorized to use this computer software for Governmental purposes but it is not to be released or distributed to the public. NEITHER THE GOVERNMENT NOR THE CONTRACTOR MAKES ANY WARRANTY, EXPRESS OR IMPLIED, OR ASSUMES ANY LIABILITY FOR THE USE OF THIS SOFTWARE. This notice including this sentence must appear on any copies of this computer software.

(End of notice)

(5) A similar notice can be used for data, other than computer software, prior to any publication or release and prior to Contractor's obtaining permission of DOE Patent Counsel to assert copyright.

(f) *Open software source*. The Contractor may release computer software first produced by the Contractor in the performance of this contract under an open source software license. Such software shall hereinafter be referred to as open source software or OSS, subject to the following:

(1) DOE Program notice for copyright assertion for OSS.

(i) The Contractor shall provide written notice (including relevant data such as, for example, the software disclosure form) to each DOE Program or Programs that have provided a substantial portion of the funding (funding source(s)) to develop the software that the Contractor intends to release as OSS unless the funding Program(s) has previously provided blanket approval for all software developed with funding from that Program or a specific DOE project stipulates the software to be released as OSS. If Program has neither consented nor objected to the assertion of copyright within two weeks of such written notification, the Contractor may assert copyright in the software. If notification of a funding DOE Program(s) is not practicable or DOE Program(s) has objected, the Contractor shall consult with Patent Counsel, which may provide approval. For software developed under a CRADA, Strategic Partnership Projects (SPP), User Facility Agreement, or Agreement for Commercializing Technology (ACT), authorization from the partner of such agreement shall be additionally obtained for OSS release unless such agreement has a provision providing for such copyright assertion.

(ii) If the software is developed with funding from a federal government agency or agencies (funding source(s)) other than

DOE, then authorization from all the funding agency(ies) shall be obtained for OSS release, if practicable. Such federal government agency(ies) may provide blanket approval for all software developed with funding from that agency(ies). However, OSS release of any one of such software shall be subject to approval by all other funding sources for the software, if any. If approval from such federal government agency(ies) is not practicable, the Patent Counsel may provide approval instead.

(2) *Assert copyright in the OSS*. Once the Contractor has met the program approval requirements set forth in paragraph (f)(1) of this clause, copyright in the software to be distributed as OSS may be asserted by the Contractor, or, for OSS developed under a CRADA, User Facility Agreement, or SPP Agreement, either by the Contractor, CRADA Participant, User Facility User, or SPP Sponsor, as applicable, which precludes marking such OSS as protectable from public distribution.

(3) *Submit Software Announcement Notice 241.4 to OSTI*. The Contractor must submit Software Announcement Notice (AN) 241.4 (or the current notice as may be required by DOE) to OSTI. In the AN 241.4, the Contractor shall provide the unique URL (i.e., a persistent identifier) from which the software can be obtained so that OSTI can announce the availability of the OSS and the public has access via the URL.

(4) *Maintain OSS record*. The Contractor must maintain a record of all software distributed as OSS. Upon request of the Patent Counsel, the Contractor shall provide the necessary information regarding any or all OSS.

(5) *Provide public access to the OSS*. The Contractor shall ensure that the OSS is publicly accessible as open source via the Contractor's website, Open Source Bulletin Boards operated by third parties, DOE, or other standard industry methods.

(6) *Select an OSS license*. Each OSS will be distributed pursuant to an OSS license. The Contractor may choose among industry standard OSS licenses or create its own set of Contractor standard licenses. To assist the Contractor, the Assistant General Counsel for Technology Transfer and Intellectual Property, may periodically issue guidance on OSS licenses. Each Contractor-created OSS license, must contain, at a minimum, the following provisions—

(i) A disclaimer or equivalent that disclaims the Government's and Contractor's liability for licensees' and third parties' use of the software; and

(ii) A grant of permission for licensee to distribute OSS containing the licensee's derivative works. This provision may allow the licensee and third parties to commercialize their derivative works or might request that the licensee's derivative works be forwarded to the Contractor for incorporation into future OSS versions.

(7) *Relationship to other required clauses in the contract*. OSS distributed in accordance with this section shall not be subject to the requirements relating to indemnification of the Contractor or Federal Government, U.S. Competitiveness and U.S. Preference, as set forth in paragraphs (f) and (g) of the clause within this contract entitled Technology Transfer Mission (48 CFR 970.5227-3). The requirement for the Contractor to request permission to assert copyright for the purpose of engaging in licensing software for royalties, as set forth elsewhere in this clause, is not modified by this section.

(8) *Government license*. For all OSS, the Contractor grants to the Government, and others acting on its behalf, a paid-up, nonexclusive, irrevocable worldwide license in data copyrighted in accordance with paragraph (f)(2) of this clause to reproduce, distribute copies to the public, prepare derivative works, perform publicly and display publicly, and to permit others to do so.

(9) *Contractor abandons OSS*. If the Contractor ceases to make OSS publicly available, then the Contractor shall submit to OSTI the object code and source code of the latest version of the OSS developed by the Contractor in addition to a revised Announcement Notice 241.4 (which includes an abstract) and the Contractor shall direct any inquiries from third parties seeking to obtain the original OSS to OSTI.

(g) *Subcontracting*.

(1) Unless otherwise directed by the Patent Counsel, the Contractor agrees to use, in subcontracts in which technical data or computer software is expected to be produced or in subcontracts for supplies that contain a requirement for production or delivery of data in accordance with the DOE policy and procedures, the clause entitled, "Rights in Data-General" at 48 CFR 52.227-14 modified in accordance with 48 CFR 927.409 including alternates as appropriate with the prior approval of DOE Patent Counsel. The Contractor shall not acquire rights in a subcontractor's limited rights data or restricted computer software, except through the use of Alternate II or III, respectively, without the prior approval of the Patent Counsel. The clause at 48 CFR 52.227-16, Additional Data Requirements, shall be included in subcontracts in accordance with 48 CFR 927.409(d). In subcontracts, including subcontracts for related support services, involving the design or operation of any plants or facilities or specially

designed equipment for such plants or facilities that are managed or operated under its contract with DOE, the Contractor shall use the "Rights in Data-Facilities" clause at 48 CFR 970.5227-1.

(2) It is the responsibility of the Contractor to obtain from its subcontractors technical data and computer software and rights therein, on behalf of the Government, necessary to fulfill the Contractor's obligations to the Government with respect to such data. In the event of refusal by a subcontractor to accept a clause affording the Government such rights, the Contractor shall:

(i) Promptly submit written notice to the Contracting Officer setting forth reasons or the subcontractor's refusal and other pertinent information which may expedite disposition of the matter, and

(ii) Not proceed with the subcontract without the written authorization of the Contracting Officer.

(3) Neither the Contractor nor higher-tier subcontractors shall use their power to award subcontracts as economic leverage to acquire rights in a subcontractor's limited rights data and restricted computer software for their private use.

(h) *Rights in Limited Rights Data*. Except as may be otherwise specified in this Contract as data which are not subject to this paragraph, the Contractor agrees to and does hereby grant to the Government an irrevocable nonexclusive, paid-up license by or for the Government, in any limited rights data of the Contractor specifically used in the performance of this Contract, provided, however, that to the extent that any limited rights data when furnished or delivered is specifically identified by the Contractor at the time of initial delivery to the Government or a representative of the Government, such data shall not be used within or outside the Government except as provided in the "Limited Rights Notice" set forth below. All such limited rights data shall be marked with the following "Limited Rights Notice:"

Limited Rights Notice

These data contain "limited rights data," furnished under Contract No. _____ with the United States Department of Energy which may be duplicated and used by the Government with the express limitations that the "limited rights data" may not be disclosed outside the Government or be used for purposes of manufacture without prior permission of the Contractor, except that further disclosure or use may be made solely for the following purposes:

(a) Use (except for manufacture) by support services contractors within the scope of their contracts;

(b) This "limited rights data" may be disclosed for evaluation purposes under the restriction that the "limited rights data" be retained in confidence and not be further disclosed;

(c) This "limited rights data" may be disclosed to other contractors participating in the Government's program of which this contract is a part for information or use (except for manufacture) in connection with the work performed under their Contracts and under the restriction that the "limited rights data" be retained in confidence and not be further disclosed;

(d) This "limited rights data" may be used by the Government or others on its behalf for emergency repair or overhaul work under the restriction that the "limited rights data" be retained in confidence and not be further disclosed; and

(e) Release to a foreign government, or instrumentality thereof, as the interests of the United States Government may require, for information or evaluation, or for emergency repair or overhaul work by such government.

This Notice shall be marked on any reproduction of this data in whole or in part.

(End of notice)

(i) *Rights in restricted computer software*.

(1) Except as may be otherwise specified in this Contract as data which are not subject to this paragraph, the Contractor agrees to and does hereby grant to the Government an irrevocable, nonexclusive, paid-up, license by or for the Government, in any restricted computer software of the Contractor specifically used in the performance of this Contract; provided, however, that to the extent that any restricted computer software when furnished or delivered is specifically identified by the Contractor at the time of initial delivery to the Government or a representative of the Government, such data shall not be used within or outside the Government except as provided in the "Restricted Rights Notice" set forth below. All such restricted computer software shall be marked with the following "Restricted Rights Notice:"

Restricted Rights Notice—Long Form

(a) This computer software is submitted with restricted rights under Department of Energy Contract No. ___. It may not be used, reproduced, or disclosed by the Government except as provided in paragraph (b) of this notice.

(b) This computer software may be:

(1) Used or copied for use in or with the computer or computers for which it was acquired, including use at any Government installation to which such computer or computers may be transferred;

(2) Used, copied for use, in a backup or replacement computer if any computer for which it was acquired is inoperative or is replaced;

(3) Reproduced for safekeeping (archives) or backup purposes;

(4) Modified, adapted, or combined with other computer software, provided that only the portions of the derivative software consisting of the restricted computer software are to be made subject to the same restricted rights; and

(5) Disclosed to and reproduced for use by contractors under a service contract (of the type defined in 48 CFR 37.101) in accordance with paragraphs (b)(1) through (4) of this Notice, provided the Government makes such disclosure or reproduction subject to these restricted rights.

(c) Notwithstanding the foregoing, if this computer software has been published under copyright, it is licensed to the Government, without disclosure prohibitions, with the rights set forth in the restricted rights notice above.

(d) This Notice shall be marked on any reproduction of this computer software, in whole or in part.

(End of notice)

(2) Where it is impractical to include the Restricted Rights Notice on restricted computer software, the following short-form Notice may be used in lieu thereof:

Restricted Rights Notice—Short Form

Use, reproduction, or disclosure is subject to restrictions set forth in the Long Form Notice of DOE Contract No. ___ with (name of Contractor).

(End of notice)

(3) If the software is embedded, or if it is commercially impractical to mark it with human readable text, then the symbol R and the clause date (mo/yr) in brackets or a box, a [R-mo/yr], may be used. This will be read to mean

restricted computer software, subject to the rights of the Government as described in the Long Form Notice, in effect as of the date indicated next to the symbol. The symbol shall not be used to mark human readable material. In the event this Contract contains any variation to the rights in the Long Form Notice, then the contract number must also be cited.

(4) If restricted computer software is delivered with the copyright notice of 17 U.S.C. 401, the software will be presumed to be published copyrighted computer software licensed to the Government without disclosure prohibitions and with unlimited rights, unless the Contractor includes the following statement with such copyright notice "Unpublished-rights reserved under the Copyright Laws of the United States."

(j) Relationship to patents. Nothing contained in this clause creates or is intended to imply a license to the Government in any patent or is intended to be construed as affecting the scope of any licenses or other rights otherwise granted to the Government under any patent.

(End of clause)

Alternate I (DEC 2000). As prescribed in 970.2704-3(b), where access to Category C-24 restricted data is contemplated in the performance of a contract the Contracting Officer shall insert the phrase "and except Restricted Data in category C-24, 10 CFR part 725, in which DOE has reserved the right to receive reasonable compensation for the use of its inventions and discoveries, including related data and technology" after "laser isotope separation" and before the comma in paragraph (b)(2)(ii) of the clause at 970.5227-2, Rights in Data—Technology Transfer, as appropriate.

(End of clause)

Alternate II (DEC 2024). As prescribed in 970.2704-3(b), where government facilities are being constructed, modified, or in decontamination and decommissioning, and it is anticipated that further solicitation may be required to complete the project, insert paragraph (f) in the Limited Rights Notice of the basic clause:

(f) This "limited rights data" may be disclosed in future solicitations for the continuation or completion of the work contemplated under this contract under the restriction that the "limited rights data" be retained in confidence and not be further disclosed.

(End of clause)

[1665]

I–152 DEAR 970.5227-3 Technology Transfer Mission (Dec 2024) (Alternate I)

This clause has as its purpose implementation of the National Competitiveness Technology Transfer Act of 1989 (Sections 3131, 3132, 3133, and 3157 of Pub. L. 101-189 and as amended by Pub. L. 103-160, Sections 3134 and 3160). The

Contractor shall conduct technology transfer activities with a purpose of providing benefit from Federal research to U.S. industrial competitiveness.

(a) Authority.

(1) In order to ensure the full use of the results of research and development efforts of, and the capabilities of, the Laboratory, technology transfer, including Cooperative Research and Development Agreements (CRADAs), is established as a mission of the Laboratory consistent with the policy, principles and purposes of Sections 11(a)(1) and 12(g) of the Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. 3710a); Section 3132(b) of Public Law 101-189, sections 3134 and 3160 of Public Law 103-160, and of Chapter 38 of the Patent Laws (35 U.S.C. 200 et seq.); section 152 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2182); section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908); section 102 of the Laboratory Modernization and Technology Transfer Act (Pub. L. 115-246) and Executive Order 12591 of April 10, 1987.

(2) In pursuing the technology transfer mission, the Contractor is authorized to conduct activities including but not limited to: identifying and protecting Intellectual Property made, created or acquired at or by the Laboratory; negotiating licensing agreements and assignments for Intellectual Property made, created or acquired at or by the Laboratory that the Contractor controls or owns; bailments; negotiating all aspects of and entering into CRADAs; providing technical consulting and personnel exchanges; conducting science education activities and reimbursable Strategic Partnership Projects (SPP); providing information exchanges; and making available laboratory or weapon production user facilities. It is fully expected that the Contractor shall use all of the mechanisms available to it to accomplish this technology transfer mission, including, but not limited to, CRADAs, user facilities, SPP, science education activities, consulting, personnel exchanges, assignments, and licensing in accordance with this clause.

(3) *Trademarks and service marks.* The Contractor, with notification to DOE Patent Counsel, is authorized to protect goods/services resulting from work at the Laboratory through Trademark and Service Mark protection. The Laboratory name and associated logos are owned by the Department of Energy unless an exception is allowed by the DOE Patent Counsel, and shall be protected by DOE Patent Counsel. In furtherance of the technology transfer mission, should the Contractor want to assert trademark or service mark protection for any word, phrase, symbol, design, or combination thereof that includes or is associated with the Laboratory name, the Contractor must first notify and obtain permission from the Department of Energy Patent Counsel. All marks, whether or not

registered with the United States Patent and Trademark Office, are to be included in the "Intellectual property rights" paragraph

(i) of this clause, below, regarding transfer to successor contractor, DOE reserves the right to require the Contractor to cancel registration of the mark or cease use of the mark.

(b) Definitions—Assignment for Commercializing Technology (ACT) means any agreement pursuant to the ACT clause, if included in this M&O contract, entered into between the Contractor as operator of the Laboratory and a third party to conduct sponsored research at the M&O Contractor's risk, only when such work does not interfere with DOE-funded activities conducted as authorized by other parts of this M&O contract and on a fully reimbursable basis.

Assignment means any agreement by which the Contractor transfers ownership of Laboratory Intellectual Property, subject to the Government's retained rights.

Bailment means any agreement in which the Contractor permits the commercial or non-commercial transfer of custody, access or use of Laboratory Biological Materials or Laboratory Tangible Research Product for a specified purpose of technology transfer or research and development, including without limitation evaluation, and without transferring ownership to the bailee.

Contractor's Laboratory Director means the individual who has supervision over all or substantially all of the Contractor's operations at the Laboratory.

Cooperative Research and Development Agreement (CRADA) means any agreement entered into between the Contractor as operator of the Laboratory, and one or more parties under which the Government, through its laboratory, provides personnel, services, facilities, equipment, intellectual property, or other resources with or without reimbursement (but not funds to non-Federal parties) and the other parties provide funds, personnel, services, facilities, equipment, intellectual property, or other resources toward the conduct of specified research or development efforts which are consistent with the missions of the Laboratory; except that such term does not include a procurement contract, grant, or cooperative agreement as those terms are used in sections 6303, 6304, and 6305 of Title 31 of the United States Code.

Department of Energy (DOE), as used in this clause, includes the National Nuclear Security Administration (NNSA), unless otherwise identified or indicated.

Intellectual property means data, inventions, patents, patent applications, trademarks, service marks, copyrights, mask works, protected CRADA information, and other forms of comparable property rights protected by Federal Law and other foreign counterparts.

Joint Work Statement (JWS) means a proposal for a CRADA prepared by the Contractor, signed by the Contractor's Laboratory Director or designee which describes the project.

Laboratory Biological Materials means biological materials capable of replication or reproduction, such as plasmids, deoxyribonucleic acid molecules, ribonucleic acid molecules, living organisms of any sort and their progeny, including viruses, prokaryote and eukaryote cell lines, transgenic plants and animals, and any derivatives or modifications thereof or products produced through their use or associated biological products, made under this contract by Laboratory employees or through the use of Laboratory research facilities.

Laboratory Tangible Research Product means tangible material results of research which--

(1) Are provided to permit replication, reproduction, evaluation or confirmation of the research effort, or to evaluate its potential commercial utility;

(2) Are not materials generally commercially available; and

(3) Were made under this contract by Laboratory employees or through the use of Laboratory research facilities.

Master Scope of Work (MSW) means a detailed description of a routine scope of work containing information sufficient to:

(1) Ensure that the Contractor and the cognizant Contracting Officer (CO) have a common understanding of the work to be performed;

(2) Allow DOE to make all reviews, approvals, determinations, and certifications required pursuant to relevant DOE Orders and policy; and

(3) Enable the CO and the Contractor to agree that the work is suitable for special processing as the subject of Strategic Partnership Project (SPP) agreements or Cooperative Research and Development Agreements (CRADAs) for non-Federal sponsors.

Patent Counsel means the DOE or NNSA Patent Counsel assisting the contracting activity. The Patent Counsel is the first and primary point of contact for activities described in this clause.

Strategic Partnership Projects (SPP) means any agreement pursuant to the SPP clause, if included in this M&O contract, entered into between the Contractor as operator of the Laboratory and a non-Federal party under which the Government, through its laboratory, provides personnel, services,

facilities, equipment, intellectual property, only when such work does not interfere with DOE-funded activities conducted as authorized by other parts of this M&O contract and on a fully reimbursable basis.

(c) Allowable costs.

(1) The Contractor shall establish and carry out its technology transfer efforts through appropriate organizational elements consistent with the requirements for an Office of Research and Technology Applications (ORTA) pursuant to paragraphs (b) and (c) of section 11 of the Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. 3710). The costs associated with the conduct of technology transfer through the ORTA including activities associated with obtaining, maintaining, licensing, and assigning Intellectual Property rights, increasing the potential for the transfer of technology, widespread notice of technology transfer opportunities, and early stage and precommercial technology demonstration to remove barriers that limit private sector interest and demonstrate potential commercial applications of any research and technologies arising from Laboratory activities, shall be deemed allowable provided that such costs meet the other requirements of the allowable costs provisions of this Contract.

(2) The Contractor's participation in litigation to enforce or defend Intellectual Property claims incurred in its technology transfer efforts shall be as provided in the clause entitled “Insurance— Litigation and Claims” of this contract.

(d) *Conflicts of Interest—Technology Transfer.* The Contractor shall have implementing procedures that seek to avoid employee and organizational conflicts of interest, or the appearance of conflicts of interest, in the conduct of its technology transfer activities. These procedures shall apply to all persons participating in Laboratory research or related technology transfer activities.

Such implementing procedures shall be provided to the Contracting Officer for review and approval within sixty (60) days after execution of this contract. The Contracting Officer shall
have thirty (30) days thereafter to approve or require specific changes to such procedures. Such implementing procedures shall include procedures to:

(1) Inform employees of and require conformance with standards of conduct and integrity in connection with research involving non-federal sponsors in accordance with the provisions of paragraph (n)(5) of this clause;

(2) Review and approve employee activities so as to avoid conflicts of interest arising from commercial utilization activities relating to Contractor-

developed Intellectual Property;

(3) Conduct work performed using royalties so as to avoid interference with or adverse effects on ongoing DOE projects and programs;

(4) Conduct activities relating to commercial utilization of Contractor-developed Intellectual Property so as to avoid interference with or adverse effects on user facility or SPP activities of the Contractor;

(5) Conduct DOE-funded projects and programs so as to avoid the appearance of conflicts of interest or actual conflicts of interest with non-Government funded work;

(6) Notify the Contracting Officer with respect to any new work to be performed or proposed to be performed under the contract for DOE or other Federal agencies where the new work or proposal involves intellectual property in which the Contractor has obtained or intends to request or elect title;

(7) Except as provided elsewhere in this Contract, obtain the approval of the Contracting Officer for any licensing of or assignment of title to Intellectual Property rights by the Contractor to any business or corporate affiliate of the Contractor;

(8) Obtain the approval of the Contracting Officer prior to any assignment, exclusive licensing, or option for exclusive licensing, of Intellectual Property to any individual who is a current or has been a Laboratory employee within the previous two years or to the company in which the individual is a principal and the Contractor's request should include notice of any SPP, CRADA and/or ACT associated with the Intellectual Property;

(9) Notify non-Federal sponsors of SPP activities of any relevant Intellectual Property interest of the Contractor prior to execution of SPP; and

(10) Notify the Contracting Officer and DOE funding program prior to evaluating a proposal by a third party for DOE, when:

(a) The evaluator is an inventor of a Contractor invention that is the subject matter of the proposal or

(b) The evaluator is a principal or has financial interest in the third party or

(c) The third party is a licensee of the Contractor.

(e) *Fairness of Opportunity.* In conducting its technology transfer activities, the Contractor shall prepare procedures and take all reasonable measures to ensure widespread notice of availability of technologies suited for transfer and opportunities for exclusive licensing and joint research arrangements. The requirement to widely disseminate the availability of technology transfer opportunities does not apply to a specific application originated outside of the Laboratory and by entities other than the Contractor.

(f) *U.S. Industrial Competitiveness for licensing and assignments for rights in subject inventions.* In the interest of enhancing U.S. industrial competitiveness, and generating economic and technological benefits to the U.S. economy, the Contractor shall comply with the following in its licensing and assignment involving Contractor's rights in subject inventions, where the Contractor's obtains rights in subject inventions during the course of the Contractor's operation of the facility under this contract:

(1) The Contractor agrees to be bound by:

(i) The provisions of 35 U.S.C. 204 (Preference for United States industry)

(ii) All requirements in applicable Determinations of Exceptional Circumstances; and

(iii) Paragraph (t) U.S. Competitiveness in its Patent Rights provision (*e.g., 48 CFR 970.5227-10 or 48 CFR 970.5227-12 as may be modified*) as applicable.

(2) When the provisions in paragraph (f)(1) of this section do not apply, the Contractor shall ensure in its license or assignment to comply the provisions of 35 U.S.C. 204 and consider in its decisions, at any tier, the following:

(i) Whether resulting products, and/or embodying parts, including components thereof, will be substantially manufactured in the United States; or

(ii)

(A) Whether the proposed licensee or assignee has a business unit located in the United States and whether significant economic and technical benefits will flow to the United States as a result of the license or assignment agreement; and

(B) If the proposed licensee or assignee is subject to the control of a foreign company or government, whether such foreign government permits United States agencies, organizations or other persons to enter into cooperative research and development agreements and licensing agreements, and has policies to protect United States Intellectual Property rights by relying upon U.S. Trade Representative reports on Foreign Trade Barriers, U.S. Trade Representative Special 301 Report (see U.S. Trade Representative website at: https://www.ustr.gov) and other available resources, as necessary, to allow for a complete and informed decision.

(iii) If the Contractor determines the licensee or assignee does not meet either of the requirements in paragraphs (f)(2)(i) or (ii) of this clause, the Contractor, prior to entering into such an agreement, must obtain the approval of the Contracting Officer after consulting with DOE patent Counsel. The Contracting Officer shall act on any such requests for approval within thirty (30) days.

(g) *Indemnity—Product Liability.* In entering into written technology transfer agreements, including but not limited to, research and development agreements, licenses, assignments and CRADAs, the Contractor agrees to include in such agreements a requirement that the U.S. Government and the Contractor, except for any negligent acts or omissions of the Contractor, be indemnified for all damages, costs, and expenses, including attorneys' fees, arising from personal injury or property damage occurring as a result of the making, using or selling of a product, process or service by or on behalf of the Participant, its assignees or licensees which was derived from the work performed under the agreement. Except for CRADA and SPP where the guidance is already provided elsewhere, the Contractor shall identify and obtain the approval of the Contracting Officer for any proposed exceptions to this requirement such as where State or local law expressly prohibit the Participant from providing indemnification or where the research results will be placed in the public domain.

(h) *Disposition of Income.*

(1) Royalties or other income earned or retained by the Contractor as a result of performance of authorized technology transfer activities herein shall be used by the Contractor for scientific research, development, technology transfer, and education at the Laboratory, consistent with the research and development mission and objectives of the Laboratory and subject to section 12(b)(5) of the Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. 3710a(b)(5)) and chapter 38 of the Patent Laws (35 U.S.C. 200 et seq.) as amended through the effective date of this contract award or modification. If the net amounts of such royalties and income received from patent licensing after payment of patenting costs, licensing costs, payments to inventors and other expenses incidental to the

administration of Subject Inventions during any fiscal year exceed 5 percent of the Laboratory's budget for that fiscal year, 15 percent of such excess amounts shall be paid to the Treasury of the United States, and the remaining amount of such excess shall be used by the Contractor for the purposes as described in this paragraph. Any inventions arising out of such scientific research and development activities shall be deemed to be Subject Inventions under the Contract.

(2) The Contractor shall include as a part of its annual Laboratory Institutional Plan or other such annual document a plan setting out those uses to which royalties and other income received as a result of performance of authorized technology transfer activities herein will be applied at the Laboratory, and at the end of the year, provide a separate accounting for how the funds were actually used. Under no circumstances shall these royalties and income be used for any purpose inconsistent with DOE mission direction.

(3) The Contractor shall establish subject to the approval of the Contracting Officer a policy for making awards or sharing of royalties with Contractor employees, other coinventors and coauthors, including Federal employee coinventors when deemed appropriate by the Contracting Officer. The Contractor shall notify the Contracting Officer of any changes to that policy, and such changes, shall be subject to the approval of the Contracting Officer.

(i) *Transfer to successor contractor.* In the event of termination or upon the expiration of this Contract, any unexpended balance of income received for use at the Laboratory shall be transferred, at the Contracting Officer’s request, to a successor contractor, or in the absence of a successor contractor, to such other entity as designated by the Contracting Officer. The Contractor shall transfer title, as one or several packages if necessary, to the extent the Contractor retains title, in all patents and patent applications, licenses, accounts containing royalty revenues from such license agreements, including equity positions in third party entities, and other intellectual property rights which arose at the Laboratory, to the successor contractor or to the Government as directed by the Contracting Officer.

(j) *Technology transfer affecting the national security.*

(1) The Contractor shall notify and obtain the approval of the Contracting Officer, prior to entering into any technology transfer arrangement, when such technology or any part of such technology is classified or sensitive under section 148 of the Atomic Energy Act (42 U.S.C. 2168), as amended. Such notification shall include sufficient information to enable DOE to determine the extent that commercialization of such

technology would enhance or diminish security interests of the United States, or diminish communications within DOE's nuclear weapon production complex. DOE shall use its best efforts to complete its determination within sixty (60) days of the Contractor's notification, and provision of any supporting information, and DOE shall promptly notify the Contractor as to whether the technology is transferable.

(2) The Contractor shall include in all of its technology transfer agreements with third parties, including, but not limited to, CRADAs, licensing agreements and assignments, notice to such third parties that the export of goods and/or Technical Data from the United States may require some form of export control license or other authority from the U.S. Government and that failure to obtain such export control license may result in criminal liability under U.S. laws.

(3) For other than fundamental research as defined in National Security Decision Directive 189, the Contractor is responsible to conduct internal export control reviews and assure that technology is transferred in accordance with applicable law.

(k) *Records.* The Contractor shall maintain records of its technology transfer activities in a manner and to the extent satisfactory to the DOE and specifically including, but not limited to, the licensing agreements, assignments and the records required to implement the requirements of paragraphs (e), (f), and (h) of this clause and shall provide reports to the Contracting Officer to enable DOE to maintain the reporting requirements of section 12(c)(6) of the Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. 3710a(c)(6)). Such reports shall be made annually in a format to be agreed upon between the Contractor and DOE and in such a format which will serve to adequately inform DOE of the Contractor's technology transfer activities while protecting any data not subject to disclosure under the Rights in Technical Data clause and paragraph (n) of this clause. Such records shall be made available in accordance with the clauses of this Contract pertaining to inspection, audit and examination of records.

(l) *Reports to Congress.* To facilitate DOE's reporting to Congress, the Contractor is required to submit annually to DOE a technology transfer plan for conducting its technology transfer
function for the upcoming year, including plans for securing Intellectual Property rights in Laboratory innovations with commercial promise and plans for managing such innovations so as to benefit the competitiveness of United States industry. This plan, which may be included in the Annual Laboratory Plan, shall be provided to the Contracting Officer on or before October 1st of each year.

(m) *Oversight and appraisal.* The Contractor is responsible for developing and implementing effective internal controls for all technology transfer activities

consistent with the audit and record requirements of this Contract. Laboratory Contractor performance in implementing the technology transfer mission and the effectiveness of the Contractor's procedures will be evaluated by the Contracting Officer as part of the annual appraisal process, with input from the cognizant Secretarial Officer or program office.

(n) *Technology transfer through cooperative research and development agreements.* Upon approval of the Contracting Officer and as provided in DOE approved guidance, the Laboratory Director, or designee, may enter into technology transfer agreements on behalf of the DOE subject to the requirements set forth in this paragraph.

(1) *Review and approval of CRADAs*.

(i) Except as otherwise directed in writing by the Contracting Officer, each JWS or MSW shall be submitted to the Contracting Officer for approval. The Contractor's Laboratory Director or designee shall provide a program mission impact statement and shall include an impact statement regarding related Intellectual Property rights known by the Contractor to be owned by the Government to assist the Contracting Officer in the approval determination.

(ii) The Contractor shall also include (specific to the proposed CRADA), a statement of compliance with the Fairness of Opportunity requirements of paragraph (e) of this clause.

(iii) Within thirty (30) days after submission of a JWS, MSW or proposed CRADA, the Contracting Officer shall approve, disapprove or request modification to the JWS, MSW or CRADA. The Contracting Officer shall provide a written explanation to the Contractor's Laboratory Director or designee of any disapproval or requirement for modification of a JWS or proposed CRADA.

(iv) Except as otherwise directed in writing by the Contracting Officer, the Contractor shall not enter into, or begin work under, a CRADA until approval of the CRADA or relevant MSW has been granted by the Contracting Officer. The Contractor may submit its proposed CRADA to the Contracting Officer at the time of submitting its proposed JWS, relevant MSW or any time thereafter.

(2) *Selection of participants*. The Contractor's Laboratory Director or designee in deciding what CRADA to enter into shall:

(i) Give special consideration to small business firms, and consortia involving small business firms;

(ii) Give preference to business units located in the United States which agree that products or processes embodying Intellectual Property will be substantially manufactured or practiced in the United States and, in the case of any industrial organization or other person subject to the control of a foreign company or government, take into consideration whether or not such foreign government permits United States agencies, organizations, or other persons to enter into cooperative research and development agreements and licensing agreements. The Contractor, in considering these factors, may rely upon the information and same sources as referenced in paragraphs (f)(1)(ii)(C) and (D) of this clause;

(iii) Provide Fairness of Opportunity in accordance with the requirements of paragraph (e) of this clause; and

(iv) Give consideration to the Conflicts of Interest requirements of paragraph (d) of this clause.

(3) *Withholding of data.*

(i) Data that is first produced as a result of research and development activities conducted under a CRADA and that would be a trade secret or commercial or financial data that would be privileged or confidential, if such data had been obtained from a non-Federal third party, may be protected from disclosure under the Freedom of Information Act as provided in the Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. 3710a(c)(7)) for a period as agreed in the CRADA of up to five (5) years from the time the data is first produced or otherwise as delineated in Stevenson-Wydler, as amended. The DOE shall cooperate with the Contractor in protecting such data.

(ii) Unless otherwise expressly approved by the Contracting Officer in advance for a specific CRADA, the Contractor agrees, at the request of the Contracting Officer, to transmit such data to other DOE facilities for use by DOE or its Contractors by or on behalf of the Government. When data protected pursuant to paragraph (n)(3)(i) of this clause is so transferred, the Contractor shall clearly mark the data with a legend setting out the restrictions against private use and further dissemination, along with the expiration

date of such restrictions.

(iii) A final technical report, upon completion of a CRADA, shall be provided to DOE's Office of Scientific and Technical Information; reports marked as Protected CRADA Information will not be released to the public for a period in accordance with the terms of the CRADA.

(iv) In addition to its authority to license Intellectual Property, the Contractor may enter into licensing agreements with third parties for data developed by the Contractor under a CRADA subject to other provisions of this Contract. However, the Contractor shall neither use the protection against dissemination nor the licensing of data as an alternative to the submittal of invention disclosures which include data protected pursuant to paragraph (n)(3)(i) of this clause.

(4) SPP, ACT and user facility programs.

(i) SPP, ACT and User Facility Agreements (UFAs) may be available for use by the Contractor in addition to CRADAs. The Contractor agrees to inform prospective CRADA participants, which are intending to substantially pay full cost recovery for the effort under a proposed CRADA, of the availability of alternative forms of agreements, i.e., SPP, ACT and UFA, and of the Class Patent Waiver provisions associated therewith.

(ii) Where the Contractor believes that the transfer of technology to the U.S. domestic economy will benefit from, or other equity considerations dictate, an arrangement other than the Class Waiver of patent rights to the sponsor in SPP, ACT and UFAs, a request may be made to the Contracting Officer for an exception to the Class Waivers.

(iii) Rights to inventions made under agreements other than funding agreements with third parties shall be governed by the appropriate provisions incorporated, with DOE approval, in such agreements, and the provisions in such agreements take precedence over any disposition of rights contained in this Contract. Disposition of rights under any such agreement shall be in accordance with any DOE class waiver (including SPP, ACT and User Class Waivers) or individually negotiated waiver which applies to the agreement.

(5) Conflicts of interest.

(i) Except as provided in paragraph (n)(5)(iii) of this clause, the Contractor shall assure that no employee of the Contractor shall have a substantial role (including an advisory role) in the negotiation, approval or performance of a CRADA, if, to such employee's knowledge:

(A) Such employee, or the spouse, child, parent, sibling, or partner of such employee, or an organization (other than the Contractor) in which such employee serves as an officer, director, trustee, partner, or employee—

(1) Holds financial interest in any entity, other than the Contractor, that has a substantial interest in the entity of the CRADA; or

(2) Receives a gift or gratuity from any entity, other than the Contractor, that has a substantial interest in the entity of the CRADA; or

(B) A financial interest in any entity, other than the Contractor, that has a substantial interest in the entity of the CRADA, is held by any person or organization with whom such employee is negotiating or has any arrangement concerning prospective employment.

(ii) The Contractor shall require that each employee of the Contractor who has a substantial role (including an advisory role) in the negotiation, approval or performance of the CRADA certify through the Contractor to the Contracting Officer that the circumstances described in paragraph (n)(5)(i) of this clause do not apply to that employee.

(iii) The requirements of paragraphs (n)(5)(i) and (ii) of this clause shall not apply in a case where the Contracting Officer is advised by the Contractor in advance of the participation of an employee described in those paragraphs of the nature of and extent of any financial interest described in paragraph (n)(5)(i) of this clause, and the Contracting Officer determines that such financial interest is not so substantial as to be considered likely to affect the integrity of the Contractor employee's participation in the process of negotiation, approval or performance of the CRADA.

(o) *Technology transfer in other cost-sharing agreements.* In conducting research and development activities in cost-shared agreements not covered by paragraph (n) of this clause, the Contractor, with prior written permission of the Contracting Officer, may provide for the withholding of data produced thereunder in accordance with the applicable provisions of paragraph (n)(3) of this clause.

(p) *Technology partnership ombudsman.*

(1) The Contractor agrees to establish a position to be known as "Technology Partnership Ombudsman," to help resolve complaints from outside organizations regarding the policies and actions of the contractor with respect to technology partnerships (including CRADAs), patents owned by the contractor for inventions made at the laboratory, and technology licensing.

(2) The Ombudsman shall be a senior official of the Contractor's laboratory staff, who is not involved in day-to-day technology partnerships, patents or technology licensing, or, if appointed from outside the laboratory or facility, shall function as such senior official.

(3) The duties of the Technology Partnership Ombudsman shall include:

(i) Serving as the focal point for assisting the public and industry in resolving complaints and disputes with the laboratory or facility regarding technology partnerships, patents, and technology licensing;

(ii) Promoting the use of collaborative alternative dispute resolution techniques such as mediation to facilitate the speedy and low cost resolution of complaints and disputes, when appropriate; and

(iii) Submitting a quarterly report, in a format provided by DOE, to the Director of the DOE Office of Dispute Resolution, and the Contracting Officer concerning the number and nature of complaints and disputes raised, along with the Ombudsman's assessment of their resolution, consistent with the protection of confidential and sensitive information.

Alternate I (December 2024).

Privately funded technology transfer means the prosecuting, maintaining, licensing, and marketing of inventions which are not owned by the Government (and not related to CRADAs) when such activities are conducted entirely without the use of Government funds.

(q) Nothing in paragraphs (c), (e), (f), (g), (h), and (i) of this clause are intended to apply to the contractor's privately funded technology transfer activities if such privately funded activities are addressed elsewhere in the contract.

(End of alternate)

(End of clause)
[**1665**]

I–153 DEAR 970.5227-4 Authorization and Consent (Dec 2024)

(a) The Government authorizes and consents to all use and manufacture of any invention described in and covered by a United States patent in the performance of this contract or any subcontract at any tier.

(b) If the Contractor is sued for copyright infringement or anticipates the filing of such a lawsuit, the Contractor may request authorization and consent to copy a copyrighted work from the Contracting Officer. Programmatic necessity is a major consideration for DOE in determining whether to grant such request.

(c)

(1) The Contractor agrees to include, and require inclusion of, the Authorization and Consent clause at 48 CFR 52.227-1, without Alternate 1, but suitably modified to identify the parties, in all subcontracts expected to exceed the simplified acquisition threshold at any tier for supplies or services, including construction, architect-engineer services, and materials, supplies, models, samples, and design or testing services.

(2) The Contractor agrees to include, and require inclusion of, paragraph (a) of this Authorization and Consent clause, suitably modified to identify the parties, in all subcontracts at any tier for research and development activities expected to exceed the simplified acquisition threshold.

(3) Omission of an authorization and consent clause from any subcontract, including those valued less than the simplified acquisition threshold does not affect this authorization and consent.

(End of clause)
[**1665**]

I–154 DEAR 970.5227-5 Notice and Assistance Regarding Patent and Copyright Infringement (Dec 2024)

(a) The Contractor shall report to the Contracting Officer promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this contract of which the Contractor has knowledge.

(b) If any person files a claim or suit against the Government on account of any alleged patent or copyright infringement arising out of the performance of this contract or out of the use of any supplies furnished or work or services performed hereunder, the Contractor shall furnish to the Government, when requested by the Contracting Officer, all evidence and information in possession of the Contractor pertaining to such suit or claim. Except where the Contractor has agreed to indemnify the Government, the Contractor shall furnish such evidence and information at the expense of the Government.

(c) The Contractor agrees to include, and require inclusion of, this clause suitably modified to identify the parties, in all subcontracts at any tier expected to exceed the simplified acquisition threshold.

(End of Clause)
[1665]

I–155 DEAR 970.5227-6 Patent Indemnity-Subcontracts (Dec 2000)

Except as otherwise authorized by the Contracting Officer, the Contractor shall obtain indemnification of the Government and its officers, agents, and employees against liability, including costs, for infringement of any United States patent (except a patent issued upon an application that is now or may hereafter be withheld from issue pursuant to a secrecy order by the Government) from Contractor's subcontractors for any Contract work subcontracted in accordance with FAR 48 CFR 52.227-3.

(End of Clause)

I–156 DEAR 970.5227-8 Refund of Royalties (Aug 2002)

(a) During performance of this Contract, if any royalties are proposed to be charged to the Government as costs under this Contract, the Contractor agrees to submit for approval of the Contracting Officer, prior to the execution of any license, the following information relating to each separate item of royalty:

(1) Name and address of licensor;

(2) Patent numbers, patent application serial numbers, or other basis on which the royalty is payable;

(3) Brief description, including any part or model numbers of each contract item or component on which the royalty is payable;

(4) Percentage or dollar rate of royalty per unit;

(5) Unit price of contract item;

(6) Number of units;

(8) Total dollar amount of royalties; and

(9) A copy of the proposed license agreement.

(b) If specifically requested by the Contracting Officer, the Contractor shall furnish a copy of any license agreement entered into prior to the effective date of this clause and an identification of applicable claims of specific patents or other basis upon which royalties are payable.

(c) The term "royalties" as used in this clause refers to any costs or charges in the nature of royalties, license fees, patent or license amortization costs, or the like, for the use of or for rights in patents and patent applications that are used in the performance of this Contract or any subcontract hereunder.

(d) The Contractor shall furnish to the Contracting Officer, annually upon request, a statement of royalties paid or required to be paid in connection with performing this Contract and subcontracts hereunder.

(e) For royalty payments under licenses entered into after the effective date of this Contract, costs incurred for royalties proposed under this paragraph shall be allowable only to the extent that such royalties are approved by the Contracting Officer. If the Contracting Officer determines that existing or proposed royalty payments are inappropriate, any payments subsequent to such determination shall be allowable only to the extent approved by the Contracting Officer.

(f) Regardless of prior DOE approval of any individual payments or royalties, DOE may contest at any time the enforceability, validity, scope of, or title to a patent for which the Contractor makes a royalty or other payment.

(g) If at any time within 3 years after final payment under this Contract, the Contractor for any reason is relieved in whole or in part from the payment of any royalties to which this clause applies, the Contractor shall promptly notify the Contracting Office of that fact and shall promptly reimburse the Government for any refunds received or royalties paid after having received notice of such relief.

(h) The Contractor agrees to include, and require inclusion of, this clause, including this paragraph (h), suitably modified to identify the Parties in any subcontract at any tier in which the amount of royalties reported during negotiation of the subcontract exceeds $250.

(End of Clause)

I–157 DEAR 970.5227-10 Patent Rights-Management and Operating Contracts, Nonprofit Organization or Small Business Firm Contractor (Dec 2024)

(a) *Definitions—DOE licensing regulations* means the Department of Energy patent licensing regulations at 10 CFR part 781.

Exceptional circumstance subject invention means any subject invention in a technical field or related to a task determined by the Department of Energy to be subject to an exceptional circumstance under 35 U.S.C. 202(a)(ii) and in accordance with 37 CFR 401.3(e).

Initial Patent Application means, as to a given Subject Invention, the first provisional or non- provisional U.S. national application for patent as defined in 37 CFR 1.9(a)(2) and (3), respectively, the first international application filed under the Patent Cooperation Treaty as defined in 37 CFR 1.9(b) which designates the United States, or the first application for a Plant Variety Protection certificate, as applicable.

Invention means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code, or any novel variety of plant which is or may be protected under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.).

Made when used in relation to any invention means the conception or first actual reduction to practice of such invention.

Nonprofit organization means a university or other institution of higher education, or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.

Patent Counsel means the Department of Energy (DOE) Patent Counsel assisting the DOE contracting activity. The Patent Counsel is the first and primary point of contact for activities described in this clause.

Practical application means to manufacture, in the case of a composition or product; to practice, in the case of a process or method; or to operate, in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

Small business firm means a small business concern as defined at section 2 of Public Law 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in Government procurement and subcontracting at 13 CFR 121.3-8 and 13 CFR 121.3-12, respectively, are used.

Statutory Period means the one-year period before the effective filing date of a claimed invention during which exceptions to prior art exist per 35 U.S.C. 102(b) as amended by the Leahy-Smith America Invents Act, Public Law 112-29.

Subject Invention means any invention of the contractor conceived or first actually reduced to practice in the performance of work under this contract, provided that in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act, 7 U.S.C. 2401(d)) shall also occur during the period of contract performance.

(b) *Allocation of Principal Rights.*

(1) *Retention of title by the Contractor.* Except for exceptional circumstance subject inventions outlined in paragraph (b)(3)(i) of this clause, the contractor may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the Contractor retains title, the Federal Government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

(2) *Treaties and international agreements.* Any rights acquired by the Contractor in subject inventions are subject to any disposition of right, title, or interest in or to subject inventions provided for in treaties or international agreements identified at DOE's Office of International Affairs (International Commitments—IEC) (https://energy.gov/ia/iec-documents), or other rights which are necessary for the Government to meet its obligations to foreign governments, their nationals and international organizations under such treaties or international agreements with respect to subject inventions.

(3) *Exceptional circumstance subject inventions.* Except to the extent that rights are retained by the Contractor in a determination of exceptional circumstances or granted to a contractor through a determination of greater rights in accordance with paragraph (b)(4) of this clause, the Contractor does not have a right to retain title to any exceptional circumstance subject inventions and agrees to assign to the Government the entire right, title, and interest, throughout the world, in and to any exceptional circumstance subject inventions.

(i) Inventions within or relating to the following fields of technology are exceptional circumstance subject inventions in which the Contractor cannot retain title without specific grant of a waiver from DOE:

(A) Uranium enrichment technology;

(B) Storage and disposal of civilian high-level nuclear waste and spent fuel technology; and

(C) National security technologies classified or sensitive under section 148 of the Atomic Energy Act (42 U.S.C. 2168).

(D) DOE Steel Initiative and Metals Initiative.

(ii) As determined by the DOE, inventions made under any agreement, contract or subcontract, related to the exceptional circumstance subject inventions subject to specific terms outlined in those declarations of exceptional circumstance, the Contractor may take title to these inventions consistent with the terms of the contract. A complete list of declarations of exceptional circumstance, which is maintained by the Office of the Assistant General Counsel for Technology Transfer and Intellectual Property, include but is not limited to the following—

(A) U.S. Advanced Battery Consortium;

(B) Any funding agreement which is funded in part by the Electric Power Research Institute (EPRI) or the Gas Research Institute (GRI);

(C) Any funding agreement related to Energy Efficiency, Storage, Integration and Related Technologies, Renewable Energy, and Advanced Energy Technologies which is funded by the Office of Energy Efficiency and Renewable Energy (EERE) or the Advanced Research Projects Agency

– Energy (ARPA-E);

(D) Solid State Energy Conversion Alliance (SECA), if the Contractor is a participant in the "Core Technology Program";

(E) Solid State Lighting (SSL) Program, if the Contractor is a participant in the "Core Technology Program."

(F) Cybersecurity, Energy Security, and Emergency Response;

(G) Quantum Information Science Technologies; and

(H) Domestic Manufacture of DOE Science and Energy Technologies (S&E DEC).

(iii) Inventions subject to "Department of Energy Determination of Exceptional Circumstances under the Bayh-Dole Act to Further Promote Domestic Manufacture of DOE Science and Energy Technologies" (S&E DEC) issued June 7, 2021, must comply with the requirements of paragraph (t) of this section to the maximum extent authorized by the S&E DEC unless otherwise directed by DOE Patent Counsel in writing.

(iv) DOE reserves the right to unilaterally amend this contract to modify, by deletion or insertion, technical fields, tasks, or other classifications for the purpose of determining DOE exceptional circumstance subject inventions.

(4) *Contractor request for greater rights in exceptional circumstance subject inventions.* The Contractor may request rights greater than allowed by the exceptional circumstance determination in an exceptional circumstance subject invention by submitting such a request in writing to Patent Counsel at the time the exceptional circumstance subject invention is disclosed to DOE or within eight (8) months after conception or first actual reduction to practice of the exceptional circumstance subject invention, whichever occurs first, unless a longer period is authorized in writing by the Patent Counsel for good cause shown in writing by the Contractor. DOE may, in its discretion, grant or refuse to grant such a request by the Contractor.

(5) *Contractor employee-inventor rights.* If the Contractor does not elect to retain title to a subject invention or does not request greater rights in an exceptional circumstance subject invention, a Contractor employee-inventor, after consultation with the

Contractor and with written authorization from the Contractor in accordance with 10 CFR 784.9(b)(4), may request greater rights, including title, in the subject invention or the exceptional circumstance invention from DOE, and DOE may, in its discretion, grant or refuse to grant such a request by the Contractor employee-inventor.

(6) *Government assignment of rights in Government employees' subject inventions.* If a Government employee is a joint inventor of a subject invention or of an exceptional circumstance subject invention to which the Contractor has rights, the Government may assign or refuse to assign to the Contractor any rights in the subject invention or exceptional circumstance subject invention acquired by the Government from the Government employee, in accordance with 48 CFR 27.304-1(d). The rights assigned to the Contractor are subject to any provision of this clause that is applicable to subject inventions in which the Contractor retains title, including reservation by the Government of a nonexclusive, nontransferable, irrevocable, paid-up license, except that the Contractor shall file its initial patent application claiming the subject invention or exceptional circumstance invention within one (1) year after the assignment of such rights. The Contractor shall share royalties collected for the manufacture, use or sale of the subject invention with the Government employee.

(c) Subject invention disclosure, election of title and filing of patent application by contractor.

(1) *Subject invention disclosure.* The contractor will disclose each subject invention to the Patent Counsel within two months after the inventor discloses it in writing to contractor personnel responsible for patent matters. The disclosure to the agency shall be in the form of a written or electronic report and shall identify the contract or any other agreement under which the invention was made and the inventor(s) and all sources of funding by Budget and Resources (B&R) code for the invention. The funding program may require other invention identifiers such as related award numbers or funding opportunity announcement numbers. It shall be sufficiently complete in technical detail to convey a clear understanding to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted or made available for publication at the time of disclosure. The disclosure shall identify if the invention falls within an exceptional circumstance field. DOE will make a determination and advise the

Contractor within 30 days of receipt of an invention disclosure as to whether the invention is an exceptional circumstance subject invention. In addition, after disclosure to the Patent Counsel, the Contractor will notify the agency of any accepted manuscript describing the invention for publication or of any on sale or public use planned by the contractor that is 60 days prior to the end of the Statutory Period. The Contractor shall notify Patent Counsel prior to any release or publication of information concerning any nonelectable subject invention such as an exceptional circumstance subject invention or any subject invention related to a treaty or international agreement.

(2) *Election by the Contractor.* Except as provided in paragraph (b)(2) of this clause, the Contractor will elect in writing whether or not to retain title to any such invention by notifying the Federal agency within two years of disclosure to the Federal agency. However, in any case where publication, on sale or public use has initiated the statutory period wherein valid patent protection can still be obtained in the United States, the period for election of title may be shortened by the agency to a date that is no more than 60 days prior to the end of the statutory period.

(3) *Filing of patent applications by the Contractor.* The Contractor will file its initial patent application on a subject invention to which it elects to retain title within one year after election of title or, if earlier, or prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use. The Contractor will file patent applications in additional countries or international patent offices within either ten months of the corresponding first filed patent application or six months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

(4) *Contractor's request for an extension of time.* Requests for an extension of the time for disclosure, election, and filing under paragraphs (c)(1), (2), and (3) of this clause may, at the discretion of Patent Counsel, be granted.

(5) *Publication review.* During the course of the work under this contract, the Contractor may desire to release or publish information regarding scientific or technical developments conceived or first actually reduced to practice in the course of or under this contract. Contractor’s Invention Identification

Procedures under paragraph (f)(5) of this clause should address timely disclosure of inventions, consider whether review is required, and if so, facilitate such review by Contractor personnel responsible for patent matters prior to disclosure of publications in order that public disclosure of such information will not adversely affect the patent interest of DOE or the Contractor.

(6) *Reporting to DOE and Approvals.* Whenever possible in this paragraph (c), the Government electronic reporting system (e.g., iEdison or similar system) shall be used for reporting and approvals.

(d) *Conditions when the Government may obtain title.* The Contractor will convey to the DOE, upon written request, title to any subject invention—

(1) If the Contractor fails to disclose or elect title to the subject invention within the times specified in paragraph (c) of this clause, or elects not to retain title.

(2) In those countries in which the Contractor fails to file a patent application within the times specified in paragraph (c) of this clause; provided, however, that if the Contractor has filed a patent application in a country after the times specified in paragraph (c), but prior to its receipt of the written request of the DOE, the Contractor shall continue to retain title in that country.

(3) In any country in which the Contractor decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in a reexamination or opposition proceeding on, a patent on a subject invention.

(4) If the Contractor requests that DOE acquire title or rights from the Contractor in a subject invention to which the Contractor had initially retained title or rights, or in an exceptional circumstance subject invention to which the Contractor was granted greater rights, DOE may acquire such title or rights from the Contractor, or DOE may decide against acquiring such title or rights from the Contractor, at DOE's sole discretion.

(5) Upon a breach of paragraph (t) of this clause.

(e) *Minimum rights of the Contractor and protection of the Contractor's right to file—*

(1) Request for a Contractor license. The Contractor may request the right to reserve a revocable, nonexclusive, royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the Contractor fails to disclose the invention within the times specified in paragraph (c) of this clause. DOE may grant or refuse to grant such a request by the Contractor. When DOE approves such reservation, the Contractor's license will normally extend to its domestic subsidiaries and affiliates, if any, within the corporate structure of which the Contractor is a party and includes the right to grant sublicenses of the same scope to the extent the Contractor was legally obligated to do so at the time the contract was awarded. The license is transferable only with the approval of DOE, except when transferred to the successor of that part of the contractor's business to which the invention pertains.

(2) *Revocation or modification of a Contractor license.* The Contractor's domestic license may be revoked or modified by DOE to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions at 37 CFR part 404 and DOE licensing regulations at 10 CFR part 781. This license will not be revoked in the field of use or the geographical areas in which the Contractor has achieved practical application and continues to make the benefits of the subject invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of DOE to the extent the Contractor, its licensees, or the domestic subsidiaries or affiliates have failed to achieve practical application of the subject invention in that foreign country.

(3) *Notice of revocation of modification of a Contractor license.* Before revocation or modification of the license, DOE will furnish the Contractor a written notice of its intention to revoke or modify the license, and the Contractor will be allowed thirty days (or such other time as may be authorized by DOE for good cause shown by the Contractor) after the notice to show cause why the license should not be revoked or modified. The Contractor has the right to appeal, in accordance with applicable regulations in 37 CFR part 404 and DOE licensing regulations at 10 CFR part 781 concerning the licensing of Government owned inventions, any decision concerning the revocation or modification of the license.

(f) *Contractor action to protect the Government's interest.*

(1) *Execution of delivery of title or license instruments.* The Contractor agrees to execute or to have executed, and promptly deliver to the Patent Counsel all instruments necessary to accomplish the following actions:

(i) Establish or confirm the rights the Government has throughout the world in those subject inventions to which the Contractor elects to retain title; and

(ii) Convey title to DOE when requested under paragraphs (b) or (d) of this clause and to enable the Government to obtain patent protection throughout the world in that subject invention.

(2) *Contractor employee agreements.* The Contractor agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to Contractor personnel identified as responsible for the administration of patent matters and in a format suggested by the Contractor, each subject invention made under this contract in order that the Contractor can comply with the disclosure provisions of paragraph (c) of this clause, and to execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by paragraph (c)(1) of this clause. The Contractor shall instruct such employees, through employee agreements or other suitable educational programs, on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) *Notification of discontinuation of patent protection.* The Contractor will notify the Patent Counsel of any decision not to file a patent application, continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than 60 days before the expiration of the response period required by the relevant patent office.

(4) *Notification of Government rights.* The contractor agrees to include, within the specification of any United States patent applications and any patent issuing thereon covering a subject invention, the following statement, “This invention was made with government support under (identify the contract) awarded by (identify the Federal agency). The government has certain rights in the

invention."

(5) *Invention identification procedures.* The Contractor shall establish and maintain active and effective procedures to ensure that subject inventions are promptly identified and timely disclosed and shall submit a written description of such procedures to the Contracting Officer so that the Contracting Officer may evaluate and determine their effectiveness.

(6) *Patent filing documentation.* If the Contractor files a domestic or foreign patent application claiming a subject invention, the Contractor shall promptly submit to Patent Counsel, upon request, the following information and documents:

(i) The filing date, serial number, title, and a copy of the patent application (including an English-language version if filed in a language other than English);

(ii) An executed and approved instrument fully confirmatory of all Government rights in the subject invention; and

(iii) The patent number, issue date, and a copy of any issued patent claiming the subject invention.

(7) *Duplication and disclosure of documents.* The Government may duplicate and disclose subject invention disclosures and all other reports and papers furnished or required to be furnished pursuant to this clause; provided, however, that any such duplication or disclosure by the Government is subject to the confidentiality provision at 35 U.S.C. 205 and 37 CFR part 401.

(g) *Subcontracts—*

(1) *Subcontractor subject inventions.* The Contractor shall not obtain rights in the subcontractor's subject inventions as part of the consideration for awarding a subcontract.

(2) *Inclusion of patent rights clause—non-profit organization or small business firm subcontractors.* Unless otherwise authorized or directed by the Contracting Officer, the Contractor shall include the patent rights clause at 37 CFR 401.14 with Alternate I of 48 CFR 952.227-11, Patent Rights—Retention by the Contractor, suitably modified to identify the parties, in all subcontracts, at any tier, for experimental, developmental, demonstration or research work to be

performed by a small business firm or domestic nonprofit organization, except subcontracts which are subject to exceptional circumstances in accordance with 35 U.S.C. 202 and paragraph (b)(3) of this clause. The subcontractor retains all rights provided for the contractor in the patent rights clause at 37 CFR 401.3(a) and 401.14. If the S&E DEC, or any other related DEC, is applicable (see paragraph (b)(3)(iii) of this clause), the Contractor shall use Alternate II of DEAR 952.227-11, Patent Rights—Retention by the Contractor

(3) *Inclusion of patent rights clause—subcontractors other than non-profit organizations and small business firms.* Except for the subcontracts described in paragraph (g)(2) of this clause, the Contractor shall include the patent rights clause at 48 CFR 952.227-13 suitably modified to identify the parties, in any contract for experimental, developmental, demonstration or research work. For subcontracts subject to a patent waiver granted by DOE Patent Counsel, the contractor must consult with DOE patent counsel with respect to the appropriate patent clause. For subcontracts subject to exceptional circumstances, the contractor must consult with DOE patent counsel with respect to the appropriate patent clause which may require the use of Alternate II of 48 CFR 952.227-13 Patent Rights—Acquisition by the Government.

(4) *DOE and subcontractor contract.* With respect to subcontracts at any tier, DOE, the subcontractor, and the Contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and DOE with respect to the matters covered by the clause; provided, however, that nothing in this paragraph is intended to confer any jurisdiction under the Contract Disputes Act in connection with proceedings under paragraph (j) of this clause.

(5) *Subcontractor refusal to accept terms of patent clause.* If a prospective subcontractor refuses to accept the terms of a patent rights clause, the Contractor shall promptly submit a written notice to the Contracting Officer stating the subcontractor's reasons for such a refusal, including any relevant information for expediting disposition of the matter, and the Contractor shall not proceed with the subcontract without the written authorization of the Contracting Officer.

(6) *Notification of award of subcontract.* Upon the award of any subcontract at any tier containing a patent rights clause, the Contractor shall promptly notify the Contracting Officer in writing and identify the subcontractor, the applicable patent rights clause,

the work to be performed under the subcontract, and the dates of award and estimated completion. Upon request of the Contracting Officer, the Contractor shall furnish a copy of a subcontract.

(7) *Identification of subcontractor subject inventions.* If the Contractor in the performance of this contract becomes aware of a subject invention made under a subcontract, the Contractor shall promptly notify Patent Counsel and identify the subject invention.

(h) *Reporting on utilization of subject inventions.* The Contractor agrees to submit to DOE on request, periodic reports, no more frequently than annually, on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the Contractor or its licensees or assignees. In addition, the Contractor shall provide data to DOE for the annual data call for the Department of Commerce report that includes the number of patent applications filed, the number of patents issued, licensing activity, gross royalties received by the Contractor, and such other data and information as DOE may reasonably specify. The Contractor also agrees to provide additional reports as may be requested by DOE in connection with any march-in proceeding undertaken by DOE in accordance with paragraph (j) of this clause. As required by 35 U.S.C. 202(c)(5), DOE agrees it will not disclose such information to persons outside the Government without permission of the Contractor.

(i) *Preference for United States Industry.* Notwithstanding any other provision of this clause, the Contractor agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any product embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by DOE upon a showing by the Contractor or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

(j) *March-in Rights.* The Contractor agrees that, with respect to any subject invention in which it has acquired title, DOE has the right under 35 U.S.C. 203 and in accordance with the procedures in 37 CFR 401.6 and any DOE supplemental regulations to require the Contractor, an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and, if the Contractor, assignee or exclusive licensee refuses such a request, DOE has the right to grant such a license itself under applicable law stated above.

(k) *Special provisions for contracts with nonprofit organizations.* If the Contractor is a nonprofit organization, it agrees that:

(1) *DOE approval of assignment of rights.* Rights to a subject invention in the United States may not be assigned by the Contractor without the approval of DOE, except where such assignment is made to an organization which has as one of its primary functions the management of inventions; provided, that such assignee will be subject to the same provisions of this clause as the Contractor.

(2) *Small business firm licensees.* It will make efforts that are reasonable under the circumstances to attract licensees of subject inventions that are small business firms, and that it will give a preference to a small business firm when licensing a subject invention if the Contractor determines that the small business firm has a plan or proposal for marketing the invention which, if executed, is equally as likely to bring the invention to practical application as any plans or proposals from applicants that are not small business firms; provided, that the Contractor is also satisfied that the small business firm has the capability and resources to carry out its plan or proposal. The decision whether to give a preference in any specific case will be at the discretion of the Contractor. However, the Contractor agrees that the Secretary of Commerce may review the Contractor's licensing program and decisions regarding small business firm applicants, and the Contractor will negotiate changes to its licensing policies, procedures, or practices with the Secretary of Commerce when that Secretary's review discloses that the Contractor could take reasonable steps to more effectively implement the requirements of this paragraph (k)(2).

(3) *Contractor licensing of subject inventions.* To the extent that it provides the most effective technology transfer, licensing of subject inventions shall be administered by Contractor employees on location at the facility.

(l) *Communications.* The Contractor shall direct any notification, disclosure or request provided for in this clause to the Patent Counsel assisting the DOE contracting activity.

(m) Reports—

(1) *Interim reports.* Upon DOE's request, the Contractor shall submit to DOE, no more frequently than annually, a list of subject inventions disclosed to DOE during a specified period, or a statement that no subject inventions were made during the specified period; and a list

of subcontracts containing a patent clause and awarded by the Contractor during a specified period, or a statement that no such subcontracts were awarded during the specified period.

(2) *Final reports.* Upon DOE's request, the Contractor shall submit to DOE, prior to closeout of the contract, a list of all subject inventions disclosed during the performance period of the contract, or a statement that no subject inventions were made during the contract performance period; and a list of all subcontracts containing a patent clause and awarded by the Contractor during the contract performance period under which a subject invention was reported, or a statement that no such subject inventions under subcontracts were reported during the contract performance period.

(n) Examination of *Records Relating to Subject Inventions*—

(1) *Contractor compliance.* Until the expiration of three (3) years after final payment under this contract, the Contracting Officer or any authorized representative may examine any books (including laboratory notebooks), records, documents, and other supporting data of the Contractor, which the Contracting Officer or authorized representative deems reasonably pertinent to the discovery or identification of subject inventions, including exceptional circumstance subject inventions, or to determine Contractor compliance with any requirement of this clause.

(2) *Unreported inventions.* If the Contracting Officer is aware of an invention that is not disclosed by the Contractor to DOE, and the Contracting Officer believes the unreported invention may be a subject invention, including exceptional circumstance subject inventions, DOE may require the Contractor to submit to DOE a disclosure of the invention for a determination of ownership rights.

(3) *Confidentiality.* Any examination of records under this paragraph is subject to appropriate conditions to protect the confidentiality of the information involved.

(4) *Power of inspection.* With respect to a subject invention for which the Contractor has responsibility for patent prosecution, the Contractor shall furnish the Government, upon request by DOE, an irrevocable power to inspect and make copies of a prosecution file for any patent application claiming the subject invention.

(o) *Facilities License.* In addition to the rights of the parties with respect to inventions or discoveries conceived or first actually reduced to practice in the course

of or under this contract, the Contractor agrees to and does hereby grant to the Government an irrevocable, nonexclusive, paid-up license in and to any inventions or discoveries regardless of when conceived or actually reduced to practice or acquired by the Contractor at any time through completion of this contract and which are incorporated or embodied in the construction of the facility or which are utilized in the operation of the facility or which cover articles, materials, or product manufactured at the facility.

(1) To practice or have practiced by or for the Government at the facility; and

(2) To transfer such license with the transfer of that facility. Notwithstanding the acceptance or exercise by the Government of these rights, the Government may contest at any time the enforceability, validity or scope of, or title to, any rights or patents herein licensed.

(p) *Atomic Energy—*

(1) *Pecuniary awards.* No claim for pecuniary award of compensation under the provisions of the Atomic Energy Act of 1954, as amended, may be asserted with respect to any invention or discovery made or conceived in the course of or under this contract.

(2) *Patent agreements.* Except as otherwise authorized in writing by the Contracting Officer, the Contractor shall obtain patent agreements to effectuate the provisions of paragraph (p)(1) of this clause from all persons who perform any part of the work under this contract, except nontechnical personnel, such as clerical employees and manual laborers.

(q) *Classified inventions—*

(1) *Approval for filing a foreign patent application.* The Contractor shall not file or cause to be filed an application or registration for a patent disclosing a subject invention related to classified subject matter in any country other than the United States without first obtaining the written approval of the Contracting Officer.

(2) *Transmission of classified subject matter.* If in accordance with this clause the Contractor files a patent application in the United States disclosing a subject invention that is classified for reasons of security, the Contractor shall observe all applicable security

regulations covering the transmission of classified subject matter. If the Contractor transmits a patent application disclosing a classified subject invention to the United States Patent and Trademark Office (USPTO), the Contractor shall submit a separate letter to the USPTO identifying the contract or contracts by agency and agreement number that require security classification markings to be placed on the patent application.

(3) *Inclusion of clause in subcontracts.* The Contractor agrees to include the substance of this clause in subcontracts at any tier that cover or are likely to cover subject matter classified for reasons of security.

(r) *Patent functions.* Upon the written request of the Contracting Officer or Patent Counsel, the Contractor agrees to make reasonable efforts to support DOE in accomplishing patent-related functions for work arising out of the contract, including, but not limited to, the prosecution of patent applications, and the determination of questions of novelty, patentability, and inventorship.

(s) *Educational awards subject to 35 U.S.C. 212.* The Contractor shall notify the Contracting Officer prior to the placement of any person subject to 35 U.S.C. 212 in an area of technology or task

(1) related to exceptional circumstance technology or (2) which is subject to treaties or international agreements as set forth in paragraph (b)(3) of this clause or agreements other than funding agreements. The Contracting Officer may disapprove of any such placement.

(t) *U. S. Competitiveness.*

(1) Consistent with 48 CFR 970.5227-3(f) U.S. Industrial Competitiveness, for all subject inventions under the S&E DEC, the Contractor agrees that any products embodying any subject invention or produced through the use of any subject invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of DOE that it is not commercially feasible. In the event DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., alternative binding commitments to provide an overall net benefit to the U.S. economy. The Contractor agrees that it will not license, assign, or otherwise transfer any subject invention to any entity, at any tier, unless that entity agrees to these same requirements. In the event that the Contractor or other such entity receiving rights in the Subject Invention undergoes a

change in ownership amounting to a controlling interest, the Contractor or other such entity receiving rights shall ensure continual compliance with the requirements of this paragraph (t)(1) and shall inform DOE, in writing, of the change in ownership within six months of the change. The Contractor and any successor assignee will convey to DOE, upon written request from DOE, title to any subject invention, upon a breach of this paragraph (t)(1). The Contractor will include this paragraph (t) in all subawards/contracts, regardless of tier, for experimental, developmental or research work.

(2) The requirements, rights and administration of paragraph (t)(1) of this clause are further clarified as follows:

(i) *Waivers*. The Contractor (or any entity subject to this paragraph) may request a waiver or modification of paragraph (t)(1) of this clause. Such waivers or modifications may be granted when DOE determines that:

(A) The Contractor (or any entity subject to paragraph (t)(1) of this clause) has demonstrated, with quantifiable data, that manufacturing in the United States is not commercially feasible; and

(B) A waiver or modification would best serve the interests of the United States and the general public.

(ii) *Final determination of breach of paragraph (t)(1) of this clause*. If DOE determines the Contractor is in breach of paragraph (t)(1) of this clause, the Department may issue a final written determination of such breach. If such determination includes a demand for title to the subject inventions under the award, the demand for title will cause an immediate conveyance and assignment of all rights to all subject inventions subject to the breach to the United States Government, including all pending U.S. and foreign patent applications and all U.S. and foreign patents that cover any subject invention, without compensation. Any such final determination shall be signed by the cognizant DOE Contracting Officer with the concurrence of the Assistant General Counsel for Technology Transfer & Intellectual Property. Advanced notice will be provided for comment to the Contractor before any final written determination by DOE is issued.

(iii) Pursuant to Contractor's agreement in paragraph (t)(1) of this clause to not license, assign or otherwise transfer rights to subject

inventions at any tier unless the entity agrees to paragraph (t)(1) of this clause: any such license, assignment, or other transfer of right to any subject invention developed under the award shall contain paragraph (t)(1) of this clause suitably modified to properly identify the parties. If a licensee, assignee, or other transferee of rights to any subject invention is finally determined by DOE in writing to be in breach of paragraph (t)(1) of this clause, the applicable license, assignment or other transfer shall be deemed null and void. Advanced notice will be provided for comment to the non-complying party before any final written determination by DOE is made.

(iv) For clarity, if the forfeiture of title to any subject invention is due to a breach of paragraph (t)(1) of this clause, the Contractor shall not be entitled to any compensation, or to a license to the subject invention including the reserved license in paragraph (e)(1) of this clause, unless DOE grants a license through a separately agreed upon licensing agreement.

(u) *Annual appraisal by Patent Counsel.* Patent Counsel may conduct an annual appraisal to evaluate the Contractor's effectiveness in identifying and protecting subject inventions in accordance with DOE policy.

(v) *Unauthorized Access*. The contractor will protect all invention reports, unpublished patent applications and other invention related information from unauthorized access and disclosure using at least commonly available techniques and practices. In the event that the Contractor becomes aware of unauthorized access to invention reports, unpublished patent applications and other invention related information, the Contractor shall notify Patent Counsel within 7 days.

(End of Clause)
[**1665**]

I–158 DEAR 970.5228-1 Insurance – Litigation and Claims (July 2013)

(a) The Contractor must comply with 10 CFR part 719, Contractor Legal Management Requirements, if applicable.

(b) (1) Except as provided in paragraph (b)(2) of this clause, the contractor shall procure and maintain such bonds and insurance as required by law or approved in writing by the Contracting Officer.

(2) The contractor may, with the approval of the Contracting Officer, maintain a self-insurance program in accordance with FAR 28.308; provided that, with respect to workers' compensation, the contractor is qualified pursuant to statutory authority.

(3) All bonds and insurance required by this clause shall be in a form and amount and for those periods as the Contracting Officer may require or approve and with sureties and insurers approved by the Contracting Officer.

(c) The contractor agrees to submit for the Contracting Officer's approval, to the extent and in the manner required by the Contracting Officer, any other bonds and insurance that are maintained by the contractor in connection with the performance of this contract and for which the contractor seeks reimbursement. If an insurance cost (whether a premium for commercial insurance or related to self-insurance) includes a portion covering costs made unallowable elsewhere in the contract, and the share of the cost for coverage for the unallowable cost is determinable, the portion of the cost that is otherwise an allowable cost under this contract is reimbursable to the extent determined by the Contracting Officer.

(d) Except as provided in paragraph (f) of this clause, or specifically disallowed elsewhere in this contract, the contractor shall be reimbursed—

(1) For that portion of the reasonable cost of bonds and insurance allocable to this contract required in accordance with contract terms or approved under this clause, and

(2) For liabilities (and reasonable expenses incidental to such liabilities, including litigation costs) to third persons not compensated by insurance without regard to the clause of this contract entitled "Obligation of Funds."

(e) The Government's liability under paragraph (d) of this clause is subject to the availability of appropriated funds. Nothing in this contract shall be construed as implying that the Congress will, at a later date, appropriate funds sufficient to meet deficiencies.

(f) (1) Notwithstanding any other provision of this contract, the contractor shall not be reimbursed for liabilities to third parties, including contractor employees, and directly associated costs which may include but are not limited to litigation costs, counsel fees, judgments and settlements –

(i) Which are otherwise unallowable by law or the provisions of this contract, including the cost reimbursement limitations contained in 48 CFR part 31, as supplemented by 48 CFR 970.31;

(ii) For which the contractor has failed to insure or to maintain insurance as required by law, this contract, or by the written direction of the Contracting Officer; or

(iii) Which were caused by contractor managerial personnel's –

a. Willful misconduct;

b. Lack of good faith; or

c. Failure to exercise prudent business judgment, which means failure to act in the same manner as a prudent person in the conduct of competitive business; or, in the case of a non-profit educational institution, failure to act in the manner that a prudent person would under the circumstances prevailing at the time the decision to incur the cost is made.

(2) The term "contractor's managerial personnel" is defined in the Property clause in this contract.

(g) (1) All litigation costs, including counsel fees, judgments and settlements shall be segregated and accounted for by the contractor separately. If the Contracting Officer provisionally disallows such costs, then the contractor may not use funds advanced by DOE under the contract to finance the litigation.

(2) Punitive damages are not allowable unless the act or failure to act which gave rise to the liability resulted from compliance with specific terms and conditions of the contract or written instructions from the Contracting Officer.

(3) The portion of the cost of insurance obtained by the contractor that is allocable to coverage of liabilities referred to in paragraph (f) of this clause is not allowable.

(h) The contractor may at its own expense and not as an allowable cost procure for its own protection insurance to compensate the contractor for any unallowable or non-reimbursable costs incurred in connection with contract performance.

(End of clause)
[M1000]

I–159 DEAR 970.5229-1 State and Local Taxes (Dec 2000)

(a) The Contractor agrees to notify the Contracting Officer of any State or local tax, fee, or charge levied or purported to be levied on or collected from the Contractor with respect to the Contract work, any transaction thereunder, or property in the custody or control of the Contractor and constituting an allowable item of cost if due and payable, but which the Contractor has reason to believe, or the Contracting Officer has advised the Contractor, is or may be inapplicable or invalid; and the Contractor further agrees to refrain from paying any such tax, fee, or charge unless authorized in writing by the Contracting Officer. Any State or local tax, fee, or charge paid with the approval of the Contracting Officer or on the basis of advice from the Contracting Officer that such tax, fee, or charge is applicable and valid, and which would otherwise be an allowable item of cost,

shall not be disallowed as an item of cost by reason of any subsequent ruling or determination that such tax, fee, or charge was in fact inapplicable or invalid.

(b) The Contractor agrees to take such action as may be required or approved by the Contracting Officer to cause any State or local tax, fee, or charge which would be an allowable cost to be paid under protest; and to take such action as may be required or approved by the Contracting Officer to seek recovery of any payments made, including assignment to the Government or its designee of all rights to an abatement or refund thereof, and granting permission for the Government to join with the Contractor in any proceedings for the recovery thereof or to sue for recovery in the name of the Contractor. If the Contracting Officer directs the Contractor to institute litigation to enjoin the collection of or to recover payment of any such tax, fee, or charge referred to above, or if a claim or suit is filed against the Contractor for a tax, fee, or charge it has refrained from paying in accordance with this clause, the procedures and requirements of the clause entitled "Insurance-Litigation and Claims" shall apply and the costs and expenses incurred by the Contractor shall be allowable items of costs, as provided in this Contract, together with the amount of any judgment rendered against the Contractor.

(c) The Government shall hold the Contractor harmless from penalties and interest incurred through compliance with this clause. All recoveries or credits in respect of the foregoing taxes, fees, and charges (including interest) shall inure to and be for the sole benefit of the Government.

(End of Clause)

I–160 DEAR 970.5231-4 Preexisting Conditions (Dec 2000) Alternate I (Dec 2000)

(a) ***Any liability, obligation, loss, damage, claim (including without limitation, a claim involving strict or absolute liability), action, suit, civil fine or penalty, cost, expense or disbursement, which may be incurred or imposed, or asserted by any party and arising out of any condition, act or failure to act which occurred before October 1, 1998, in conjunction with the management and operation of the Pacific Northwest National Laboratory, shall be deemed incurred under Contract No. DE-AC06-76RL01830, Modification M198, dated October 14, 1992.***

(b) The obligations of the Department of Energy under this clause are subject to the availability of appropriated funds.

(End of Clause)

I–161 DEAR 970.5232-1 Reduction or Suspension of Advance, Partial, or Progress Payments (Dec 2000)

(a) The Contracting Officer may reduce or suspend further advance, partial, or progress payments to the Contractor upon a written determination by the Senior Procurement Executive that substantial evidence exists that the Contractor's request for advance, partial, or progress payment is based on fraud.

(b) The Contractor shall be afforded a reasonable opportunity to respond in writing.

(End of Clause)
[1665]

I–162 DEAR 970.5232-2 Payments and Advances - Alternate II (Dec 2024)

(a) *Payment of Total available fee: Base Fee and Performance Fee.*

(1) The base fee amount, if any, is payable in equal monthly installments. Total available fee amount earned is payable following the Government's Determination of Total Available Fee Amount Earned in accordance with the clause of this contract entitled “Total Available Fee: Base Fee Amount and Performance Fee Amount.” Base fee amount and total available fee amount earned payments shall be made by direct payment or withdrawn from funds advanced or available under this contract, as determined by the Contracting Officer. The Contracting Officer may offset against any such fee payment the amounts owed to the Government by the Contractor, including any amounts owed for disallowed costs under this contract. No base fee amount or total available fee amount earned payment may be withdrawn against the payments cleared financing arrangement without the prior written approval of the Contracting Officer.

(2) *Provisional fee.* Additionally, if the Contracting Officer authorizes provisional payment of fee and for only as long as the Contracting Officer authorizes it, the Contractor may withdraw from funds advanced on the last working day of each month a provisional fee equal to 6 percent of the annual total available fee amount. The Contracting Officer may for any reason withdraw his/her authorization allowing the Contractor's withdrawal of provisional fee if at any time in his/her judgement the Contractor will not earn the provisional fee. The Contracting Officer’s decision to authorize the Contractor’s withdrawal of provisional fee or to withdraw such authorization is solely within the Contracting Officer’s discretion. Following the Government’s determination of total available fee amount earned, the Contractor may withdraw from funds advanced the amount by which earned fee exceeds provisional fee; and must immediately return to funds advanced the amount by which provisional fee exceeds earned fee.

(End of alternate)

(b) *Payments on Account of Allowable Costs*. The Contracting Officer and the Contractor shall agree as to the extent to which payment for allowable costs or payments for other items specifically approved in writing by the Contracting Officer (for example, negotiated fixed amounts) shall be made from advances of Government funds.

(c) *Timing of payments*. Funds for payments of allowable costs, including payments for pension plan contributions, shall be drawn from the special financial institution account when those payments are made, not when the costs are accrued.

(d) *Special financial institution account-use*. All advances of Government funds shall be withdrawn pursuant to a payments cleared financing arrangement prescribed by DOE in favor of the financial institution or, at the option of the Government, shall be made by direct payment or other payment mechanism to the Contractor, and shall be deposited only in the special financial institution account referred to in the Special Financial Institution Account Agreement, which is incorporated into this contract as Section J – Appendix B "*Special Financial Institution Account(s) Agreement For Use with the Payments Cleared Financing Arrangement*". The contractor will follow current procedures and requirements for establishing and managing the special financial institution account that are stated in the Department's Financial Management Handbook and relevant Department of Treasury rules.

(e) *Use of the special financial institution account for unallowable costs*. Government funds in the special financial institution account shall be used only for costs allowable and, if applicable, fees earned under this contract, negotiated fixed amounts, or payments for other items specifically approved in writing by the Contracting Officer.

(f) *Title to funds advanced*. Title to the unexpended balance of any funds advanced and of any special financial institution account established pursuant to this clause shall remain in the Government and be superior to any claim or lien of the financial institution of deposit or others. It is understood that an advance to the Contractor hereunder is not a loan to the Contractor, and will not require the payment of interest by the Contractor, and that the Contractor acquires no right, title or interest in or to such advance other than the right to make expenditures therefrom, as provided in this clause.

(g) *Financial settlement*. The Government shall promptly pay to the Contractor the unpaid balance of allowable costs (or other items specifically approved in writing by the Contracting Officer) and fee upon termination of the work, expiration of the term of the contract, or completion of the work and its acceptance by the Government after—

(1) Compliance by the Contractor with DOE's patent clearance requirements, and

(2) The furnishing by the Contractor of—

(i) An assignment of the Contractor's rights to any refunds, rebates, allowances, accounts receivable, collections accruing to the Contractor in connection with the work under this contract, or other credits applicable to allowable costs under the contract;

(ii) A closing financial statement;

(iii) The accounting for Government-owned property required by the clause entitled "Property"; and

(iv) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract subject only to the following exceptions—

(A) Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible to exact statement by the Contractor;

(B) Claims, together with reasonable expenses incidental thereto, based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided that such claims are not known to the Contractor on the date of the execution of the release; and provided further that the Contractor gives notice of such claims in writing to the Contracting Officer promptly, but not more than one (1) year after the Contractor's right of action first accrues. In addition, the Contractor shall provide prompt notice to the Contracting Officer of all potential claims under this clause, whether in litigation or not (see Contract Clause, 48 CFR 970.5228-1, “Insurance—Litigation and Claims”);

(C) Claims for reimbursement of costs (other than expenses of the Contractor by reason of any indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this contract relating to patents; and

(D) Claims recognizable under the clause entitled, Nuclear Hazards Indemnity Agreement.

(3) In arriving at the amount due the Contractor under this clause, there shall be deducted—

(i) Any claim which the Government may have against the Contractor in connection with this contract, and

(ii) Deductions due under the terms of this Contract, and not otherwise recovered by or credited to the Government. The unliquidated balance of the special financial institution account may be applied to the amount due and any balance shall be returned to the Government forthwith.

(h) *Claims*. Claims for credit against funds advanced for payment shall be accompanied by such supporting documents and justification as the Contracting Officer shall prescribe.

(i) *Discounts*. The Contractor shall take and afford the Government the advantage of all known and available cash and trade discounts, rebates, allowances, credits, salvage, and commissions unless the Contracting Officer finds that action is not in the best interest of the Government.

(j) *Collections*. All collections accruing to the Contractor in connection with the work under this contract, except for the Contractor's fee and royalties or other income accruing to the Contractor from technology transfer activities in accordance with this contract, shall be Government property and shall be processed and accounted for in accordance with applicable requirements imposed by the Contracting Officer pursuant to the Laws, regulations, and DOE directives clause of this contract and, to the extent consistent with those requirements, shall be deposited in the special financial institution account or otherwise made available for payment of allowable costs under this contract, unless otherwise directed by the Contracting Officer.

(k) Direct payment of charges. The Government reserves the right, upon ten days written notice from the Contracting Officer to the Contractor, to pay directly to the persons concerned, all amounts due which otherwise would be allowable under this contract. Any payment so made shall discharge the Government of all liability to the Contractor.

(l) *Determining allowable costs*. Regardless of contractor type, the Contracting Officer shall determine allowable costs in accordance with the Federal Acquisition Regulations subpart 31.2 and the Department of Energy Acquisition Regulation 48 CFT 970.31 in effect on the date of this contract and other provisions of this contract.

(End of Clause)

I–163 DEAR 970.5232-3 Accounts, Records, and Inspection (Dec 2024)

(a) *Accounts*. The Contractor shall maintain a separate and distinct set of accounts, records, documents, and other evidence showing and supporting: all allowable costs; collections accruing to the Contractor in connection with the work under this contract, other applicable credits, negotiated fixed amounts, and fee accruals under this contract; and the receipt, use, and disposition of all Government property coming into the possession of the Contractor under this contract. The system of accounts employed by the Contractor shall be satisfactory to DOE and in accordance with generally accepted accounting principles consistently applied.

(b) *Inspection and audit of accounts and records*. All books of account and records relating to this contract shall be subject to inspection and audit by DOE or its designees in accordance with the provisions of Clause 970.5204-3, Access to and ownership of records, at all reasonable times, before and during the period of retention provided for in paragraph (d) of this clause, and the Contractor shall afford DOE proper facilities for such inspection and audit.

(c) *Audit of subcontractors' incurred costs*. If the subcontractor's incurred costs are a factor in determining the amount the Contractor pays the subcontractor and submits to the Government for reimbursement, the Contractor shall: perform a sufficient amount of audit work (that the Contractor's auditor or the Contracting Officer agrees is sufficient) of its subcontractor's incurred costs to provide reasonable assurance the costs are allowable; or arrange for an audit by the cognizant government audit agency through the Contracting Officer of its subcontractor's incurred costs.

(d) *Disposition of records*. Except as agreed upon by the Government and the Contractor, all financial and cost reports, books of account and supporting documents, system files, data bases, and other data evidencing costs allowable, collections accruing to the Contractor in connection with the work under this contract, other applicable credits, and fee accruals under this contract, shall be the property of the Government, and shall be delivered to the Government or otherwise disposed of by the Contractor either as the Contracting Officer may from time to time direct during the progress of the work or, in any event, as the Contracting Officer shall direct upon completion or termination of this contract and final audit of accounts hereunder. Except as otherwise provided in this contract, including provisions of Clause 970.5204-3, Access to and Ownership of Records, all other records in the possession of the Contractor relating to this contract shall be preserved by the Contractor for a period of three years after final payment under this contract or otherwise disposed of in such manner as may be agreed upon by the Government and the Contractor.

(e) *Reports*. The Contractor shall furnish such progress reports and schedules, financial and cost reports, and other reports concerning the work under this contract as the Contracting Officer may from time to time require.

(f) *Inspections*. The DOE shall have the right to inspect the work and activities of the Contractor under this contract at such time and in such manner as it shall deem appropriate.

(g) *Subcontracts*. The Contractor further agrees to require the inclusion of provisions similar to those in paragraphs (a) through (g) and paragraph (h) of this clause in all subcontracts (including fixed-price or unit-price subcontracts or purchase orders) of any tier entered into hereunder where, under the terms of the subcontract, costs incurred are a factor in determining the amount payable to the subcontractor.

(h) *Comptroller general*.

(1) The Comptroller General of the United States, or an authorized representative, shall have access to and the right to examine any of the contractor's or subcontractor's directly pertinent records involving transactions related to this contract or a subcontract hereunder and to interview any employee regarding such transactions.

(2) This paragraph may not be construed to require the Contractor or subcontractor to create or maintain any record that the Contractor or subcontractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(3) Nothing in this contract shall be deemed to preclude an audit by the Government Accountability Office of any transaction under this contract.

(i) *Internal audit*. The Contractor agrees to design and maintain an internal audit plan and an internal audit organization.

(1) Upon contract award, the exercise of any contract option, or the extension of the contract, the Contractor must submit to the Contracting Officer for approval an Internal Audit Implementation Design to include the overall strategy for internal audits. The Audit Implementation Design must describe—

(i) The internal audit organization's placement within the Contractor's organization and its reporting requirements;

(ii) The audit organization's size and the experience and educational standards of its staff;

(iii) The audit organization's relationship to the corporate entities of the Contractor;

(iv) The standards to be used in conducting the internal audits;

(v) The overall internal audit strategy of this contract, considering particularly the method of auditing costs incurred in the performance of the contract;

(vi) The intended use of external audit resources;

(vii) The plan for audit of subcontracts, both pre-award and post-award; and

(viii) The schedule for peer review of internal audits by other contractor internal audit organizations, or other independent third party audit entities approved by the DOE Contracting Officer.

(2) By each January 31 of the contract performance period, the Contractor must submit an annual audit report, providing a summary of the audit activities undertaken during the previous fiscal year. That report shall reflect the results of the internal audits during the previous fiscal year and the actions to be taken to resolve weaknesses identified in the contractor's system of business, financial, or management controls.

(3) By each June 30 of the contract performance period, the Contractor must submit to the Contracting Officer an annual audit plan for the activities to be undertaken by the internal audit organization during the next fiscal year that is designed to test the costs incurred and contractor management systems described in the internal audit design.

(4) The Contracting Officer may require revisions to documents submitted under paragraphs (i)(1), (i)(2), and (i)(3) of this clause, including the design plan for the internal audits, the annual report, and the annual internal audits.

(j) *Remedies*. If at any time during contract performance, the Contracting Officer determines that unallowable costs were claimed by the Contractor to the extent of making the contractor's management controls suspect, or the contractor's management systems that validate costs incurred and claimed suspect, the Contracting Officer may, in his or her sole discretion, require the Contractor to cease using the special financial institution account in whole or with regard to specified accounts, requiring reimbursable costs to be claimed by periodic vouchering. In addition, the Contracting Officer, where he or she deems it appropriate, may: Impose a penalty under 48 CFR 970.5242-1, Penalties for Unallowable Costs; require a refund; reduce the contractor's otherwise earned fee; and take such other action as authorized in law, regulation, or this contract.

(End of Clause)

I–164 DEAR 970.5232-4 Obligation of Funds (Dec 2000)

(a) Obligation of funds. The amount presently obligated by the Government with respect to this Contract is specified in Section B, clause entitled “Obligated Funds”. Such amount may be increased unilaterally by DOE by written notice to the Contractor and may be increased or decreased by written agreement of the Parties (whether or not by formal modification of this Contract). Estimated collections from others for work and services to be performed under this Contract are not included in the amount presently obligated. Such collections, to the extent actually received by the Contractor, shall be processed and accounted for in accordance with applicable requirements imposed by the Contracting Officer pursuant to the Laws, regulations, and DOE directives clause of this Contract. Nothing in this paragraph is to be construed as authorizing the Contractor to exceed limitations stated in financial plans established by DOE and furnished to the Contractor from time to time under this Contract.

(b) Limitation on payment by the Government. Except as otherwise provided in this Contract and except for costs which may be incurred by the Contractor pursuant to the Termination clause of this Contract or costs of claims allowable under the Contract occurring after completion or termination and not released by the Contractor at the time of financial settlement of the Contract in accordance with the clause entitled "Payments and Advances," payment by the Government under this Contract on account of allowable costs shall not, in the aggregate, exceed the amount obligated with respect to this Contract, less the Contractor's fee and any negotiated fixed amount. Unless expressly negated in this Contract, payment on account of those costs excepted in the preceding sentence which are in excess of the amount obligated with respect to this Contract shall be subject to the availability of:

(1) collections accruing to the Contractor in connection with the work under this Contract and processed and accounted for in accordance with applicable requirements imposed by the Contracting Officer pursuant to the Laws, regulations, and DOE directives clause of this Contract, and

(2) other funds which DOE may legally use for such purpose, provided DOE will use its best efforts to obtain the appropriation of funds for this purpose if not otherwise available.

(c) Notices-Contractor excused from further performance. The Contractor shall notify DOE in writing whenever the unexpended balance of available funds (including collections available under paragraph (a) of this clause), plus the Contractor's best estimate of collections to be received and available during the 45-day period hereinafter specified, is in the Contractor's best judgment sufficient to continue Contract operations at the programmed rate for only 45 days and to cover the Contractor's unpaid fee and any negotiated fixed amounts, and outstanding encumbrances and liabilities on account of costs allowable under the Contract at

the end of such period. Whenever the unexpended balance of available funds (including collections available under paragraph (a) of this clause), less the amount of the Contractor's fee then earned but not paid and any negotiated fixed amounts, is in the Contractor's best judgment sufficient only to liquidate outstanding encumbrances and liabilities on account of costs allowable under this Contract, the Contractor shall immediately notify DOE and shall make no further encumbrances or expenditures (except to liquidate existing encumbrances and liabilities), and, unless the Parties otherwise agree, the Contractor shall be excused from further performance (except such performance as may become necessary in connection with termination by the Government) and the performance of all work hereunder will be deemed to have been terminated for the convenience of the Government in accordance with the provisions of the Termination clause of this Contract.

(d) Financial plans; cost and encumbrance limitations. In addition to the limitations provided for elsewhere in this Contract, DOE may, through financial plans, such as Approved Funding Programs, or other directives issued to the Contractor, establish controls on the costs to be incurred and encumbrances to be made in the performance of the Contract work. Such plans and directives may be amended or supplemented from time to time by DOE. The Contractor agrees

(1) to comply with the specific limitations (ceilings) on costs and encumbrances set forth in such plans and directives,

(2) to comply with other requirements of such plans and directives, and

(3) to notify DOE promptly, in writing, whenever it has reason to believe that any limitation on costs and encumbrances will be exceeded or substantially underrun.

(e) Government's right to terminate not affected. The giving of any notice under this clause shall not be construed to waive or impair any right of the Government to terminate the Contract under the provisions of the Termination clause of this Contract.

(End of Clause)

I–165 DEAR 970.5232-5 Liability with Respect to Cost Accounting Standards (Dec 2000)

(a) The Contractor is not liable to the Government for increased costs or interest resulting from its failure to comply with the clauses of this Contract entitled, "Cost Accounting Standards," and "Administration of Cost Accounting Standards," if its failure to comply with the clauses is caused by the Contractor's compliance with published DOE financial management policies and procedures or

other requirements established by the Department's Chief Financial Officer or Procurement Executive.

(b) The Contractor is not liable to the Government for increased costs or interest resulting from its Subcontractors' failure to comply with the clauses at FAR 52.230-2, "Cost Accounting Standards," and FAR 52.230-6, "Administration of Cost Accounting Standards," if the Contractor includes in each covered subcontract a clause making the Subcontractor liable to the Government for increased costs or interest resulting from the Subcontractor's failure to comply with the clauses; and the Contractor seeks the subcontract price adjustment and cooperates with the Government in the Government's attempts to recover from the Subcontractor.

(End of Clause)

I–166 DEAR 970.5232-6 Strategic Partnership Projects Funding Authorization (Apr 2015)

Any uncollectible receivables resulting from the Contractor utilizing contractor corporate funding for reimbursable work shall be the responsibility of the Contractor, and the United States Government shall have no liability to the Contractor for the Contractor's uncollected receivables. The Contractor is permitted to provide advance payment utilizing contractor corporate funds for reimbursable work to be performed by the Contractor for a non-Federal entity in instances where advance payment from that entity is required under the Laws, regulations, and DOE directives clause of this contract and such advance cannot be obtained. The Contractor is also permitted to provide advance payment utilizing contractor corporate funds to continue reimbursable work to be performed by the Contractor for a Federal entity when the term or the funds on a Federal interagency agreement required under the Laws, regulations, and DOE directives clause of this contract have elapsed. The Contractor's utilization of contractor corporate funds does not relieve the Contractor of its responsibility to comply with all requirements for Strategic Partnership Projects applicable to this contract.

(End of Clause)
[M1067]

I–167 DEAR 970.5232-7 Financial Management System (Dec 2024)

(a) The Contractor shall maintain and administer a financial management system that is suitable to provide proper accounting in accordance with DOE requirements. In addition, the Contractor shall maintain and administer a financial management system that is in accordance with Generally Accepted Accounting Principles (GAAP) for Federal entities, as defined by the Federal Accounting Standards Advisory Board and implemented by the DOE Financial Management Handbook and other implementing policies. The financial system will also permit the proper allocation of costs to separately funded activities consistent with Cost Accounting Standards (CAS), as defined by 48 CFR part 9900 and any implementing DOE

policies and ensures that accountability for the assets can be maintained.

(b) The Contractor shall submit to the Contracting Officer for written approval an annual plan for new financial management systems and/or subsystems and major enhancements and/or upgrades to the currently existing financial systems and/or subsystems. The Contractor shall notify DOE thirty (30) days in advance of any planned implementation of any substantial changes to the plan and, as requested by the Contracting Officer, shall submit any such changes to the Contracting Officer for written approval before implementation.

(End of Clause)
[1665]

I–168 DEAR 970.5232-8 Integrated Accounting (Dec 2000)(Deviation)(PF 2022-23)(OCT 2021)

Integrated accounting procedures are required for use under this Contract. The Contractor's financial management system shall include an integrated accounting system that is linked to DOE's accounts through the use of corresponding accounts and that has electronic capability to transmit monthly and year-end self-balancing trial balances to the Department's primary accounting system for reporting financial activity under this Contract in accordance with requirements imposed by the Contracting Officer pursuant to the Laws, Regulations, and DOE directives clause of this Contract.

(End of Clause)
[M1382]

I–169 DEAR 970.5235-1 Federally Funded Research and Development Center Sponsoring Agreement (Dec 2024)

(a) Pursuant to 48 CFR 35.017-1, this contract constitutes the sponsoring agreement between the Department of Energy (DOE) and the Contractor, which establishes the relationship for the operation of a Department of Energy sponsored Federally Funded Research and Development Center (FFRDC).

(b) In the operation of this FFRDC, the Contractor may be provided access beyond that which is common to the normal contractual relationship, to Government and supplier data, including sensitive and proprietary data, and to Government employees and facilities needed to discharge its responsibilities efficiently and effectively. Because of this special relationship, it is essential that the FFRDC be operated in the public interest with objectivity and independence, be free from organizational conflicts of interest, and have full disclosure of its affairs to the Department of Energy.

(c) Unless otherwise provided by the contract, the Contractor may accept work from a nonsponsor (as defined in 48 CFR 35.017) in accordance with the requirements

and limitations of 48 CFR 970.3501, and the clause at 48 CFR 970.5217-1, Strategic Partnership Projects Program. Only the Contracting Officer can place work on the contract; and obligate the Government to reimburse the contractor for the work.

(d) As an FFRDC, the Contractor shall not use its privileged information or access to government facilities to compete with the private sector. Specific guidance on restricted activities is contained in DOE Order 481.1, Strategic Partnership Projects (Non-Department of Energy Funded Work), or its successor version.

(End of Clause)
[1665]

I–170 DEAR 970.5236-1 Government Facility Subcontract Approval (Dec 2000) (Alternate)

The Contractor shall procure, by subcontract, the construction of new facilities or the alteration or repair of Government-owned facilities at the site. All such subcontracts which meet the review thresholds established in *[CO should insert the appropriate appendix reference or letter reference which establishes the contractor review thresholds]* shall be subject to the written approval of the Contracting Officer.

(End of Clause)
[**M1414**]

I–171 DEAR 970.5242-1 Penalties for Unallowable Costs (Aug 2009)

(a) Contractors which include unallowable cost in a submission for settlement for cost incurred, may be subject to penalties.

(b) If, during the review of a submission for settlement of cost incurred, the Contracting Officer determines that the submission contains an expressly unallowable cost or a cost determined to be unallowable prior to the submission, the Contracting Officer shall assess a penalty.

(c) Unallowable costs are either expressly unallowable or determined unallowable.

(1) An expressly unallowable cost is a particular item or type of cost which, under the express provisions of an applicable law, regulation, or this contract, is specifically named and stated to be unallowable.

(2) A cost determined unallowable is one which, for that Contractor -

(i) Was subject to a Contracting Officer's final decision and not appealed;

(ii) The Civilian Board of Contract Appeals or a court has previously ruled as unallowable; or

(iii) Was mutually agreed to be unallowable.

(d) If the Contracting Officer determines that a cost submitted by the Contractor in its submission for settlement of cost incurred is -

(1) Expressly unallowable, then the Contracting Officer shall assess a penalty in an amount equal to the disallowed cost allocated to this contract plus interest on the paid portion of the disallowed cost. Interest shall be computed from the date of overpayment to the date of repayment using the interest rate specified by the Secretary of the Treasury pursuant to Pub. L. 92-41 (85 Stat. 97); or

(2) Determined unallowable, then the Contracting Officer shall assess a penalty in an amount equal to two times the amount of the disallowed cost allocated to this contract.

(e) The Contracting Officer may waive the penalty provisions when -

(1) The Contractor withdraws the submission before the formal initiation of an audit of the submission and submits a revised submission;

(2) The amount of the unallowable costs allocated to covered contracts is $10,000 or less; or

(3) The Contractor demonstrates to the Contracting Officer's satisfaction that -

(i) It has established appropriate policies, personnel training, and an internal control and review system that provides assurances that unallowable costs subject to penalties are precluded from the Contractor's submission for settlement of costs; and

(ii) The unallowable costs subject to the penalty were inadvertently incorporated into the submission.

(End of clause)
[**M1414**]

I–172 DEAR 970.5243-1 Changes (Dec 2000)

(a) Changes and adjustment of fee. The Contracting Officer may at any time and without notice to the sureties, if any, issue written directions within the general scope of this Contract requiring additional work or directing the omission of, or variation in, work covered by this Contract. If any such direction results in a material change in the amount or character of the work described in the "Statement of Work," an equitable adjustment of the fee, if any, shall be made in accordance with the agreement of the Parties and the Contract shall be modified

in writing accordingly. Any claim by the Contractor for an adjustment under this clause must be asserted in writing within 30 days from the date of receipt by the Contractor of the notification of change; provided, however, that the Contracting Officer, if it is determined that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this Contract. A failure to agree on an equitable adjustment under this clause shall be deemed to be a dispute within the meaning of the clause entitled "Disputes."

(b) Work to continue. Nothing contained in this clause shall excuse the Contractor from proceeding with the prosecution of the work in accordance with the requirements of any direction hereunder.

(End of Clause)

I–173 DEAR 970.5244-1 Contractor Purchasing System (Dec 2024)(SC Alternate)

(a) *General.* The Contractor shall develop, implement, and maintain formal policies, practices, and procedures to be used in the award of subcontracts consistent with this clause and 48 CFR subpart 970.44, as well as 48 CFR subpart 44.3. The Contractor's purchasing system and methods shall be fully documented, consistently applied, and acceptable to the Department of Energy (DOE) in accordance with 48 CFR 970.4401-1. The Contractor shall maintain file documentation which is appropriate to the value of the purchase and is adequate to establish the propriety of the transaction and the price paid. The Contractor’s obligations include, among other things, retaining documentation to justify the cost on any flexibly priced subcontract or any subcontract with a flexibly priced element. DOE reserves the right at any time to require that the Contractor submit for approval any or all subcontracts or purchases under this contract. The Contractor shall not purchase any item or service, the purchase of which is expressly prohibited by the written direction of DOE, and shall use such special and directed sources as may be expressly required by the DOE Contracting Officer. DOE will conduct periodic appraisals of the Contractor's management of all facets of the Contractor’s purchasing function, including the Contractor's compliance with its approved system and methods. Such appraisals shall be performed against the criteria and measures set forth in 48 CFR part 44, subpart 44.3. The Contractor's approved purchasing system and methods shall include the requirements set forth in paragraphs (b) through (y) of this clause.

(b) *Acquisition of utility services.* Utility services shall be acquired in accordance with the requirements of 48 CFR subpart 970.41.

(c) *Acquisition of real property.* Real estate or real property interests shall be acquired in accordance with 48 CFR part 917, subpart 917.74.

(d) *Advance notice of proposed subcontract awards.* Advance notice shall be provided in accordance with 48 CFR 970.4401-3.

(e) *Audit of subcontractors.*

(1) The Contractor shall provide for—

(i) Periodic post-award audit—or a sufficient amount of audit work (that the Contractor's auditor or the Contracting Officer agrees is sufficient)—to provide reasonable assurance that all claimed subcontract costs are allowable for: flexibly priced subcontracts at all tiers; and the flexibly priced elements in any subcontracts at all tiers ("flexibly priced" subcontracts and elements include Cost-Reimbursement subcontracts, Time-and-Materials subcontracts, cost-reimbursement elements in Fixed-Priced contracts, etc.); and

(ii) Audits, where necessary, to provide a valid basis for pre-award or cost or price analysis.

(2) Responsibility for determining the costs allowable under each cost-reimbursement subcontract remains with the contractor or next higher-tier subcontractor. The Contractor shall provide, in appropriate cases, for the timely joint involvement of the Contractor and the DOE Contracting Officer in resolution of subcontract cost allowability. In no case, however, shall the Contractor's subcontract audit arrangements preclude the Contracting Officer's determination of the allowability or unallowability of the subcontract costs the Contractor claims for reimbursement.

(3) Where audits of subcontractors at any tier are required, the Contractor shall consult with the DOE Contracting Officer on the best approach for obtaining an audit; this may involve employing external auditors. The Contractor shall interact with the cognizant Federal agency in a manner appropriate to the magnitude and nature of the subcontracted work. In no case, however, shall subcontractor auditing arrangements preclude determination by the DOE Contracting Officer of the allowability or unallowability of subcontractor costs claimed for reimbursement by the Contractor.

(4) Allowable costs for cost reimbursable subcontracts are to be determined in accordance with the cost principles of 48 CFR part 31, appropriate for the type of organization to which the subcontract is to be awarded, as supplemented by 48 CFR part 931. Allowable costs in the purchase or transfer from contractor-affiliated sources shall be determined in accordance with 48 CFR 970.4402-3 and 31.205-26(e).

(f) Bonds and insurance.

(1) The Contractor shall require performance bonds in amounts as set forth in 48 CFR 28.102-2(b) for all fixed-priced and unit-priced construction subcontracts in excess of $150,000. The Contractor shall consider the use of performance bonds in fixed-price non-construction subcontracts, where appropriate.

(2) For fixed-price, unit-priced and cost reimbursement construction subcontracts in excess of $150,000, a payment bond shall be obtained on Standard Form 25A modified to name the Contractor as well as the United States of America as obligees. The amounts shall be determined in accordance with 48 CFR 28.102-2(b).

(3) For fixed-price, unit-priced and cost-reimbursement construction subcontracts greater than $35,000, but not greater than $150,000, the Contractor shall select two or more of the payment protections at 48 CFR 28.102-1(b), giving particular consideration to the inclusion of an irrevocable letter of credit as one of the selected alternatives.

(4) A subcontractor may have more than one acceptable surety in both construction and other subcontracts, provided that in no case will the liability of any one surety exceed the maximum sum for which it is qualified for any one obligation. For subcontracts other than construction, a co-surety (two or more sureties together) may reinsure amounts in excess of their individual capacity, with each surety having the required underwriting capacity that appears on the list of acceptable corporate sureties.

(g) Buy American. The Contractor shall comply with the provisions of the Buy American Act as reflected in 48 CFR 52.225-1 and 48 CFR 52.225-9. The Contractor shall forward determinations of non-availability of individual items to the DOE Contracting Officer for approval. Items in excess of ***$500,000*** require the prior concurrence of the Head of Contracting Activity. If, however, the Contractor has an approved purchasing system, the Head of the Contracting Activity may authorize the Contractor to make determinations of non-availability for individual items valued at ***$500,000*** or less. **[M963]**

(h) Construction and architect-engineer subcontracts.

(2) *Independent Estimates.* A detailed, independent estimate of costs shall be prepared for all construction work to be subcontracted that is expected to exceed the simplified acquisition threshold.

(3) *Specifications*. Specifications for construction shall be prepared in accordance with the DOE publication entitled “General Design Criteria Manual.”

(4) *Prevention of conflict of interest.*

(i) The Contractor shall not award a subcontract for construction to the architect-engineer firm or an affiliate that prepared the design. This prohibition does not preclude the award of a "turnkey" subcontract so long as the subcontractor assumes all liability for defects in design and construction and consequential damages.

(ii) The Contractor shall not award both a cost-reimbursement subcontract and a fixed-price subcontract for construction or architect-engineer services or any combination thereof to the same firm where those subcontracts will be performed at the same site.

(iii) The Contractor shall not employ the construction subcontractor or an affiliate to inspect the firm's work. The contractor shall assure that the working relationships of the construction subcontractor and the subcontractor inspecting its work and the authority of the inspector are clearly defined.

(i) *Contractor-affiliated sources.* Equipment, materials, supplies, or services from a contractor-affiliated source shall be purchased or transferred in accordance with 48 CFR 970.4402-3.

(j) *Contractor-subcontractor relationship.* The obligations of the Contractor under paragraph (a) of this clause, including the development of the purchasing system and methods, and purchases made pursuant thereto, shall not relieve the Contractor of any obligation under this contract (including, among other things, the obligation to properly supervise, administer, and coordinate the work of subcontractors). Subcontracts shall be in the name of the Contractor, and shall not bind or purport to bind the Government.

(k) *Government Property.* The Contractor shall establish and maintain a property management system that complies with criteria in 48 CFR 970.5245-1, Property.

(l) *Indemnification.* Except for Price-Anderson Nuclear Hazards Indemnity, no subcontractor may be indemnified except with the prior approval of the Head of the Contracting Activity, in consultation with local legal counsel.

(m) *Leasing of motor vehicles.* Contractors shall comply with 48 CFR subpart 8.11 and 48 CFR subpart 908.11.

(n) [Reserved]

(o) *Management, acquisition and use of information resources.* Requirements for automatic data processing resources and telecommunications facilities, services,

and equipment, shall be reviewed and approved in accordance with applicable DOE Orders and regulations regarding information resources.

(p) *Priorities, allocations and allotments.* Priorities, allocations and allotments shall be extended to appropriate subcontracts in accordance with the clause or clauses of this contract dealing with priorities and allocations.

(q) *Purchase of special items.* Purchase of the following items shall be in accordance with the following provisions of 48 CFR subpart 8.5, 48 CFR subpart 908.71, Federal Management Regulation 41 CFR part 102, and the Federal Property Management Regulation 41 CFR chapter 101:

(1) Motor vehicles—48 CFR 908.7101

(2) Aircraft—48 CFR 908.7102

(3) Security Cabinets—48 CFR 908.7106

(4) Alcohol—48 CFR 908.7107

(5) Helium—48 CFR subpart 8.5

(6) Fuels and packaged petroleum products—48 CFR 908.7109

(7) Coal—48 CFR 908.7110

(8) Arms and Ammunition—48 CFR 908.7111

(9) Heavy Water—48 CFR 908.7121(a)

(10) Precious Metals—48 CFR 908.7121(b)

(11) Lithium—48 CFR 908.7121(c)

(12) Products and services of the blind and severely handicapped—41 CFR 101-26.701

(13) Products made in Federal penal and correctional institutions—41 CFR 101-26.702

(r) *Purchase versus lease determinations.* Contractors shall determine whether required equipment and property should be purchased or leased, and establish appropriate thresholds for application of lease versus purchase determinations. Such determinations shall be made—

(1) At time of original acquisition;

(2) When lease renewals are being considered; and

(3) At other times as circumstances warrant.

(s) *Quality assurance.* Contractors shall provide no less protection for the Government in its subcontracts than is provided in the prime contract.

(t) *Setoff of assigned subcontractor proceeds.* Where a subcontractor has been permitted to assign payments to a financial institution, the assignment shall treat any right of setoff in accordance with 48 CFR 932.803.

(u) *Strategic and critical materials.* The Contractor may use strategic and critical materials in the National Defense Stockpile.

(v) *Termination.* When subcontracts are terminated as a result of the termination of all or a portion of this contract, the Contractor shall settle with subcontractors in conformity with the policies and principles relating to settlement of prime contracts in 48 CFR subparts 49.1, 49.2 and 49.3. When subcontracts are terminated for reasons other than termination of this contract, the Contractor shall settle such subcontracts in general conformity with the policies and principles in 48 CFR subparts 49.1, 49.2, 49.3 and 49.4. Each such termination shall be documented and consistent with the terms of this contract. Terminations which require approval by the Government shall be supported by accounting data and other information as may be directed by the Contracting Officer.

(w) *Unclassified controlled nuclear information.* Subcontracts involving unclassified controlled nuclear information shall be treated in accordance with 10 CFR part 1017.

(x) *Subcontract flowdown requirements.* In addition to terms and conditions that are included in the prime contract which direct application of such terms and conditions in appropriate subcontracts, the Contractor shall include the following clauses in subcontracts, as applicable:

(1) Construction Wage Rate requirements, formerly known as Davis-Bacon, clauses prescribed in 48 CFR 22.407.

(2) Foreign Travel clause prescribed in 48 CFR 952.247-70.

(3) Counterintelligence clause prescribed in 48 CFR 904.404(d)(7).

(4) Service Contract Labor Standards, formerly known as Service Contract Act clauses prescribed in 48 CFR 22.1006.

(5) State and local taxes clause prescribed in 48 CFR 970.2904-1.

(6) Cost or pricing data clauses prescribed in 48 CFR 970.1504-201.

(7) Workforce Restructuring and Displaced Employee Hiring Preference clause prescribed in 48 CFR 970.2672-3.

(8) Service Contract Reporting clause prescribed in 48 CFR 4.1705

(9) Contract Work Hours and Safety Standards – Overtime Compensation as prescribed in 48 CFR 22.305.

(10) Paid Sick leave under Executive Order 13706 as prescribed in 48 CFR 22.2110.

(11) Collective Bargaining Agreements Management and Operating Contracts as prescribed in 48 CFR 970.2201-130.

(12) Workplace Substance Abuse Programs at DOE Sites as prescribed in 48 CFR 970.2605-4.

(13) Contracts for Materials, Supplies, Articles and Equipment clause prescribed in 48 CFR 22.610.

(y) *Legal services.* Contractor purchases of litigation and other legal services are subject to the requirements in 10 CFR part 719 and the requirements of this clause.

(End of Clause)
[1665]

I–174 DEAR 970.5245-1 Property (Dec 2024) Alternate I (Dec 2024)

(a) *Application of regulations.* The Contractor shall comply with the applicable requirements in 41 CFR chapters 101, 102 and 109 in addition to this clause.

(b) *Furnishing of Government property.* The Government reserves the right to furnish any property or services required for the performance of the work under this contract.

(c) *Title to property.* Except as otherwise provided by the Contracting Officer, title to all materials, equipment, supplies, and tangible personal property of every kind and description purchased by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass directly from the vendor to the Government. The Government reserves the right to inspect, and to accept or reject, any item of such property. The Contractor shall make such disposition of rejected items as the Contracting Officer shall direct. Title to other property, the cost of which is reimbursable to the Contractor under

this contract, shall pass to and vest in the Government upon:

(1) Issuance for use of such property in the performance of this contract; or

(2) Commencement of processing or use of such property in the performance of this contract; or

(3) Reimbursement of the cost thereof by the Government, whichever first occurs. Property furnished by the Government and property purchased or furnished by the Contractor, title to which vests in the Government, under this paragraph are hereinafter referred to as Government property. Title to Government property shall not be affected by the incorporation of the property into or the attachment of it to any property not owned by the Government, nor shall such Government property or any part thereof, be or become a fixture or lose its identity as personal property by reason of affixation to any realty.

(d) *Identification.* To the extent directed by the Contracting Officer, the Contractor shall identify Government property coming into the Contractor's possession or custody, by marking and segregating in such a way, satisfactory to the Contracting Officer, as shall indicate its ownership by the Government.

(e) *Disposition.* The Contractor shall make such disposition of Government property which has come into the possession or custody of the Contractor under this contract as the Contracting Officer may direct during the progress of the work or upon completion or termination of this contract. The Contractor may, upon such terms and conditions as the Contracting Officer may approve, sell, or exchange such property, or acquire such property at a price agreed upon by the Contracting Officer and the Contractor as the fair value thereof. The amount received by the Contractor as the result of any disposition, or the agreed fair value of any such property acquired by the Contractor, shall be applied in reduction of costs allowable under this contract or shall be otherwise credited to account to the Government, as the Contracting Officer may direct. Upon completion of the work or the termination of this contract, the Contractor shall render an accounting, as prescribed by the Contracting Officer, of all government property which had come into the possession or custody of the Contractor under this contract.

(f) *Protection of government property—management of high-risk property and classified materials.*

(1) *The* Contractor shall take all reasonable precautions, and such other actions as may be directed by the Contracting Officer, or in the absence of such direction, in accordance with sound business

practice, to safeguard and protect government property in the Contractor's possession or custody.

(2) In addition, the Contractor shall ensure that adequate safeguards are in place, and adhered to, for the handling, control and disposition of high-risk property and classified materials throughout the life cycle of the property and materials consistent with the policies, practices and procedures for property management contained in the Federal Property Management Regulations (41 CFR chapter 101), the Department of Energy (DOE) Property Management Regulations (41 CFR chapter 109), and other applicable Regulations.

(3) High-risk property is property, the loss, destruction, damage to, or the unintended or premature transfer of which could pose risks to the public, the environment, or the national security interests of the United States. High-risk property includes proliferation sensitive, nuclear related dual use, export controlled, chemically or radioactively contaminated, hazardous, and specially designed and prepared property, including property on the militarily critical technologies list.

(g) *Risk of loss of Government property.*

(1)

(i) The Contractor shall not be liable for the loss or destruction of, or damage to, Government property unless such loss, destruction, or damage was caused by any of the following —

(A) Willful misconduct or lack of good faith on the part of the Contractor's managerial personnel;

(B) Failure of the Contractor's managerial personnel to take all reasonable steps to comply with any appropriate written direction of the Contracting Officer to safeguard such property and classified materials; or

(C) Failure of contractor managerial personnel to establish, administer, or properly maintain an approved property management system in accordance with 41 CFR chapter 109.

(ii) If, after an initial review of the facts, the Contracting Officer informs the Contractor that there is reason to believe that the loss, destruction of, or damage to the government property results from conduct falling within one of the categories set forth above, the burden of proof shall be upon the Contractor to show that the

Contractor should not be required to compensate the government for the loss, destruction, or damage.

(2) In the event that the Contractor is determined liable for the loss, destruction or damage to Government property in accordance with this clause, the Contractor's compensation to the Government shall be determined as follows:

(i) For damaged property, the compensation shall be the cost of repairing such damaged property, plus any costs incurred for temporary replacement of the damaged property. However, the value of repair costs shall not exceed the fair market value of the damaged property. If a fair market value of the property does not exist, the Contracting Officer shall determine the value of such property, consistent with all relevant facts and circumstances.

(ii) For destroyed or lost property, the compensation shall be the fair market value of such property at the time of such loss or destruction, plus any costs incurred for temporary replacement and costs associated with the disposition of destroyed property. If a fair market value of the property does not exist, the Contracting Officer shall determine the value of such property, consistent with all relevant facts and circumstances.

(3) The portion of the cost of insurance obtained by the Contractor that is allocable to coverage of risks of loss referred to in this clause is not allowable.

(h) *Steps to be taken in event of loss.* In the event of any damage, destruction, or loss to Government property in the possession or custody of the Contractor with a value above the threshold set out in the Contractor's approved property management system, the Contractor —

(1) Shall immediately inform the Contracting Officer of the occasion and extent thereof;

(2) Shall take all reasonable steps to protect the property remaining: and

(3) Shall repair or replace the damaged, destroyed, or lost property in accordance with the written direction of the Contracting Officer. The Contractor shall take no action prejudicial to the right of the Government to recover therefore, and shall furnish to the Government, on request, all reasonable assistance in obtaining

recovery.

(i) *Government property for Government use only.* Government property shall be used only for the performance of this contract.

(j) *Property Management —*

(1) *Property Management System.*

(i) The Contractor shall establish, administer, and properly maintain an approved property management system of accounting for and control, utilization, maintenance, repair, protection, preservation, and disposition of Government property in its possession under the contract. The Contractor's property management system shall be submitted to the Contracting Officer for approval and shall be maintained and administered in accordance with sound business practice, applicable Federal Property Management Regulations and Department of Energy Property Management Regulations, and such directives or instructions which the Contracting Officer may from time to time prescribe.

(ii) In order for a property management system to be approved, it must provide for —

(A) Comprehensive coverage of property from the requirement identification, through its life cycle, to final disposition;

(B) [Reserved]

(C) Full integration with the Contractor's other administrative and financial systems; and

(D) A method for continuously improving property management practices through the identification of best practices established by “best in class” performers.

(iii) Approval of the Contractor's property management system shall be contingent upon the completion of the baseline inventory as provided in paragraph (i)(2) of this clause.

(2) *Property Inventory.*

(i) Unless otherwise directed by the Contracting Officer, the Contractor shall within six months after execution of the contract provide a baseline inventory covering all items of Government

property.

(ii) If the Contractor is succeeding another contractor in the performance of this contract, the Contractor shall conduct a joint reconciliation of the property inventory with the predecessor contractor. The Contractor agrees to participate in a joint reconciliation of the property inventory at the completion of this contract. This information will be used to provide a baseline for the succeeding contract as well as information for closeout of the predecessor contract.

(k) Alternate I (Dec 2024).

(l) The Contractor shall include this clause in all cost reimbursable subcontracts.

(End of clause)

Alternate I (Dec 2024) As prescribed in 970.4501-2, when the award is to a nonprofit contractor, replace paragraph (k) of the basic clause with the following paragraph (k):

(k) The term "contractor's managerial personnel" as used in this clause means the Contractor's directors, officers and any of its managers, superintendents, or other equivalent representatives who have supervision or direction of all or substantially all of—

(1) The Contractor's business; or

(2) The Contractor's operations at any one facility or separate location to which this contract is being performed; or

(3) The Contractor's Government property system and/or a Major System Project as defined in DOE Order 413.3B, or successor version (Version in effect on effective date of contract).

(End of alternate)

(End of Clause)
[1665]

I–175 FAR 52.222-90 Addressing DEI Discrimination by Federal Contractors

(a) *Definitions*. As used in this clause—

Program participation means membership or participation in, or access or admission to: training, mentoring, or leadership development programs; educational opportunities;

clubs; associations; or similar opportunities that are sponsored or established by the contractor or subcontractor.

Racially discriminatory diversity, equity, and inclusion (DEI) activities means disparate treatment based on race or ethnicity in the recruitment, employment (e.g., hiring, promotions), contracting (e.g., vendor agreements), program participation, or allocation or deployment of an entity's resources.

(b) In connection with the performance of work under this contract, the Contractor agrees as follows:

(1) The Contractor will not engage in any racially discriminatory DEI activities.

(2) The Contractor will furnish all information and reports, including providing access to books, records, and accounts, as required by the Contracting Officer, for purposes of ascertaining compliance with this clause.

(3) In the event of the Contractor's or a subcontractor's noncompliance with this clause, this contract may be canceled, terminated, or suspended in whole or in part, and the Contractor or subcontractor may be declared ineligible for further Government contracts.

(4) The Contractor will report any subcontractor's known or reasonably knowable conduct that may violate this clause to the Contracting Officer and take any appropriate remedial actions directed by the Contracting Officer.

(5) The Contractor will inform the Contracting Officer if a subcontractor sues the Contractor and the suit puts at issue, in any way, the validity of this clause.

(6) The Contractor recognizes that compliance with the requirements of this clause are material to the Government's payment decisions for purposes of 31 U.S.C. 3729(b)(4).

(c) The Contractor must include the substance of this clause, including this paragraph (c), in subcontracts at any tier, including those for commercial products and commercial services, for which the place of delivery or performance is in the United States.

(End of clause)

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Part III – List of Documents, Exhibits, and Other Attachments

Section J

List of Attachments

Section J

List of Attachments

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Section J

Appendix A

Advance Understanding on Human Resources Costs

Applicable to the Operation of
Pacific Northwest National Laboratory

Contract No. DE-AC05-76RL01830

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Appendix A

Pacific Northwest National Laboratory

Advance Understanding on Human Resources Costs

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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 human resources policy changes concerning pensions and other post-retirement benefits. Changes made after the contract effective date that increase the Department's reported long-term pension and other actuarial liabilities, including those related to defined benefit plans or other postretirement benefits, require the Contracting Officer's advance approval. 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 Contracting Officer (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.

II. COMPENSATION

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

(a) Salary Increases

Compensation will comply with the maximum compensation reimbursement level, per the Bipartisan Budget Act of 2013 (BBA), Section 702, Limitation on Allowable Government Contractor Compensation Costs.

(b) Payment of Joint Appointees

Joint Appointees shall be paid at the salary and fringe benefit rates established by the home institution with only the home institution being the employer for purposes of pay and benefits. The host institution will reimburse to the home institution the percentage of time worked (salary and fringe benefit rate) by the Joint Appointee at the host institution.

III. ANCILLARY PAY COMPONENTS

(a) 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.

IV. REDUCTIONS IN CONTRACTOR EMPLOYMENT

Workforce Reductions in Force (RIF) (voluntary and involuntary) will be conducted in accordance with Contractor's Contracting Officer-approved 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	100 or more	CO Notification
Involuntary	100 or more	CO Approval

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

(A) The Contractor is only required to provide notification of Self-Select Voluntary Separation Program (SSVSP) if consistent with the following parameters:

a. In accordance with approved laboratory/contractor policies;
b. No enhanced benefits (severance or pension);
c. No backfilling (internally or externally) or re-employment of employees for a one-year period after severance is paid. If an employee is hired or rehired to prior to the one-year period, the employee may be required to pay back, to the contractor who provided the severance payment, all or a pro-rata amount

of the severance received under the SSVSP. There is no backfilling where a separating employee is replaced by an internal candidate as long as:

i. The separating employee is leaving voluntarily;
ii. The internal replacement is a regular, permanent employee on the contractor's payroll, not a temporary hire, staff augmentee, or someone serving under a post-doctoral program, etc.;
iii. The replacement results in a net reduction in headcount and costs of regular employees; and
iv. The replacement is accomplished in an otherwise legally compliant manner, including no unlawful intent to discriminate based upon age.

d. A business case is submitted 5 business days in advance of notification date that include maximum number of voluntary reductions, maximum dollars, positions/skills impacted; reasons reductions are needed, including how conducting a SSVSP will better position the contractor to conduct the mission work, copy of self-select waivers, and communication plan; and
e. Voluntary reductions are offered to all eligible employees in an operational unit (i.e., organization, direct/indirect category, etc.).

(B) Actions requiring approval will additionally require a workforce restructuring plan (Specific Plan) prepared in accordance with DOE policy.

(C) Approval actions shall be submitted a minimum of 10 business days prior to announcement to employees.

(D) The Contracting Officer will review and approve any Specific Plan or diversity analysis submitted for review affecting the reduction of 100 or more employees through an involuntary separation action within 10 business days after submission of a complete package by the Contractor unless the Contractor is notified of issues necessitating an extension of time. Should DOE request additional information from the Contractor regarding any Specific Plan or diversity analysis, the Contractor will respond to such request within three (3) business days.

(E) The Contractor must perform an adverse impact analysis (also known as a diversity analysis) as part of its determination to undertake involuntary separation action(s). A copy of the diversity analysis for involuntary separation action(s) affecting 100 or more contractor employees within a rolling 12-month period shall be submitted to the DOE site counsel, as applicable, prior to notification of employees selected for involuntary separation.

(F) Waivers or self-select forms that vary from those provided in DOE policy documents are subject to approval by DOE. The templates for contractor Involuntary Separation Plan, as well as the General Release and Waiver Forms, are available online at: http://www.energy.gov/gc/services/technology-transfer-and-procurement/office-assistant-general-counsel-labor-and-pension.

(G) The Contractor is responsible and accountable for conducting and defending all voluntary and involuntary separation action in compliance with applicable laws, regulations, and the contract terms and conditions.

(2) Any employee who volunteers for layoff or retirement during a time period in which the Contract has a DOE approved active reduction in force plan will be eligible for severance pay provided the termination is accepted by Laboratory management and results in the retention of an employee who otherwise would have been laid off.

(A) If DOE approval is not required, severance may be paid to an employee who volunteers for layoff or retirement, if Contractor management has approved the restructuring action and the termination results in the retention of an employee who otherwise would be laid off.
(B) Severance is payable to an employee who volunteers for layoff or retirement, if the termination is associated with a restructuring action approved and initiated by Contractor management or DOE. Severance not associated with workforce restructuring is unallowable.

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.

Contractor employees who separate from employment voluntarily or involuntarily (other than for cause) and who were eligible for medical insurance coverage under the Contractor's plan at the time of separation from employment are eligible for medical coverage under the DOE Displaced Workers' Medical Benefits Program, provided they are not eligible for coverage under another plan, e.g., another employer's group health plan, the Contractor's Retiree Medical Plan, a spouse's medical plan, or Medicare. Allowable cost will be based on the following schedule:

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

Eligibility is determined in accordance with Departmental policy on workforce restructuring.

(4) All changes to Contractor's severance policies require the Contracting Officer's advance approval.

V. PAYMENTS ON TERMINATION OF EMPLOYMENT

(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. 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.

VI. SETTLEMENT COSTS

Staff Settlement Costs. The Contractor is authorized to resolve claims settlements and internal staff settlements up to $25,000 without the advance approval of the Contracting Officer. Worker's Compensation claims settlements shall be in accordance with the Worker's Compensation Clause of the Contract.

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) 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.

VIII. PROGRAMS INVOLVING EMPLOYEE ABSENCE FROM THE WORKPLACE

(a) Paid Leave – The Laboratory will provide a reasonable and cost effective paid leave program that is consistent with DOE requirements and guidance, industry standards, and other Federal, State and local regulations..

(b) Temporary Assignments of Laboratory Staff to Other Institutions for Teaching and Research/Technical Exchange – The Contractor shall be reimbursed for expenditures (e.g. benefits/pension administration costs) 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 may be approved by the Chief Human Resources Officer with total assignment not to exceed five years.

(c) Professional Sabbaticals program must be approved by the Contracting Officer. An approved program is intended to provide paid leave of absence to perform technical exchange/research with another institution that is both beneficial to the staff member engagement/development and PNNL strategic interests for up to one year with extensions not to exceed a total of three years with Chief Human Resources Officer approval.

(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.

IX. 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 - 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.

(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.

X. EMPLOYEE PROGRAMS

(a) 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.

(b) The Contractor shall maintain a program that conforms to the requirements of 10 CFR 707.6 Employee Assistance, Education, and Training.

(c) The Contractor is authorized costs to procure and distribute PNNL branded communication items for the recruitment and retention of non-employees and employees respectively. The PNNL branded communication items are subject to cost reasonableness and are intended to generate awareness, promote pride and enhance morale as one aspect of recruiting and retaining the best talent for PNNL.

(d) Domestic Extended Personnel Assignment. Contractor shall maintain a program that complies with Part I, Section H, H-22 “Payments for Domestic Extended Personnel Assignments” and remains within the following parameters for all PNNL sponsors. PNSO review and approval is only required for DOE Office of Science offsite assignments, excluding Office of Science Intergovernmental Personal Assignments (IPA).

(1) Assignments will not exceed three years, i.e. (36) months, in duration and a break between assignments should be at least 12 months.

(2) If a staff member is not maintaining a residence and/or the assignment will exceed 12 months from inception, Temporary Change of Station should be evaluated.

(3) Employee may be reimbursed up to 10 trips home from assignment location in a 12-month period.

(4) Employee may be authorized to ship personal items based on the DOE negotiated minimum weight thresholds with approved carriers. Staff member may be authorized to ship an additional 3,000 pounds of personal effects above the minimum weight thresholds, if the staff member waives his/her trips home for the duration of the assignment.

(5) Employee may be authorized to ship one Personally Operated Vehicle (POV), unless they travel to the assignment location via a POV.

(6) Employee may be authorized to Extended TDY Tax Reimbursement Allowance (ETTRA), which will be calculated in accordance with the FTR methodology (FTR 301-11.604)

(7) Employee may receive a transit subsidy for public transportation for assignments in the Washington, DC, area, consistent with what is allowed for Federal employees.

(8) Meals and Incidental Expenses cannot be claimed concurrently in two different temporary duty locations.

(9) Notwithstanding the above, for IPAs and Detail Assignments, Contracting Officer approval is required for

(A) All assignments to the White House, Executive Office of the President, and/or Congress regardless of the length of assignment or which entity covers the cost; and
(B) Any assignment to another Federal Agency in which the Laboratory funds more than 20 percent of the costs.

XI. 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) 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), in accordance with the contractor's policies.

XII. EMPLOYEE BENEFITS

Energy Employees' Occupational Illness Compensation Program Act (EEOICPA).

(1) The Contractor agrees to comply with requests for information, records, and other program requirements to ensure the orderly administration and adjudication of claims under the EEOICPA.
(2) Contractor policies and procedures shall include a practice to provide information on the Former Worker Medical Screening Program to all separating prime contractor employees and on-site subcontractors.

Part III – List of

Documents, Exhibits, And

Other Attachments

Section J

Appendix B

Special Financial Institution Account(s) Agreement

For Use with the Payments Cleared Financing Arrangement

REVISION 5

Pacific Northwest
NATIONAL LABORATORY

Proudly Operated by **Battelle** *Since 1965*

SPECIAL FINANCIAL INSTITUTION ACCOUNTS AGREEMENT FOR USE WITH THE CHECKS PAID LETTER OF CREDIT (LOC) FINANCING ARRANGEMENT

MODIFICATION NO. 5

RECITALS

This is a modification to Contract No. DE-AC05-76RL01830 financing agreement, between the UNITED STATES OF AMERICA (the Government), represented by the Department of Energy (DOE) Contracting Officer executing this agreement, Battelle Memorial Institute, a Ohio corporation (the Contractor), and U.S. Bank National Association, a Financial Institution organized and operating under the laws of the United States of America (the Financial Institution).

This is now in full force and effect between the parties a contract (Contract DE-AC05-76RL01830), entered into on July 1, 2021.

The parties to this financing agreement desire to modify said agreement to revise the language contained in Covenant 6 to incorporate Revision 4 of "Schedule of Institution Processing Charges", and to revise language in Covenant 8 to reflect the exercising of Option 2 extending the Agreement through June 30, 2031.

COVENANTS

COVENANT 6 shall be deleted and the following substituted therefor:

"The Financial Institution agrees to service the account based on the requirements and specifications contained in Request for Proposal (RFP) No. 2020-SJE-SFIAA-CPLOC-FA, dated October 20, 2020 and associated RFP Addendums Nos. 1, 2, and 3. Services provided by the Financial Institution are for the benefit of the Contractor and DOE or Government. The Financial Institution agrees per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," will remain constant during the Base two-year term of the Agreement and for the following three-year optional term (Option 1) for a total of five years fixed pricing. It is understood that per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," for the final five-year optional term (Option 2) are subject to review and negotiation. Prior to exercising Option 2 for the final five-year term, the parties will review and mutually agree upon final pricing. Should Option 2 be exercised via formal modification, per-item costs agreed upon as a result of such modification will be held fixed for the final five-year term. Any services not within the schedule shall be proposed by the Financial Institution and approved by both the Contractor and DOE's Contracting Officer and incorporated into the Agreement prior to services being charged or collected. The Financial Institution calculates the monthly fees based on services agreed to and rendered in accordance with the "Schedule of Financial Institution Processing Charges" and shall invoice the Contractor. The Contractor shall issue a check or automated clearinghouse authorization transfer to the Financial Institution in payment thereof.

Furthermore, the following revised documents have been incorporated via modification:

- Mod. 1: Revision 1 of the "Schedule of Financial Institution Processing Charges" dated March 16, 2023 as well as Revision 1 of the "Requirements Specification/Statement of Work" dated February 13, 2023.
- Mod. 2: Revision 2 of the "Schedule of Financial Institution Processing Charges" dated January 9, 2025.
- Mod. 3: Revision 3 of the "Schedule of Financial Institution Processing Charges" dated July 29, 2025, effective as of the date of the previous modification (April 10, 2025).
- Mod. 4: Revision 2 of the "Requirements Specification/Statement of Work" dated January 29, 2026, attached herein is incorporated, and shall be effective as of the date of this modification."
- Mod. 5: Revision 4 of the "Schedule of Financial Institution Processing Charges" dated June 2, 2026"

COVENANT 8 shall be deleted and the following substituted therefor:

"The Agreement, with all its provisions and covenants, is in effect beginning on July 1, 2021 and extending through June 30, 2026 (consisting of the original two-year base term and the exercising of Option 1 for an additional three years) with one additional option (for a total of ten years should all options be exercised) unless earlier terminated as provided in this agreement. Additional options to this agreement are:

- Option 1: Additional three-year option (July 1, 2023 through June 30, 2026) – which is exercised via Modification 1.
- Option 2: Additional five-year option (July 1, 2026 through June 30, 2031) – which is exercised via Modification 5.

DOE may unilaterally exercise the options of this agreement by providing written notice to the Financial Institution prior to the most current agreement end date. The inclusion of option(s) does not represent a commitment, financial or otherwise, on the part of the Government to exercise any or all of the option(s) nor a represent a commitment to extend the agreement beyond the end date specified herein or in the most current agreement modification. DOE may exercise one or more options by providing written notice to the contractor prior to the most current agreement end date. Lacking written notice by DOE, the option(s) will expire with the agreement."

It is understood and agreed that all other terms and conditions of the Special Financial Institution Accounts Agreement under Prime Contract No. DE-AC05-76RL01830 shall remain unchanged.

SIGNATURES

By: U.S. DEPARTMENT OF ENERGY
PACIFIC NORTHWEST SITE OFFICE

Digitally signed by ISIDRO CHAVEZ CHAVEZ
DN: c=US, o=U.S. Government, ou=Department of Energy, cn=ISIDRO CHAVEZ CHAVEZ, 0.9.2342.19200300.100.1.1=89001003423673
Date: 2026.06.16 11:57:29 -07'00'

Isidro Chavez
Title: Contracting Officer

Date: _____

By: BATTELLE MEMORIAL INSTITUTE

Brian R. Smith
Title: Treasurer

Date: 6/16/2026

By: U. S. BANK

Junee Koch Digitally signed by Junee Koch Date: 2026.06.13 12:34:20 -05'00'

Junee Koch,
Title: Relationship Manager

Date: 6/13/26

Pacific Northwest
NATIONAL LABORATORY
Proudly Operated by Battelle Since 1965

SPECIAL FINANCIAL INSTITUTION ACCOUNTS AGREEMENT FOR USE WITH THE CHECKS PAID LETTER OF CREDIT (LOC) FINANCING ARRANGEMENT

MODIFICATION NO. 4

RECITALS

This is a modification to Contract No. DE-AC05-76RL01830 financing agreement, between the UNITED STATES OF AMERICA (the Government), represented by the Department of Energy (DOE) Contracting Officer executing this agreement, Battelle Memorial Institute, a Ohio corporation (the Contractor), and U.S. Bank National Association, a Financial Institution organized and operating under the laws of the United States of America (the Financial Institution).

This is now in full force and effect between the parties a contract (Contract DE-AC05-76RL01830), entered into on July 1, 2021.

The parties to this financing agreement desire to modify said agreement to revise Recital 3 for an additional zero-balance Accounts Payable account, revise the language contained in Covenant 6 to incorporate Revision 2 of the "Requirements Specification/Statement of Work", and to revise the Terms of the agreement to incorporate additional service specific Terms & Conditions document: the Account Owner Authentication and Account Verification Service (AVS Basic) Supplemental.

RECITALS

Recital 3 shall be deleted and the following substituted therefor:

"The Special Accounts shall be designated:
- Battelle Memorial Institute, PNW Division, DOE Special Account - Contract
- Battelle Memorial Institute, PNW Division, DOE Special Account - Salary
- Battelle Memorial Institute, PNW Division, DOE Special Account - Controlled Disbursement Contract
- Battelle Memorial Institute, PNW Division, DOE Special Account - Controlled Disbursement Salary
- Battelle Memorial Institute, PNW Division, DOE Special Account - Accounts Payable"

COVENANTS

COVENANT 6 shall be deleted and the following substituted therefor:

"The Financial Institution agrees to service the account based on the requirements and specifications contained in Request for Proposal (RFP) No. 2020-SJE-SFIAA-CPLOC-FA, dated October 20, 2020 and associated RFP Addendums Nos. 1, 2, and 3. Services provided by the Financial Institution are for the benefit of the Contractor and DOE or Government. The Financial Institution agrees per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," will remain constant during the Base two-year term of the Agreement and for the following three-year optional term (Option 1) for a total of five years fixed pricing. It is understood that per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," for the final five-year optional term (Option 2) are subject to review and negotiation. Prior to exercising Option 2 for the final five-year term, the parties will review and mutually agree upon final pricing. Should Option 2 be exercised via formal modification, per-item costs agreed upon as a result of such modification will be held fixed for the final five-year term. Any services not within the schedule shall be proposed by the Financial Institution and approved by both the Contractor and DOE's Contracting Officer and incorporated into the Agreement prior to services being charged or collected. The Financial Institution calculates the monthly fees based on services agreed to and rendered in accordance with the "Schedule of Financial Institution Processing Charges" and shall invoice the Contractor. The Contractor shall issue a check or automated clearinghouse authorization transfer to the Financial Institution in payment thereof.

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Furthermore, the following revised documents have been incorporated via modification:

- Mod. 1: Revision 1 of the "Schedule of Financial Institution Processing Charges" dated March 16, 2023 as well as Revision 1 of the "Requirements Specification/Statement of Work" dated February 13, 2023.
- Mod. 2: Revision 2 of the "Schedule of Financial Institution Processing Charges" dated January 9, 2025.
- Mod. 3: Revision 3 of the "Schedule of Financial Institution Processing Charges" dated July 29, 2025, effective as of the date of the previous modification (April 10, 2025).
- Mod. 4: Revision 2 of the "Requirements Specification/Statement of Work" dated January 29, 2026, attached herein is incorporated, and shall be effective as of the date of this modification."

TERMS

TERMS shall be deleted and the following substituted therefor:

"The Agreement continues to be in effect for the 120-day additional period, with exception of the following:

1. Term Agreement (Covenant 8)
2. Termination of Agreement (Covenant 9 and 10)

Terms and conditions of the aforesaid proposal submitted by the Financial Institution which are consistent with the 120-day additional term remains in effect for the period.

The Financial Institution has submitted the forms entitled "Technical Representations and Certifications" and "Schedule of Financial Institution Processing Charges." The forms have been accepted by the Contractor and the Government and are incorporated herein as integral parts of the Agreement.

This Agreement and the following documents incorporated by reference into this Agreement constitute the entire agreement of the parties and supersedes all prior communications, representations or agreements between the parties, whether oral or written. This Agreement may not be modified or amended except by mutual agreement of both parties in writing. Any conflict or inconsistency will be resolved by giving precedence in the following descending order:

1. The terms of this Agreement, including any amendments agreed to by all parties thereto.
2. The terms of Requirement Specification/Statement of Work - Financial Institution's Information on Checks Paid LOC Financing Arrangement.
3. The terms of the Schedule of Financial Institution Processing Charges, including any amendments agreed to by all parties thereto.
4. Financial Institution's negotiated Terms & Conditions, including any amendments agreed to by all parties thereto, as follows:
    a. Treasury Master Services Agreement
    b. U.S. Bank Services Terms and Conditions
    c. Amendment to U.S. Bank Your Deposit Account Agreement
    d. Your Deposit Account Agreement
    e. Account Owner Authentication and Account Verification Service Terms and Conditions Supplement (AVS Basic)"

It is understood and agreed that all other terms and conditions of the Special Financial Institution Accounts Agreement under Prime Contract No. DE-AC05-76RL01830 shall remain unchanged.

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SIGNATURES

By: U.S. DEPARTMENT OF ENERGY
PACIFIC NORTHWEST SITE OFFICE

Digitally signed by ISIDRO CHAVEZ CHAVEZ
DN: c=US, o=U.S. Government, ou=Department of Energy, cn=ISIDRO CHAVEZ CHAVEZ, 0.9.2342.19200300.100.1.1=89001003423673
Date: 2026.03.25 13:16:59 -07'00'

Isidro Chavez
Title: Contracting Officer
Date: 03/25/2026

By: BATTELLE MEMORIAL INSTITUTE

Brian R. Smith
Digitally signed by Brian R. Smith
Date: 2026.03.24 09:56:09 -04'00'

Brian R. Smith
Title: Treasurer
Date: 03/24/2026

By: U. S. BANK

Junee Koch
Digitally signed by Junee Koch
Date: 2026.03.10 13:39:35 -05'00'

Junee Koch,
Title: Relationship Manager
Date: 3/10/2026

Pacific Northwest
NATIONAL LABORATORY
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SPECIAL FINANCIAL INSTITUTION ACCOUNTS AGREEMENT FOR USE WITH THE CHECKS PAID LETTER OF CREDIT (LOC) FINANCING ARRANGEMENT

MODIFICATION NO. 3

RECITALS

This is a modification to Contract No. DE-AC05-76RL01830 financing agreement, between the UNITED STATES OF AMERICA (the Government), represented by the Department of Energy (DOE) Contracting Officer executing this agreement, Battelle Memorial Institute, a Ohio corporation (the Contractor), and U.S. Bank National Association, a Financial Institution organized and operating under the laws of the United States of America (the Financial Institution).

This is now in full force and effect between the parties a contract (Contract DE-AC05-76RL01830), entered into on July 1, 2021.

The parties to this financing agreement desire to modify said agreement to revise the language contained in Covenant 6 to incorporate Revision 2 of the "Schedule of Institution Processing Charges".

COVENANTS

COVENANT 6 shall be deleted and the following substituted therefor:

> "The Financial Institution agrees to service the account based on the requirements and specifications contained in Request for Proposal (RFP) No. 2020-SJE-SFIAA-CPLOC-FA, dated October 20, 2020 and associated RFP Addendums Nos. 1, 2, and 3. Services provided by the Financial Institution are for the benefit of the Contractor and DOE or Government. The Financial Institution agrees per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," will remain constant during the Base two-year term of the Agreement and for the following three-year optional term (Option 1) for a total of five years fixed pricing. It is understood that per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," for the final five-year optional term (Option 2) are subject to review and negotiation. Prior to exercising Option 2 for the final five-year term, the parties will review and mutually agree upon final pricing. Should Option 2 be exercised via formal modification, per-item costs agreed upon as a result of such modification will be held fixed for the final five-year term. Any services not within the schedule shall be proposed by the Financial Institution and approved by both the Contractor and DOE's Contracting Officer and incorporated into the Agreement prior to services being charged or collected. The Financial Institution calculates the monthly fees based on services agreed to and rendered in accordance with the "Schedule of Financial Institution Processing Charges" and shall invoice the Contractor. The Contractor shall issue a check or automated clearinghouse authorization transfer to the Financial Institution in payment thereof.
>
> Furthermore, the following revised documents have been incorporated via modification:
>
> - Mod. 1: Revision 1 of the "Schedule of Financial Institution Processing Charges" dated March 16, 2023 as well as Revision 1 of the "Requirements Specification/Statement of Work" dated February 13, 2023.
> - Mod. 2: Revision 2 of the "Schedule of Financial Institution Processing Charges" dated January 9, 2025 attached herein is incorporated, and shall be effective as of the date of this modification."
> - Mod. 3: Revision 3 of the "Schedule of Financial Institution Processing Charges" dated July 29, 2025 attached herein is incorporated, and shall be effective as of the date of the previous modification (April 10, 2025)."

It is understood and agreed that all other terms and conditions of the Special Financial Institution Accounts Agreement under Prime Contract No. DE-AC05-76RL01830 shall remain unchanged.

Pacific Northwest
NATIONAL LABORATORY
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SIGNATURES

By: U.S. DEPARTMENT OF ENERGY
PACIFIC NORTHWEST SITE OFFICE

Digitally signed by ISIDRO CHAVEZ CHAVEZ
DN: c=US, o=U.S. Government, ou=Department of Energy, cn=ISIDRO CHAVEZ CHAVEZ, 0.9.2342.19200300.100.1.1=8900100342367 3
Date: 2025.10.15 16:13:32 -07'00'

Isidro Chavez
Title: Contracting Officer

Date: 10/15/2025

By: BATTELLE MEMORIAL INSTITUTE

Brian R. Smith
Digitally signed by Brian R. Smith
Date: 2025.10.15 12:05:56 -04'00'

Brian R. Smith
Title: Treasurer

Date: 10/15/2025

By: U. S. BANK

Junee Koch
Digitally signed by Junee Koch
Date: 2025.09.08 11:55:13 -05'00'

Junee Koch,
Title: Relationship Manager

Date: 9/8/2025

Pacific Northwest
NATIONAL LABORATORY
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SPECIAL FINANCIAL INSTITUTION ACCOUNTS AGREEMENT FOR USE WITH THE CHECKS PAID LETTER OF CREDIT (LOC) FINANCING ARRANGEMENT

MODIFICATION NO. 2

RECITALS

This is a modification to Contract No. DE-AC05-76RL01830 financing agreement, between the UNITED STATES OF AMERICA (the Government), represented by the Department of Energy (DOE) Contracting Officer executing this agreement, Battelle Memorial Institute, a Ohio corporation (the Contractor), and U.S. Bank National Association, a Financial Institution organized and operating under the laws of the United States of America (the Financial Institution).

This is now in full force and effect between the parties a contract (Contract DE-AC05-76RL01830), entered into on July 1, 2021.

The parties to this financing agreement desire to modify said agreement to revise the language contained in Covenant 6 to incorporate Revision 2 of the "Schedule of Institution Processing Charges".

COVENANTS

COVENANT 6 shall be deleted and the following substituted therefor:

> "The Financial Institution agrees to service the account based on the requirements and specifications contained in Request for Proposal (RFP) No. 2020-SJE-SFIAA-CPLOC-FA, dated October 20, 2020 and associated RFP Addendums Nos. 1, 2, and 3. Services provided by the Financial Institution are for the benefit of the Contractor and DOE or Government. The Financial Institution agrees per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," will remain constant during the Base two-year term of the Agreement and for the following three-year optional term (Option 1) for a total of five years fixed pricing. It is understood that per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," for the final five-year optional term (Option 2) are subject to review and negotiation. Prior to exercising Option 2 for the final five-year term, the parties will review and mutually agree upon final pricing. Should Option 2 be exercised via formal modification, per-item costs agreed upon as a result of such modification will be held fixed for the final five-year term. Any services not within the schedule shall be proposed by the Financial Institution and approved by both the Contractor and DOE's Contracting Officer and incorporated into the Agreement prior to services being charged or collected. The Financial Institution calculates the monthly fees based on services agreed to and rendered in accordance with the "Schedule of Financial Institution Processing Charges" and shall invoice the Contractor. The Contractor shall issue a check or automated clearinghouse authorization transfer to the Financial Institution in payment thereof.
>
> Furthermore, the following revised documents have been incorporated via modification:
>
> - Mod. 1: Revision 1 of the "Schedule of Financial Institution Processing Charges" dated March 16, 2023 as well as Revision 1 of the "Requirements Specification/Statement of Work" dated February 13, 2023.
> - Mod. 2: Revision 2 of the "Schedule of Financial Institution Processing Charges" dated January 9, 2025 attached herein is incorporated, and shall be effective as of the date of this modification."

It is understood and agreed that all other terms and conditions of the Special Financial Institution Accounts Agreement under Prime Contract No. DE-AC05-76RL01830 shall remain unchanged.

Pacific Northwest
NATIONAL LABORATORY
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SIGNATURES

By: U.S. DEPARTMENT OF ENERGY
PACIFIC NORTHWEST SITE OFFICE

Digitally signed by ISIDRO CHAVEZ CHAVEZ
DN: c=US, o=U.S. Government, ou=Department of Energy, cn=ISIDRO CHAVEZ CHAVEZ, 0.9.2342.19200300.100.1.1=89001003423673
Date: 2025.04.10 10:57:04 -07'00'

Isidro Chavez
Title: Contracting Officer

Date: 04/10/2025

By: BATTELLE MEMORIAL INSTITUTE

Brian R. Smith
Digitally signed by Brian R. Smith
Date: 2025.03.27 08:42:40 -04'00'

Brian R. Smith
Title: Treasurer

Date: 3/27/2025

By: U. S. BANK

Junee Koch
Digitally signed by Junee Koch
Date: 2025.03.12 14:51:05 -05'00'

Junee Koch,
Title: Relationship Manager

Date: 3/12/2025

Pacific Northwest
NATIONAL LABORATORY
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SPECIAL FINANCIAL INSTITUTION ACCOUNTS AGREEMENT FOR USE WITH THE CHECKS PAID LETTER OF CREDIT (LOC) FINANCING ARRANGEMENT

MODIFICATION NO. 1

RECITALS

This is a modification to Contract No. DE-AC05-76RL01830 financing agreement, between the UNITED STATES OF AMERICA (the Government), represented by the Department of Energy (DOE) Contracting Officer executing this agreement, Battelle Memorial Institute, a Ohio corporation (the Contractor), and U.S. Bank National Association, a Financial Institution organized and operating under the laws of the United States of America (the Financial Institution).

This is now in full force and effect between the parties a contract (Contract DE-AC05-76RL01830), entered into on July 1, 2021.

The parties to this financing agreement desire to modify said agreement to revise the language contained in Covenant 6 to incorporate the revised "Schedule of Institution Processing Charges" and "Requirements Specification/Statement of Work" documents attached herein as well as to revise the language in Covenant 8 to reflect the exercising of Option 1 extending the Agreement through June 30, 2026.

COVENANTS

COVENANT 6 shall be deleted and the following substituted therefor:

> "The Financial Institution agrees to service the account based on the requirements and specifications contained in Request for Proposal (RFP) No. 2020-SJE-SFIAA-CPLOC-FA, dated October 20, 2020 and associated RFP Addendums Nos. 1, 2, and 3. Services provided by the Financial Institution are for the benefit of the Contractor and DOE or Government. The Financial Institution agrees per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," will remain constant during the Base two-year term of the Agreement and for the following three-year optional term (Option 1) for a total of five years fixed pricing. It is understood that per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," for the final five-year optional term (Option 2) are subject to review and negotiation. Prior to exercising Option 2 for the final five-year term, the parties will review and mutually agree upon final pricing. Should Option 2 be exercised via formal modification, per-item costs agreed upon as a result of such modification will be held fixed for the final five-year term. Any services not within the schedule shall be proposed by the Financial Institution and approved by both the Contractor and DOE's Contracting Officer and incorporated into the Agreement prior to services being charged or collected. The Financial Institution calculates the monthly fees based on services agreed to and rendered in accordance with the "Schedule of Financial Institution Processing Charges" and shall invoice the Contractor. The Contractor shall issue a check or automated clearinghouse authorization transfer to the Financial Institution in payment thereof.
>
> Furthermore, Revision 1 of the "Schedule of Financial Institution Processing Charges" dated March 16, 2023 as well as Revision 1 of the "Requirements Specification/Statement of Work" dated February 13, 2023 attached herein are incorporated, and shall be effective as of the date of this modification."

COVENANT 8 shall be deleted and the following substituted therefor:

> "The Agreement, with all its provisions and covenants, is in effect beginning on July 1, 2021 and extending through June 30, 2026 (consisting of the original two-year base term and the exercising of Option 1 for an additional three years) with one additional option (for a total of ten years should all options be exercised) unless earlier terminated as provided in this agreement. Additional options to this agreement are:
>
> - Option 1: Additional three-year option (July 1, 2023 through June 30, 2026) – which is exercised via Modification 1.

- Option 2: Additional five-year option (July 1, 2026 through June 30, 2031) – *pricing to be reviewed and finalized prior to exercising option in accordance with Covenant 6*

DOE may unilaterally exercise the options of this agreement by providing written notice to the Financial Institution prior to the most current agreement end date. The inclusion of option(s) does not represent a commitment, financial or otherwise, on the part of the Government to exercise any or all of the option(s) nor a represent a commitment to extend the agreement beyond the end date specified herein or in the most current agreement modification. DOE may exercise one or more options by providing written notice to the contractor prior to the most current agreement end date. Lacking written notice by DOE, the option(s) will expire with the agreement."

It is understood and agreed that all other terms and conditions of the Special Financial Institution Accounts Agreement under Prime Contract No. DE-AC05-76RL01830 shall remain unchanged.

SIGNATURES

By: U.S. DEPARTMENT OF ENERGY
PACIFIC NORTHWEST SITE OFFICE

Sue Harp

C. Sue Harp
Title: Contracting Officer

Date: 5/11/2023

By: BATTELLE MEMORIAL INSTITUTE

Brian R. Smith
Title: Treasurer

Date: 5/9/2023

By: U. S. BANK

Jason Glidden

Jason Glidden,
Title: Relationship Manager

Date: 4/17/2023

Pacific Northwest
NATIONAL LABORATORY
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SPECIAL FINANCIAL INSTITUTION ACCOUNTS AGREEMENT FOR USE WITH THE CHECKS PAID LETTER OF CREDIT (LOC) FINANCING ARRANGEMENT

The agreement is entered into on July 1, 2021, between the UNITED STATES OF AMERICA (the Government), represented by the Department of Energy (DOE) Contracting Officer executing this agreement, Battelle Memorial Institute, a Ohio corporation (the Contractor), and U.S. Bank National Association, a Financial Institution organized and operating under the laws of the United States of America (the Financial Institution).

RECITALS

1. Effective December 30, 1964, Government and the Contractor entered into Prime Contract No. DE-AC05-76RL01830, or a related supplemental agreement thereto, providing for the transfer of Government funds on a checks paid letter of credit financing basis.

2. The contract or supplemental agreement requires amounts advanced to the Contractor be deposited separate from the Contractor's general or other funds, in a Special Account at a member bank of the Federal Reserve System, any "insured" bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (12 U.S.C. 1811), or a credit union insured by the National Credit Union Administration. The parties agree to deposit the amounts with the Financial Institution, which meets the requirement.

3. The Special Accounts shall be designated:
   - Battelle Memorial Institute, PNW Division, DOE Special Account - Contract
   - Battelle Memorial Institute, PNW Division, DOE Special Account - Salary
   - Battelle Memorial Institute, PNW Division, DOE Special Account - Controlled Disbursement Contract
   - Battelle Memorial Institute, PNW Division, DOE Special Account - Controlled Disbursement Salary

COVENANTS

In consideration of the foregoing, and for other good and valuable considerations, the parties agree to the following conditions:

1. The Government has lien on the credit balance in the account to secure the repayment of every advance payment made to the Contractor. The lien is paramount to any lien or claim of the Financial Institution regarding the account.

2. The Financial Institution is bound by the terms of this Agreement relating to the deposit and withdrawal of funds in the Special Accounts, and is unaccountable for the application of funds withdrawn from the accounts. The Financial Institution acts on written directions from the Contracting Officer, the administering office, or a duly authorized representative of either. The Financial Institution is unaccountable to any party to the agreement for any action complying with the written directions. Any written directions received by the Financial Institution through the Contracting Officer on DOE stationery and purporting to be signed by, or by the direction of DOE or duly authorized representative, may be, as far as the rights, duties, and liabilities of the Financial Institution are concerned, considered as being properly issued and filed with the Financial Institution by DOE.

3. The Government, or the Government's authorized representatives, has access to the books and records maintained by the Financial Institution regarding the Special accounts at reasonable times and for reasonable purposes, including, the inspection or copying of the books and records and any and all pertinent memoranda, checks, correspondence, or documents. Such financial records shall be preserved by Financial Institution according to its standard document retention policies which comply with applicable regulations. The Financial Institution will retain transactional data for a period of 7 years from the date of the transaction in the form of PDF bank and account analysis statements with incorporated details. Check images will also be retained on and accessible through the online banking system for 7 years from the date of the transaction. The Financial Institution will provide the Contractor and Government the services and systems necessary to enable the Contractor to preserve financial records for a period of 6 years after the closing of this Special Financial Institution Accounts Agreement (SFIAA). For the duration of the agreement, the Financial Institution will provide the Contractor with information and services, in formats that will allow the Contractor or Government to print, download, save, or

otherwise retain the information and financial records. The Contractor will be responsible for downloading and maintaining records at appropriate intervals in order to preserve and retain financial records for the benefit of the Government and for purposes of all Prime Contract requirements, including but not limited to banking agreement/special account audit(s), incurred cost audit(s), other related or necessary audits, and other closeout requirements of this banking agreement and the Prime Contract.

4. In the event of the service of any writ of attachment, levy of execution, or commencement of garnishment proceedings with respect to the special demand deposit account, the Financial Institution shall promptly notify DOE at:

   U.S. Department of Energy
   Consolidated Service Center
   9800 south Cass Avenue
   Lemont, IL 60439

   And

   Pacific Northwest Site Office, Contracting Officer
   P.O. Box 350; MSIN K9-42
   Richland, WA 99354

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

6. The Financial Institution agrees to service the account based on the requirements and specifications contained in Request for Proposal (RFP) No. 2020-SJE-SFIAA-CPLOC-FA, dated October 20, 2020 and associated RFP Addendums Nos. 1, 2, and 3. Services provided by the Financial Institution are for the benefit of the Contractor and DOE or Government. The Financial Institution agrees per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," will remain constant during the Base two-year term of the Agreement and for the following three-year optional term (Option 1) for a total of five years fixed pricing. It is understood that per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," for the final five-year optional term (Option 2) are subject to review and negotiation. Prior to exercising Option 2 for the final five-year term, the parties will review and mutually agree upon final pricing. Should Option 2 be exercised via formal modification, per-item costs agreed upon as a result of such modification will be held fixed for the final five-year term. Any services not within the schedule shall be proposed by the Financial Institution and approved by both the Contractor and DOE's Contracting Officer and incorporated into the Agreement prior to services being charged or collected. The Financial Institution calculates the monthly fees based on services agreed to and rendered in accordance with the "Schedule of Financial Institution Processing Charges" and shall invoice the Contractor. The Contractor shall issue a check or automated clearinghouse authorization transfer to the Financial Institution in payment thereof.

7. The Financial Institution posts collateral in accordance with 31 CFR 202 with the Federal Reserve bank in an amount equal to the net balances in any of the accounts included in the Agreement, less the Treasury-approved deposit insurance.

8. The Agreement, with all its provisions and covenants, is in effect for a term of two years, beginning on July 1, 2021, and ending on June 30, 2023 with two additional options (for a total of ten years should all options be exercised) unless earlier terminated as provided in this agreement. Additional options to this agreement are:
   - Option 1: Additional three-year option (July 1, 2023 through June 30, 2026)
   - Option 2: Additional five-year option (July 1, 2026 through June 30, 2031) – *pricing to be reviewed and finalized prior to exercising option in accordance with Covenant 6*

   DOE may unilaterally exercise the options of this agreement by providing written notice to the Financial Institution prior to the most current agreement end date. The inclusion of option(s) does not represent a commitment, financial or otherwise, on the part of the Government to exercise any or all of the option(s) nor a represent a commitment to extend the agreement beyond the end date specified herein or in the most current agreement modification. DOE may

exercise one or more options by providing written notice to the contractor prior to the most current agreement end date. Lacking written notice by DOE, the option(s) will expire with the agreement.

9. DOE, the Contractor, or the Financial Institution may terminate the Agreement at any time within the agreement period upon providing written notification to the other parties 120 days prior to the desired termination date. The specific provisions for operating the account during the 120-day period are contained in Covenant 12.

10. DOE or the Contractor may terminate the Agreement at any time upon 30 days' written notice to the Financial Institution if DOE or the Contractor, or both parties, find the Financial Institution has failed to substantially perform its obligations under the Agreement or the Financial Institution is performing obligations in a manner which precludes administering the program in an effective and efficient manner or precludes the effective utilization of the Government's cash resources.

11. Notwithstanding the provisions of Covenants 9 and 10, in the event that the Agreement, referenced in Recital (1), between DOE and the Contractor is not renewed, or is terminated, the Agreement between DOE, the Contractor, and the Financial Institution may be terminated automatically upon the delivery of written notice to the Financial Institution or the Agreement may be assigned to a successor contractor designee of DOE. If Contractor ceases to be the contractor for PNNL, it shall have no further liability under this (Special Finance) Agreement for any obligations accruing from and after the date Contractor ceases to be the operating contractor; provided, however, that Contractor shall remain liable for: (1) incurred by the Financial Institution related to the assignment of this Agreement and (2) any and all of its obligations existing as of such date, including without limitation, obligations for then existing conditions whether known or unknown except for any obligations accepted, assumed, or assigned to the successor contractor or otherwise provided for in a DOE approved transition plan.

12. In the event of termination, the Financial Institution agrees to retain the Contractor's special demand deposit account for an additional 120-day period to clear outstanding payment items.

TERMS

The Agreement continues to be in effect for the 120-day additional period, with exception of the following:

1. Term Agreement (Covenant 8)
2. Termination of Agreement (Covenant 9 and 10)

Terms and conditions of the aforesaid proposal submitted by the Financial Institution which are consistent with the 120-day additional term remains in effect for the period.

The Financial Institution has submitted the forms entitled "Technical Representations and Certifications" and "Schedule of Financial Institution Processing Charges." The forms have been accepted by the Contractor and the Government and are incorporated herein as integral parts of the Agreement.

This Agreement and the following documents incorporated by reference into this Agreement constitute the entire agreement of the parties and supersedes all prior communications, representations or agreements between the parties, whether oral or written. This Agreement may not be modified or amended except by mutual agreement of both parties in writing. Any conflict or inconsistency will be resolved by giving precedence in the following descending order:

1. The terms of this Agreement, including any amendments agreed to by all parties thereto.
2. The terms of Requirement Specification/Statement of Work - Financial Institution's Information on Checks Paid LOC Financing Arrangement.
3. The terms of the Schedule of Financial Institution Processing Charges, including any amendments agreed to by all parties thereto.
4. Financial Institution's negotiated Terms & Conditions, including any amendments agreed to by all parties thereto, as follows:
   a. Treasury Master Services Agreement
   b. U.S. Bank Services Terms and Conditions
   c. Amendment to U.S. Bank Your Deposit Account Agreement
   d. Your Deposit Account Agreement

Pacific Northwest
NATIONAL LABORATORY
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IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

By: U.S. DEPARTMENT OF ENERGY
PACIFIC NORTHWEST SITE OFFICE

Sue Harp Digitally signed by Sue Harp Date: 2021.06.22 10:06:06 -07'00'

C. Sue Harp
Title: Contracting Officer

Date: June 22, 2021

By: BATTELLE MEMORIAL INSTITUTE

Brian R. Smith
Title: Treasurer

Date: June 17, 2021

By: U. S. BANK

Robert Loffink Digitally signed by Robert Loffink Date: 2021.06.16 16:30:23 -07'00'

Robert Loffink,
Title: Relationship Manager

Date: June 16, 2021

NOTE

The Contractor, if a corporation, shall cause the following Certificate to be executed under its corporate seal, provided that the same officer shall not execute both the Agreement and the Certificate.

CERTIFICATE

I, Russell P. Austin, certify that I am the Secretary of the corporation named as Contractor herein; that Brian R. Smith, who signed this Agreement on behalf of the Contractor, was then Treasurer of said corporation and that said Agreement was duly signed for the and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

(Corporate Seal) (Signature)

NOTE

Financial Institution, if a corporation, shall cause the following Certificate to be executed under its corporate seal, provided that the same officer shall not execute both the Agreement and the Certificate.

CERTIFICATE

I, Jordyn Anderson, certify that I am a Treasury Management Consultant of the corporation named as Financial Institution herein; that Robert Loffink, who signed this Agreement on behalf of the Financial Institution, was then Senior Vice President of said corporation and that said Agreement was duly signed for the and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

(Corporate Seal) (Signature)

ENCLOSURE 6

TECHNICAL REPRESENTATIONS AND CERTIFICATIONS

The Financial Institution makes the following technical representations and certifications as part of its proposal to the Department of Energy to service under a Checks Paid LOC financing arrangement. (Check parentheses and complete blanks, as appropriate. All information is necessary.)

1. Financial Institution Fiscal Information

a. The Financial Institution is a (**X**) **national chartered financial institution formed under the laws of the United States of America** ( ) State chartered financial institution organized and existing in the State of _____.

b. The Financial Institution (**X**) maintains ( ) does not maintain an account with a Federal Reserve Bank.

c. The current (**X**) Federal ( ) State time deposit reserve requirement for the Financial Institution **0** %.

d. The Financial Institution insures each time account for $250,000 under federally approved deposit insurance (**X**) Yes ( ) No. Deposits are insured by a Government deposit insurance organization approved by the Department of the Treasury. If no explain:

e. The Financial Institution has direct online access to the Federal Reserve Communication System (FRCS). If no, explain: **Yes**

f. To receive same-day credit from the Federal Reserve, the Financial Institution can ascertain the amount of payments cleared net of the amount of any deposits and submit a payment request through the FRCS by 5:45 p.m. Eastern time. If no explain: **Yes**

2. Minority Business Enterprises

Is the Financial Institution a minority-owned or minority-controlled institution, eligible to participate in the Treasury Minority Bank Deposit Program (MBDP)? ( ) Yes (**X**) No.

Information about eligibility and enrollment in the MBDP program is available on the Financial Management Service website.

3. Technical

a. Does the Financial Institution currently service and reconcile an account with a payment volume equal to or exceeding the anticipated volume required by the Contractor as stated in the "Schedule of Financial Institution Processing Charges" and "Requirement Specification/Statement of Work – Financial Institution's Information on Checks Paid LOC Financing Arrangement"?

Service: (**X**) Yes ( ) No Reconciliation: (**X**) Yes ( ) No

U.S. Bank currently services and reconciles payments for 8 Labs/Department of Energy Contractors.

b. What is the highest number of payments serviced and reconciled for a single account?

Service: **38,910/mo** Reconciliation: **61,941/mo**

As the 5th largest financial institution in the United States, U.S. Bank provides transaction clearing and reconciliation services for customers including millions of transactions. On average our Controlled Disbursement customers issue over 200 checks per day and the average dollar size of customer's daily clearings is over $800,000. U.S. Bank originates an

average of 71,616,113 ACH items per month totaling $1.7 trillion. U.S. Bank also receives an average of 52,259,905 ACH items per month totaling $130.9 billion. We provide reconciliation services for over 13,000 customers. Specific to the 8 DOE Labs/Contractors that we currently process for, we have provided to following maximum number of payment clearings and reconciliations shown above.

Date	Name:	Signature
11/30/2020	**U.S. Bank National Association**	Name: Robert Loffink Title: Senior Vice President

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ENCLOSURE 2

**REQUIREMENTS SPECIFICATION/STATEMENT OF WORK –
FINANCIAL INSTITUTION'S INFORMATION ON CHECKS PAID LOC FINANCING AGREEMENT
FOR THE PACIFIC NORTHWEST NATIONAL LABORATORY**

Revision: 2
Dated: January 29, 2026

Introduction

Checks paid Letter of Credit (LOC) funding is a method used by the Federal Government to provide funds to a Contractor who is performing services or providing goods to the Department of Energy (DOE). Under the method, the contractor issues payments for program purposes. When payments clear the Financial Institution, the payments are totaled, and the Financial Institution draws funds from an Automated Standard Application for Payment (ASAP) 1031 system account at the Federal Reserve Bank (FRB-Richmond) of Richmond for credit to the account at the contractor's account. Information necessary to bid for and operate such an account and to establish the reporting requirements the Financial Institution meets are provided below.

As detailed in this Requirement Specification/Statement of Work (SOW), the Financial Institution shall perform all technical and other work necessary to provide banking services as specified herein under the checks paid method letter of credit financing.

Bank Service Requirements

The Financial Institution shall provide Financial Institution services as specified herein and under the Special Financial Institution Account(s) Agreement, Enclosure 3, for use with the Checks Paid LOC Financing Arrangement.

A. The Contractor will establish and maintain Government Funded Accounts (GFAs) for disbursement activities with the Financial Institution. Currently five (5) of such demand deposit GFAs are utilized. The Contractor reserves the right to consolidate existing accounts or establish new demand deposit GFAs as needed during the term of this Agreement. These accounts may be established as zero-balance accounts (ZBA) (as detailed below), funded through the Checks paid LOC funding method through the Federal Government as described in the Introduction of this Statement of Work document. Description of the five GFAs are as follows:

    1. Contract Account: Account maintenance will include but not be limited to: book transfers, controlled disbursement and ZBA account settlements, received lockbox deposits, branch cash or night drop deposits, and other returned activity. This account will be utilized as the master account, funding all other accounts daily. Under the checks paid LOC method, the Financial Institution will make a daily draw from the US Department of the Treasury's (Treasury) ASAP system which will credit the master account in order to bring all accounts to a net positive and as close to zero as administratively possible. This process is outlined below in Section B of the Bank Service Requirements.

    2. Accounts Payable Account: Direct disbursements to this account will be limited to originated ACH or Wire payments generated for payment liabilities. This account will be set up as a zero-balance account (ZBA) tying directly to the Contract Account. Credit(s) to this account will be limited to one balance transfer per day, outside of any receipt of a returned/rejected disbursement item.

    3. Controlled Disbursement Account – Payables: Disbursements to this account will be limited to paper checks issued for general account liabilities. This account will be established as a positive pay, controlled disbursement account tying directly to the Contract Account. Credit(s) to this account will be limited to one balance transfer per day, outside of any receipt of a returned/rejected disbursement item.

    4. Salary Account: Direct disbursements to this account will be limited to originated ACH or Wire payments generated for payroll liabilities. This account will be set up as a zero-balance

account (ZBA) tying directly to the Contract Account. Credit(s) to this account will be limited to one balance transfer per day, outside of any receipt of a returned/rejected disbursement item.

5. Controlled Disbursement Account – Salary: Disbursements to this account will be limited to paper checks issued for payroll liabilities. This account will be established as a positive pay, controlled disbursement account tying directly to the Salary Account. Credit(s) to this account will be limited to one balance transfer per day, outside of any receipt of a returned/rejected disbursement item.

B. The Financial Institution will honor the payments presented for collection without pre-funding of accounts and perform and/or calculate all controlled disbursement and zero-balance transfers prior to calculating the government-funded total for the day. The Contractor and Financial Institution will agree upon a method of drawdown calculation and verification, with Contractor's requirement to approve the drawdown calculation prior to submission.

C. The Financial Institution will total the payments cleared against the special account. The sum will be drawn from the ASAP 1031 account at FRB-Richmond. The financial institution will total the deposits against the special account. The sum will be sent to the ASAP 1031 account at FRB-Richmond. The combined amount of the drawdowns will be sufficient to maintain the account balance net positive and as close to zero as administratively possible. The institution determines the cutoff time for processing payments and deposits to verify same day credit. The drawdown is initiated by sending a Fedwire request (with a message subtype code of '1031') to FRB-Richmond by 5:45 p.m. Eastern Time.

D. If the Financial Institution providing these services is a branch of a parent institution, the drawdown on ASAP 1031 and subsequent transfer of funds from FRB-Richmond must be accomplished in time for the branch to receive same-day credit for the funds requested.

1. If an overdraft occurs, due to a banking error, on the first business day following an overdraft, the Financial Institution will draw down an amount equal to the net sum of the overdraft, offset by any receipts and the Financial Institution will not charge the Contractor.

2. If the Financial Institution has a pattern of excess drawdown and fails to correct the problem after written notice from the contractor, the Financial Institution will be assessed interest on all excess balances at the Federal Funds Rate for the month(s), and the special Financial Institution account agreement will be terminated. Any assessed interest will be remitted to the responsible DOE finance office or to the Contractor.

E. The Financial Institution will provide secure electronic banking options to allow multiple users access to daily, weekly, and monthly account information to manage and maintain all daily banking transactions. Information will be provided in a format that will allow Contractor to print, download, or otherwise retain information. Information provided by Financial Institution shall include:

1. View all incoming or outgoing domestic or foreign wire transfers including detail reporting
2. ACH transactions, addenda, Notifications of Change (NOC) and Returns,
3. View copies of paid checks via electronic imaging online for up to seven years on monthly electronic files,
4. Stop payment orders,
5. ACH and check positive pay items/exceptions,
6. Cash, check & currency deposited items and returned deposit items, to include images retained online after the date of the transaction,
7. Book transfers,
8. Downloadable bank analysis and transactional monthly statements (as outlined in N and O below)
9. The electronic banking option must provide audit logs for all user actions and allow for self-administration for assigning Administrative user rights, roles and entitlements, and enable segregation of duties within the various screens

Desired/preferable information available via secure electronic banking are:

1. ACH service request orders,

2. Lockbox deposits including scanned images of all received documents,
3. Downloadable bank reconciliation statements (i.e. ARP)

F. The Financial Institution will process the following electronic orders as requested:
   1. Stop payment orders
   2. ACH service requests
   3. Check Positive Pay single issues/cancelations
   4. ACH Positive Pay block/filters

G. The Financial Institution will provide a secure file transfer service (FTS) mechanism for the Contractor to process daily electronic transmissions of ~~both~~ positive pay ~~and reverse positive pay~~ maintenance batch files for each account. The Financial Institution will complete a full account reconciliation including maintaining the outstanding check list.

H. The Financial Institution will provide the capability to process federal domestic and international wire transfers through a secure online system using vendor-maintained templates or free forms in both US dollar and foreign currency. The online banking system will provide options for segregation of duties through wire template creation, wire initiation and wire process. Additionally, the Financial Institution will provide a secure file transfer service (FTS) mechanism to process federal domestic and international wire transfer batch files. The Financial Institution shall provide a confirmation requirement to validate each wire transfer batch file received through the FTS mechanism.

I. The Financial Institution will process batch file payments by Automated Clearing House by receiving a NACHA compliant ACH/EDI batch file through direct transmittal via a secure FTS mechanism. The Financial Institution should have the ability to process CTX, CTX+, and EDI 820 payment order/remittance advice. The Financial Institution shall provide a confirmation requirement to validate each ACH file received through the FTS mechanism. The Financial Institution secure FTS mechanism should have the ability to receive multiple ACH files per day.

   1. The Financial Institution shall provide a test environment for secure file transfer transactions during implementation and to support other system updates/changes. During implementation and in the event program changes are made to the Contractor's software system testing to the point that data files are passed to and reviewed by the Financial Institution before changes are implemented.

J. The Financial Institution must be able to receive and accept deposits to a lockbox. The Financial Institution will provide, preferable through an online source, a copy of the check, all paperwork that accompanied the check and a report showing each check number received, the payee name, and the dollar amount.

K. The Financial Institution will provide a mechanism of deposit of foreign drawn drafts (i.e. Canadian checks) or foreign currency for exchange credit.

L. The Financial Institution will facilitate the capability to furnish coin and currency on an as-needed basis and to accept coin or currency deposits.

M. The Financial Institution will provide, on a monthly basis, full account reconciliation statements. It is preferred that monthly account reconciliation statements follow the Contractor's fiscal month-end timeframes. Account reconciliation statements shall be provided electronically.

N. The Financial Institution will provide the Contractor with a monthly transactional statement. It is preferred that monthly transactional statements will follow the Contractor's fiscal month-end timeframes. The Financial Institution will provide the Contractor multiple options to receive the statement, including a mailed copy and downloadable CSV and PDF version through the online banking system.

O. The Financial Institution shall provide monthly combined account analysis statements detailing transactions by volume, with the understanding that payment for services will be in accordance with the "Schedule of Financial Institution Processing Charges." The combined account analysis statement will

include the data necessary for the Contractor and/or DOE finance office to determine that the costs of the services in the Schedule of Financial Institution of Processing Charges are commensurate with the level of compensation being provided to the Financial Institution, and that the average daily demand account balance is being maintained net positive and as close to zero as administratively possible.

P. The Financial Institution will provide an initial on-site setup and training with an assigned Relationship Account Manager. The Relationship Account Manager, or a specifically provided service group, should be available to support day-to-day problems and issues available from 9 am to 3 pm Pacific time all banking business days.

Q. The Financial Institution selected will be requested to provide on-site product updates, training and a review of account issues and concerns to the contractor at least once a year. Additionally, they should be able to periodically provide sufficient business continuity plans to ensure bank system processing shall continue in the event of a disaster. Quarterly reviews will be held between the Contractor Banking Administrator and the Bank's Relationship Account Manager and conducted on-site at the Contractor Banking Administrator discretion.

R. The Financial Institution will provide the capability for the Contractor to access imaged copies of cleared checks and will preserve the books and records (including any and all pertinent memoranda, checks, correspondence, or documents). The Financial Institution will provide the Contractor and Government the services and systems necessary to enable the Contractor to preserve financial records for a period of 6 years after the closing of the Special Account. For the duration of the agreement, the Financial Institution will provide the Contractor with information and services, in formats that will allow the Contractor or Government to print, download, save, or otherwise retain the information and financial records. The Contractor will be responsible for downloading and maintaining records at appropriate intervals in order to preserve and retain financial records.

SCHEDULE OF FINANCIAL INSITUTION'S PROCESSING CHARGES
Banking Services Charges/Fees
Battelle - PNNL
Revision 4
6/2/2026

DDA Element ID	Service Description/Name	Rates - Base Period (First 2 Years 2021-2023)	Rates - Option 1 (3 Years 2023-2026)	Rates - Option 2 (5 Years 2026-2031)	
	Depository Services				
DDA01205	Deposit Coverage	Variable Rate	Variable Rate	Variable Rate	*Variable Rate, per $1,000 ledger balance, is based on FDIC's coverage ratios, bank risk based factors, and market conditions.
DDA35997	Charge for Neg Coll Balance	Variable Rate	Variable Rate	Variable Rate	*Variable Rate based on Prime+4% assessed on a daily basis using the actual number of days in the month and a 360-day year.
DDA01543	Account Maintenance	$ 8.00000	$ 8.00000	$ 8.00000	
DDA01506	Paper Credits	$ 0.20000	$ 0.20000	$ 0.20000	
DDA01500	Electronic Credits	$ 0.20000	$ 0.20000	$ 0.20000	
DDA01553	Electronic Debits	$ 0.10000	$ 0.10000	$ 0.10000	
DDA01358	Reject Checks Paid	$ 0.10000	$ 0.10000	$ 0.10000	
DDA01374	Returned Item Special Instruc	$ 5.00000	$ 5.00000	$ 5.00000	
DDA01516	Check Filter Monthly Maint	$ 10.00000	$ 10.00000	$ 10.00000	
DDA01215	Related Acct Transfer by Phone	$ 6.00000	$ 6.00000	$ 6.00000	
DDA01514	Combined Transactions/Items	$ -	$ -	$ -	
DDA01510	Special Statements	$ 14.00000	$ 14.00000	$ 14.00000	
DDA01525	Truncated Paper Stmt	$ 5.00000	$ 5.00000	$ 5.00000	
DDA01614	Image Paper DDA Statement	$ 5.00000	$ 5.00000	$ 5.00000	
DDA21155	Elec DDA Monthly Maintenance	$ 25.00000	$ 25.00000	$ 25.00000	
DDA01507	Deposited Item	$ 0.05500	$ 0.05500	$ 0.05500	
DDA01556	Paper Debits	$ 0.10000	$ 0.10000	$ 0.10000	
DDA01508	Returned Deposited Items	$ 3.25000	$ 3.25000	$ 3.25000	
DDA01364	Redeposited Returned Item	$ 3.25000	$ 3.25000	$ 3.25000	
DDA01407	Returned Item Email Notice	$ 1.00000	$ 1.00000	$ 1.00000	
DDA01108	Returned Item Image Copies	$ 1.00000	$ 1.00000	$ 1.00000	
DDA01110	Returned Item Image Viewed	$ 0.07000	$ 0.07000	$ 0.07000	
DDA01111	Returned Item Img Advice View	$ 0.07000	$ 0.07000	$ 0.07000	
DDA01126	Overdraft Paid Fee	$ 15.00000	$ 15.00000	$ 15.00000	
DDA01103	Overdraft Returned Fee	$ 15.00000	$ 15.00000	$ 15.00000	
DDA01130	Extended Overdraft Fee	$ 15.00000	$ 15.00000	$ 15.00000	
DDA01610	Snapshot Statement/Copy	$ 6.00000	$ 6.00000	$ 6.00000	
DDA01528	Paper Statement with Hard Check Copies	$ -	$ -	$ -	
DDA01517	Check Filter Items Returned	$ 10.00000	$ 10.00000	$ 10.00000	
DDA01519	Manual Stop Payment-24 Months	$ 15.00000	$ 15.00000	$ 15.00000	
DDA01214	Account Inquiry	$ 6.00000	$ 6.00000	$ 6.00000	
DDA01204	Copy of Check/Deposit Ticket	$ 2.50000	$ 2.50000	$ 2.50000	
DDA01528	Stmt w/Check Ft Images	$ 5.00000	$ 5.00000	$ 5.00000	
DDA01605	Check/Deposit Ticket Order	Variable Rate - Pass Through	Variable Rate - Pass Through	Variable Rate - Pass Through	*Variable Rate for depository supplies (i.e. Checks, Deposit Slips, Endorsement Stamps, etc.) which are ordered from a 3rd party supply vendor through Commercial Customer Service and charged as a pass through.
DDA01530	Statement - Number of Items	$ 0.05000	$ 0.05000	$ 0.05000	
DDA01613	Online Image Statement	$ -	$ -	$ -	
DDA01612	Online Truncated Statement	$ -	$ -	$ -	
	Account Reconcilement Services				
DDA03039	SP ARP Daily Paid Monthly Main	$ 10.00000	$ 10.00000	$ 10.00000	
DDA03014	Full/Positive Pay Maint	$ 50.00000	$ 50.00000	$ 50.00000	
DDA03137	Full/Positive Pay - per Item	$ 0.04000	$ 0.04000	$ 0.04000	
DDA03752	ARP Full Maintenance	$ 50.00000	$ 50.00000	$ 50.00000	
DDA03032	Recon Printing / Mailing Fee	$ 6.00000	$ 6.00000	$ 6.00000	
DDA03037	SP ARP Recon Outstanding Maint	$ 10.00000	$ 10.00000	$ 10.00000	
DDA03688	ARP Transmission Output	$ 5.00000	$ 5.00000	$ 5.00000	
~~DDA35051~~	~~File Level Encryption Mo Maint First~~	~~$ 55.00000~~	~~$ 55.00000~~	~~$ 55.00000~~	Mod. 5 - Deletion of Service
DDA35051	File Level Encryption Mo Maint	$ -	$ -	$ -	Mod. 5 - Name change from "File Level Encryption Mo Maint Next"
DDA03542	Full ARP - per Item	$ 0.04000	$ 0.04000	$ 0.04000	
DDA03106	SP Positive Pay Only Maint	$ 50.00000	$ 50.00000	$ 50.00000	
DDA03019	SP Pos Pay Image Retrieval	$ 0.07000	$ 0.07000	$ 0.07000	
DDA03022	SP Issue/Cancel Input	$ 0.25000	$ 0.25000	$ 0.25000	
DDA03024	SP Positive Pay Exceptions	$ 1.25000	$ 1.25000	$ 1.25000	
DDA03029	SP ARP Recon Report-per Item	$ 0.01000	$ 0.01000	$ 0.01000	
DDA03031	SP ARP Recon Reports Maint	$ 10.00000	$ 10.00000	$ 10.00000	
DDA03038	SP ARP Recon Outstanding Item	$ 0.01000	$ 0.01000	$ 0.01000	
DDA03040	SP ARP Daily Paid - per Item	$ 0.01000	$ 0.01000	$ 0.01000	
DDA03041	SP ARP Daily Outstanding Maint	$ 10.00000	$ 10.00000	$ 10.00000	
DDA03042	SP ARP Daily Outstanding Item	$ 0.01000	$ 0.01000	$ 0.01000	
DDA03121	Transmission Input	$ 5.00000	$ 5.00000	$ 5.00000	
DDA03122	ARP Transmission - per Item	$ 0.01000	$ 0.01000	$ 0.01000	
DDA03366	Check Sort Maint	$ 15.00000	$ 15.00000	$ 15.00000	
DDA03537	ARP Check Sort - per Item	$ 0.02000	$ 0.02000	$ 0.02000	
DDA03754	Daily Paid List Maint	$ 15.00000	$ 15.00000	$ 15.00000	
DDA03756	Daily Paid List Items	$ 0.01000	$ 0.01000	$ 0.01000	
DDA03016	Payee Positive Pay Maintenance	$ 15.00000	$ 15.00000	$ 15.00000	
DDA03015	Payee Positive Pay-per Item	$ 0.01000	$ 0.01000	$ 0.01000	
DDA03101	Partial/Positive Pay Maint	$ 50.00000	$ 50.00000	$ 50.00000	
DDA03102	Partial/Positive Pay-per Item	$ 0.04000	$ 0.04000	$ 0.04000	
DDA03541	Partial ARP - per Item	$ 0.04000	$ 0.04000	$ 0.04000	
DDA03107	SP Pos Pay Only - per Item	$ 0.04000	$ 0.04000	$ 0.04000	
DDA03130	Teller Payee Positive Pay	$ -	$ -	$ -	
DDA03017	SP Checks Returned	$ 10.00000	$ 10.00000	$ 10.00000	
DDA03026	SP Issue Mnt Upload - per File	$ 5.00000	$ 5.00000	$ 5.00000	
DDA03027	SP Issue Mnt Confirm-per File	$ 0.25000	$ 0.25000	$ 0.25000	
DDA03044	SP Same Day PPay per Item	$ 0.01000	$ 0.01000	$ 0.01000	

DDA Element ID	Service Description/Name	Rates - Base Period (First 2 Years 2021-2023)	Rates - Option 1 (3 Years 2023-2026)	Rates - Option 2 (5 Years 2026-2031)	
DDA03045	SP Same Day PPay Exception	$ 1.25000	$ 1.25000	$ 1.25000	
DDA03021	SP Payee Pos Pay Exceptions	$ 1.25000	$ 1.25000	$ 1.25000	
DDA03690	Outstanding Issues Report	$ 10.00000	$ 10.00000	$ 10.00000	
DDA03036	Stale Date Maintenance	$ 10.00000	$ 10.00000	$ 10.00000	
DDA03127	Stale Date Trans - per File	$ 5.00000	$ 5.00000	$ 5.00000	
DDA03691	ARP Transmission BAI Format	$ 5.00000	$ 5.00000	$ 5.00000	
DDA03028	SP Unreviewed Payee Exceptions	$ 0.15000	$ 0.15000	$ 0.15000	
	Online Banking - SinglePoint				
DDA29800	SP Returned Items Mo Maint	$ 10.00000	$ 10.00000	$ 10.00000	
DDA29014	SP Lockbox Summary Report	$ 55.00000	$ 55.00000	$ 55.00000	
DDA29200	Account Analysis Report TXT	$ 10.00000	$ 10.00000	$ 10.00000	
DDA29511	SP Wires Monthly Maintena First	$ 10.00000	$ 10.00000	$ 10.00000	
DDA29511	SP Wires Monthly Maintena Next	$ -	$ -	$ -	
DDA29010	SP Current Day Per Acct	$ 15.00000	$ 15.00000	$ 15.00000	
DDA29020	SP Current Day Per Item	$ 0.05000	$ 0.05000	$ 0.05500	Mod. 5 - Rate Revision for Opt. 2
DDA29100	SP Previous Day Per Acct	$ 15.00000	$ 15.00000	$ 15.00000	
DDA29110	SP Previous Day Per Item	$ 0.05000	$ 0.05000	$ 0.05500	Mod. 5 - Rate Revision for Opt. 2
DDA29201	Account Analysis Report PDF	$ 10.00000	$ 10.00000	$ 10.00000	
DDA29203	Monthly DDA Statement PDF	$ 5.00000	$ 5.00000	$ 5.00000	
DDA29205	ACH Return and NOC Report Prev	$ 2.50000	$ 2.50000	$ 2.50000	
DDA29217	ACH Return and NOC Special Report	$ 2.50000	$ 2.50000	$ 2.50000	
DDA29225	EDI Remittance Report	$ 35.00000	$ 35.00000	$ 35.00000	
DDA29015	SP Lockbox Detail Report	$ 55.00000	$ 55.00000	$ 55.00000	
DDA29326	SP Account Add/Modify/Delete	$ 5.00000	$ 5.00000	$ 5.00000	
DDA29421	Previous Day Xmit Mo Maint	$ 15.00000	$ 15.00000	$ 15.00000	
DDA29422	Prev Day Xmit-per Transmit	$ 5.00000	$ 5.00000	$ 5.50000	Mod. 5 - Rate Revision for Opt. 2
DDA29423	Previous Day Xmit-per Item	$ 0.05000	$ 0.05000	$ 0.05000	
DDA29432	SP Book Transfer-per Transfer	$ 0.10000	$ 0.10000	$ 0.10000	
DDA29442	SP Stop Payments-per Stop	$ 9.00000	$ 9.00000	$ 9.00000	
DDA29504	SP ACH Adjustment Mo Maint	$ 15.00000	$ 15.00000	$ 15.00000	
DDA29505	SP ACH Adjustment Request	$ -	$ -	$ -	
DDA29541	SP Image Access Mo Maint	$ 25.00000	$ 25.00000	$ 25.00000	
DDA29202	Monthly DDA Statement TXT	$ 5.00000	$ 5.00000	$ 5.00000	
DDA29431	SP Book Transfer Mo Maint First	$ 10.00000	$ 10.00000	$ 10.00000	
DDA29431	SP Book Transfer Mo Maint Next	$ -	$ -	$ -	
DDA29441	SP Stop Payments Mo Maint First	$ 10.00000	$ 10.00000	$ 10.00000	
DDA29441	SP Stop Payments Mo Maint Next	$ -	$ -	$ -	
DDA29444	SP Stop/Inquiry ARP-per Item	$ 0.10000	$ 0.10000	$ 0.10000	
DDA29481	SP Adjustments Mo Maint	$ -	$ -	$ -	
DDA22641	SP ACH Positive Pay Mo Maint	$ 17.50000	$ 17.50000	$ 17.50000	
DDA29521	SP Positive Pay Monthly Maint	$ -	$ -	$ -	
DDA29531	SP Issue Maint Mo Maintenance First	$ 10.00000	$ 10.00000	$ 10.00000	
DDA29531	SP Issue Maint Mo Maintenance Next	$ -	$ -	$ -	
DDA29600	SP External Message Mo Maint	$ -	$ -	$ -	
DDA29601	SP External User Message Sent	$ -	$ -	$ -	
DDA29602	SP External User Task Sent	$ -	$ -	$ -	
DDA29303	SP Extended Retention-12 mos	$ 25.00000	$ 25.00000	$ 25.00000	
DDA29209	ACH Filter Rejected Item Rpt	$ -	$ -	$ -	
DDA29210	ACH Filter Authorization Rpt	$ -	$ -	$ -	
~~DDA29302~~	~~SP Extended Retention-6 mos~~	~~$ 25.00000~~	~~$ 25.00000~~	~~$ 25.00000~~	
~~DDA29304~~	~~SP Extended Retention-18 mos~~	~~$ 25.00000~~	~~$ 25.00000~~	~~$ 25.00000~~	
DDA29305	SP Extended Retention-24 mos	$ 50.00000	$ 50.00000	$ 50.00000	
DDA29310	SP Token Monthly Maintenance	$ 1.25000	$ 1.25000	$ 1.25000	
DDA29320	SP Token Replacement	$ 30.00000	$ 30.00000	$ 30.00000	
DDA29325	SP User Add/Modify/Delete	$ 5.00000	$ 5.00000	$ 5.00000	
DDA29425	Current Day Xmit Mo Maint	$ 15.00000	$ 15.00000	$ 15.00000	
DDA29426	Current Day Xmit-per Xmit	$ 5.00000	$ 5.00000	$ 5.50000	Mod. 5 - Rate Revision for Opt. 2
DDA29427	Current Day Xmit-per Item	$ 0.05000	$ 0.05000	$ 0.05000	
DDA29428	SP Current Day ACH Addenda	$ 10.00000	$ 10.00000	$ 10.00000	
DDA29443	SP Stop Payments-per Revoke	$ 9.00000	$ 9.00000	$ 9.00000	
DDA29445	SP Stop Pmt Renewal-per Stop	$ 2.50000	$ 2.50000	$ 2.50000	
DDA29485	SP Stop Payment Transmission	$ 5.00000	$ 5.00000	$ 5.00000	
DDA29651	SP ACH Origination Mo Maint	$ 25.00000	$ 25.00000	$ 25.00000	
DDA22646	SP ACH Ctrl Totl Mo Maint	N/A	N/A	$ -	Mod. 5 - New Added Service
DDA22642	SP ACH POS Pay Authorization	$ 1.00000	$ 1.00000	$ 1.00000	
DDA22643	SP ACH POS Pay per Paid Item	$ 0.10000	$ 0.10000	$ 0.10000	
DDA21801	SPT File Manager Monthly Maint	$ 10.00000	$ 10.00000	$ 10.00000	
DDA29130	SP Previous Day ACH Addenda	$ 10.00000	$ 10.00000	$ 10.00000	
DDA29417	SP File Delivery Xmit per Xmit	$ 5.00000	$ 5.00000	$ 5.00000	
DDA29681	SP Disb via Zelle Mo Maint	$ 25.00000	$ 25.00000	$ 25.00000	
DDA29542	SP Image File - per Acct	$ 25.00000	$ 25.00000	$ 25.00000	
DDA29518	SP Account Recon Monthly Maint	$ -	$ -	$ -	
	Wire Transfers				
DDA07988	Batch Wire Status Report Email Secured - per email	$ -	$ -	$ -	
DDA07989	Batch Wire Status Report Email Unsecured - per email	$ -	$ -	$ -	
DDA07593	Incoming Fedwire	$ 6.50000	$ 6.50000	$ 6.50000	
DDA07825	Bank- Fedwire Repetitive	$ 7.50000	$ 7.50000	$ 7.50000	
DDA07213	Direct Wire – per payment	$ -	$ 7.50000	$ 7.50000	
DDA07597	Incoming Fedwire Ctp	$ 6.50000	$ 6.50000	$ 6.50000	
DDA07803	Cancelled Outgoing Wire	$ 2.50000	$ 2.50000	$ 2.50000	
DDA07835	Batch Wires	$ 7.50000	$ 7.50000	$ 8.25000	Mod. 5 - Rate Revision for Opt. 2
DDA07838	Batch Wires Intl USD	$ 20.00000	$ 20.00000	$ 28.00000	Mod. 5 - Rate Revision for Opt. 2
DDA21052	Translation Monthly Maint	$ 150.00000	$ 150.00000	$ 150.00000	
DDA21055	Batch Wire Translation-Payment	$ 0.08000	$ 0.08000	$ 0.08000	
DDA21056	Batch Wire Transmission	$ 5.00000	$ 5.00000	$ 5.00000	

DDA Element ID	Service Description/Name	Rates - Base Period (First 2 Years 2021-2023)	Rates - Option 1 (3 Years 2023-2026)	Rates - Option 2 (5 Years 2026-2031)	
DDA07912	Drawdown Request Outbound	$ 7.50000	$ 7.50000	$ 7.50000	
DDA07401	SP Fedwire Non-Repetitive	$ 7.50000	$ 7.50000	$ 7.50000	
DDA07405	SP Intl FX Non-Repetitive	$ 20.00000	$ 20.00000	$ 20.00000	
DDA07403	SP Intl USD Non-Repetitive	$ 20.00000	$ 20.00000	$ 20.00000	
DDA07406	SP Internal	$ 6.00000	$ 6.00000	$ 6.00000	
DDA07696	Wire Monthly Maint Voice-Pin	$ 2.00000	$ 2.00000	$ 2.00000	
DDA07836	Batch Wire Monthly Maint	$ 105.00000	$ 105.00000	$ 105.00000	
DDA07311	Incoming Intl Wire	$ 10.00000	$ 10.00000	$ 10.00000	
DDA07586	Internal Wire Credit	$ 6.00000	$ 6.00000	$ 6.00000	
DDA07548	Internal Wire Debit	$ 6.00000	$ 6.00000	$ 6.00000	
DDA07832	Voice Fedwire Repetitive	$ 7.50000	$ 7.50000	$ 7.50000	
DDA07833	Voice Fedwire Non-Repetitive	$ 7.50000	$ 7.50000	$ 7.50000	
DDA07120	Voice Intl USD Repetitive	$ 20.00000	$ 20.00000	$ 20.00000	
DDA07312	Voice Intl USD Non-Repetitive	$ 20.00000	$ 20.00000	$ 20.00000	
DDA07824	Bank- Fedwire Non-Repetitive	$ 7.50000	$ 7.50000	$ 7.50000	
DDA07822	Bank- Intl USD Non-Repetitive	$ 20.00000	$ 20.00000	$ 20.00000	
DDA07823	Bank - Intl USD Repetitive	$ 20.00000	$ 20.00000	$ 20.00000	
DDA07801	Wire Transfer Special Handling	$ 10.00000	$ 10.00000	$ 10.00000	
DDA07804	Returned Incoming Wire	$ 10.00000	$ 10.00000	$ 10.00000	
DDA07805	Returned Outgoing Wire	$ 10.00000	$ 10.00000	$ 10.00000	
DDA07837	Batch Wires Intl FX	$ 20.00000	$ 20.00000	$ 20.00000	
DDA07911	Drawdown Request Inbound	$ 7.50000	$ 7.50000	$ 7.50000	
DDA07400	SP Fedwire Repetitive	$ 7.50000	$ 7.50000	$ 7.50000	
DDA07404	SP Intl FX Repetitive	$ 20.00000	$ 20.00000	$ 20.00000	
DDA07402	SP Intl USD Repetitive	$ 20.00000	$ 20.00000	$ 20.00000	
DDA07407	SP Drawdown	$ 7.50000	$ 7.50000	$ 7.50000	
DDA29514	SP Wire Beneficiary Email	$ 0.10000	$ 0.10000	$ 0.10000	
DDA07115	International FX OUR Region 5	N/A	N/A	Variable Rate - Pass Through	Mod. 5 - New Added Service *Variable Rate based on fees, commissions, or charges associated with exchange settlement of foreign wire transfers and is charged as a pass through.
	Controlled Disbursements				
DDA13630	Controlled Disb - Fixed	$ 75.00000	$ 75.00000	$ 75.00000	
DDA13631	Controlled Disb - per Item	$ 0.09000	$ 0.09000	$ 0.09000	
	Zero Balance Accounts				
DDA11658	ZBA Lead	$ 15.00000	$ 15.00000	$ 15.00000	
DDA11656	ZBA Subsidiary	$ 10.00000	$ 10.00000	$ 10.00000	
	Image Services				
DDA14043	SP Cks Pd per item Stored	$ 0.03500	$ 0.03500	$ 0.03500	
DDA14013	Image Archive Monthly Maint	$ 25.00000	$ 25.00000	$ 25.00000	
DDA14010	Image Archive per Check Image	$ 0.06000	$ 0.06000	$ 0.06000	
DDA14011	Image Archive - per CD-ROM	$ 5.00000	$ 5.00000	$ 5.00000	
DDA14038	Image Archive per Ck/Dep Image	$ 0.06000	$ 0.06000	$ 0.06000	
DDA14042	Image Access Imgs Retrieved	$ -	$ -	$ -	
DDA14045	SP Short Term Imgs Retrieved	$ 0.25000	$ 0.25000	$ 0.25000	
DDA14044	Dep Itms Img per Item Stored	$ 0.03500	$ 0.03500	$ 0.03500	
DDA14014	Duplicate CD-ROM	$ 5.00000	$ 5.00000	$ 5.00000	
DDA14027	Image Check Return-per Item	$ 0.25000	$ 0.25000	$ 0.25000	
DDA14047	SP Image File - Per Item	$ 0.03500	$ 0.03500	$ 0.03500	
DDA14051	SP Image File - Per Transmission	$ 5.00000	$ 5.00000	$ 5.00000	
	Lockbox Services				
DDA67701	WLBX Monthly Maint-Seattle	$ 95.00000	$ 95.00000	$ 95.00000	
DDA67717	WLBX Deposit-Seattle	$ 0.75000	$ 0.75000	$ 0.75000	
DDA67702	WLBX per Item-Seattle	$ 0.28000	$ 0.28000	$ 0.28000	
DDA67735	WLBX Corr-Only Item-Seattle	$ 0.25000	$ 0.25000	$ 0.25000	
DDA67725	WLBX Unproc/Reject Item-Seattl	$ 0.25000	$ 0.25000	$ 0.25000	
DDA67769	WLBX Data Keystroke-Seattle	$ 0.01000	$ 0.01000	$ 0.01000	
DDA67711	WLBX Image Check/Coupon-Seattl	$ 0.05000	$ 0.05000	$ 0.05000	
DDA67712	WLBX Image Document-Seattle	$ 0.15000	$ 0.15000	$ 0.15000	
DDA67766	WLBX MICR Capture-Seattle	$ 0.03000	$ 0.03000	$ 0.03000	
DDA67704	WLBX OCR Item-Seattle	$ 0.25000	$ 0.25000	$ 0.25000	
DDA67710	WLBX Split Dep per Acct-Seattl	$ 10.00000	$ 10.00000	$ 10.00000	
DDA67714	WLBX Split Deposit Itm-Seattle	$ 0.05000	$ 0.05000	$ 0.05000	
DDA67730	WLBX Sort-Seattle	$ 0.12000	$ 0.12000	$ 0.12000	
DDA67731	WLBX Batch-Seattle	$ 0.12000	$ 0.12000	$ 0.12000	
DDA67732	WLBX Photocopy-Seattle	$ 0.13000	$ 0.13000	$ 0.13000	
DDA67734	WLBX Stapling-Seattle	$ 0.10000	$ 0.10000	$ 0.10000	
DDA67738	WLBX Env Spec Hand-Seattle	$ 0.20000	$ 0.20000	$ 0.20000	
DDA67739	WLBX Env Return-Seattle	$ 0.10000	$ 0.10000	$ 0.10000	
DDA67720	WLBX Payees 0 to 10-Seattle	-	$ -	$ -	
DDA67721	WLBX Payees 11 to 20-Seattle	$ 25.00000	$ 0.08000	$ 0.08000	
DDA67722	WLBX Payees 21 to 30-Seattle	-	$ 0.12000	$ 0.12000	
DDA67723	WLBX Accept All Payees-Sea	$ 150.00000	$ 150.00000	$ 150.00000	
DDA67703	WLBX Cash Processing-Seatt	$ 9.00000	$ 9.00000	$ 9.00000	
DDA67705	WLBX Multi Payment-Seattle	$ 0.15000	$ 0.15000	$ 0.15000	
DDA67709	WLBX Foreign Check-Seattle	$ 7.50000	$ 7.50000	$ 7.50000	
DDA67752	WLBX Transmission-Seattle	$ 220.00000	$ 220.00000	$ 220.00000	
DDA67753	WLBX Image Report-Seattle	$ 105.00000	$ 105.00000	$ 105.00000	
DDA67711	WLBX Image Check/Coupon-Seattl	$ 0.05000	$ 0.05000	$ 0.05000	
DDA67775	WLBX Image Monthly-Seattle	$ 105.00000	$ 105.00000	$ 105.00000	
DDA67779	WLBX 7-10 Yr Arch Itm-Seattle	$ -	$ -	$ -	
DDA67751	WLBX Package Prep-Seattle	$ 25.00000	$ 25.00000	$ 25.00000	
DDA67794	WLBX Web Decisioning Maint-Sea	$ 75.00000	$ 75.00000	$ 75.00000	
DDA67795	WLBX Web Decisioning Item-Sea	$ 0.30000	$ 0.30000	$ 0.30000	
DDA67786	WLBX Rental Non-Standard	Variable Rate - Pass Through	Variable Rate - Pass Through	Variable Rate - Pass Through	*Variable Rate based on USPS commercial rate and charged as a pass through.

DDA Element ID	Service Description/Name	Rates - Base Period (First 2 Years 2021-2023)	Rates - Option 1 (3 Years 2023-2026)	Rates - Option 2 (5 Years 2026-2031)	
DDA67713	Wlbx Split Dep Maint - Seattle	$ 75.00000	$ 75.00000	$ 75.00000	
DDA67761	Wlbx Manual Mail - Seattle	$ 5.00000	$ 5.00000	$ 5.00000	
DDA01705	Lockbox Deposited Item	$ 0.05500	$ 0.05500	$ 0.05500	
DDA67779	WLBX 2 Yr Archive Itm-Seattle	$ 0.01000	$ 0.01000	$ 0.01000	
	ACH Services				
DDA22093	ACH Monthly Maintenance	$ 25.00000	$ 25.00000	$ 25.00000	
DDA22063	ACH Originated Addenda Item	$ 0.02000	$ 0.02000	$ 0.02000	
DDA22959	ACH Process Run	$ 5.00000	$ 5.00000	$ 5.00000	
DDA22075	ACH Orig Transit Item	$ 0.10000	$ 0.10000	$ 0.17000	Mod. 5 - Rate Revision for Opt. 2
DDA22961	ACH Originated On-US Item	$ 0.10000	$ 0.10000	$ 0.17000	Mod. 5 - Rate Revision for Opt. 2
DDA22987	INTL ACH	N/A	N/A	$ 3.75000	Mod. 5 - New Added Service
DDA22040	INTL ACH Item	N/A	N/A	$ 3.75000	Mod. 5 - New Added Service
DDA22041	INTL ACH Process Run	N/A	N/A	$ 5.50000	Mod. 5 - New Added Service
DDA22042	INTL ACH Return	N/A	N/A	$ 7.00000	Mod. 5 - New Added Service
DDA22423	ACH Received Item	$ 0.10000	$ 0.10000	$ 0.10000	
DDA22520	ACH Block Mthly Maint-per Acct	$ 8.00000	$ 8.00000	$ 8.00000	
DDA22070	ACH Return-per Item	$ 2.50000	$ 2.50000	$ 2.50000	
DDA22414	ACH Notification of Change	$ 2.50000	$ 2.50000	$ 2.50000	
DDA22071	ACH Item Adjustment Request	$ 10.00000	$ 10.00000	$ 10.00000	
DDA22072	ACH Letter of Indemnity	$ 35.00000	$ 35.00000	$ 35.00000	
DDA21184	ACH Remittance Monthly Maint	$ 35.00000	$ 35.00000	$ 35.00000	
DDA22632	ACH File Confirmation Email	$ 0.50000	$ 0.50000	$ 0.55000	Mod. 5 - Rate Revision for Opt. 2
DDA22422	Intl ACH Received Item	$ 0.50000	$ 0.50000	$ 0.50000	
DDA22000	Same Day ACH Orig Transit Item	$ 0.50000	$ 0.50000	$ 0.50000	
DDA22927	ACH Redeposited Item	$ 2.25000	$ 2.25000	$ 2.25000	
DDA22972	ACH Received Addenda Item	$ 0.02000	$ 0.02000	$ 0.02000	
DDA22415	ACH Outgoing Transmission	$ 5.00000	$ 5.00000	$ 5.00000	
DDA22991	ACH Filter Mthly Maint	$ 10.00000	$ 10.00000	$ 10.00000	
DDA22522	ACH Filter Change	$ 5.00000	$ 5.00000	$ 5.00000	
DDA22060	Unauth ACH Return - per Item	$ 7.00000	$ 7.00000	$ 7.00000	
DDA22530	Business ECheck Block Item	$ -	$ -	$ -	
DDA22532	Business ECheck Block Mo Maint	$ 6.00000	$ 6.00000	$ -	
DDA22064	ACH Batch Adjustment Request	$ 10.00000	$ 10.00000	$ 10.00000	
DDA22067	ACH File Adjustment Request	$ 10.00000	$ 10.00000	$ 10.00000	
DDA22029	SDA Special Processing	$ 150.00000	$ 150.00000	$ 150.00000	
DDA22030	SDA Status Report	$ -	$ -	$ -	
DDA22203	SP ACH On-US Item	$ 0.10000	$ 0.10000	$ 0.10000	
DDA22204	SP ACH Transit Item	$ 0.10000	$ 0.10000	$ 0.10000	
DDA22001	SinglePoint SDA Transit Item	$ 0.50000	$ 0.50000	$ 0.50000	
DDA22206	SP ACH Process Run	$ 5.00000	$ 5.00000	$ 5.00000	
DDA22514	ACH Return/NOC Faxed	$ 8.00000	$ 8.00000	$ 8.00000	
DDA22350	UPIC Monthly Maintenance	$ 10.00000	$ 10.00000	$ 10.00000	
DDA22207	SP ACH Rtn Item	$ 2.50000	$ 2.50000	$ 2.50000	
DDA22209	SP Unauth ACH Ret - per Item	$ 7.00000	$ 7.00000	$ 7.00000	
DDA22208	SP ACH NOC Item	$ 2.50000	$ 2.50000	$ 2.50000	
DDA21037	ACH Originated-per Addenda	$ 0.02000	$ 0.02000	$ 0.02000	
DDA22516	ACH Return/NOC Transmit Items	$ 1.00000	$ 1.00000	$ 1.00000	
	Branch Coin/Currency Services				
DDA23603	Cash Deposited-per $100	$ 0.08000	$ 0.08000	$ 0.08000	
DDA23428	Branch Deposit Processing Fee	$ 1.25000	$ 1.25000	$ 1.25000	
DDA23422	Night Dep Processing-per Dep	$ 1.25000	$ 1.25000	$ 1.25000	
DDA23533	Coin Deposited-per Roll	$ 0.15000	$ 0.15000	$ 0.15000	
DDA23632	Loose Mixed Coin Dep-per Bag	$ 5.00000	$ 5.00000	$ 5.00000	
DDA23427	Cash Deposit Adjustment Fee	$ 5.00000	$ 5.00000	$ 5.00000	
DDA23519	Currency Ordered-per Strap	$ 0.50000	$ 0.50000	$ 0.50000	
DDA23532	Coin Rolls Ordered-per Roll	$ 0.10000	$ 0.10000	$ 0.10000	
DDA23522	Coin Rolls Ordered-per Box	$ 5.00000	$ 5.00000	$ 5.00000	
DDA23602	Standard Chng Order-per Order	$ 5.00000	$ 5.00000	$ 5.00000	
DDA32014	Non Customer On US Ck Cashing	$ 5.00000	$ 5.00000	$ 5.00000	
DDA23500	Loose Currency Ordered/$100	$ 0.15000	$ 0.15000	$ 0.15000	
DDA28189	Armored Car Service	Variable Rate - Pass Through	Variable Rate - Pass Through	Variable Rate - Pass Through	*Variable Rate for Armored Car Services and is charged as a pass through.
	CVS Coin/Currency Services				
DDA62000	DTS Maintenance - Deposit	$ 13.00000	$ 13.00000	$ 13.00000	
DDA62003	DTS Maintenance - Change Order	$ 5.00000	$ 5.00000	$ 5.00000	
DDA65001	Cash Dep-per $100	$ 0.07000	$ 0.07000	$ 0.07000	
DDA65006	Cash Vault Deposit	$ 1.00000	$ 1.00000	$ 1.00000	
DDA65012	Loose Coin Deposit	$ 5.00000	$ 5.00000	$ 5.00000	
DDA65018	Cash Dep Adjustment	$ 5.00000	$ 5.00000	$ 5.00000	
DDA65029	Individual Coin Roll	$ 0.10000	$ 0.10000	$ 0.10000	
DDA65030	Box Coin Ordered	$ 5.00000	$ 5.00000	$ 5.00000	
DDA65031	Curr Order per Strap	$ 0.50000	$ 0.50000	$ 0.50000	
DDA65032	Std Cash Orders	$ 5.00000	$ 5.00000	$ 5.00000	
DDA65033	Non Std Cash Orders	$ 6.00000	$ 6.00000	$ 6.00000	
DDA65034	Late Cash Order	$ 20.00000	$ 20.00000	$ 20.00000	
DDA23426	Small Dep Bags/Box	$ 5.00000	$ 5.00000	$ 5.00000	
DDA65060	Mailed Receipts	$ 2.00000	$ 2.00000	$ 2.00000	
	Electronic Deposit Services				
DDA04100	EDM Monthly Maint - per Acct First	$ 50.00000	$ 50.00000	$ 50.00000	
DDA04100	EDM Monthly Maint - per Acct Next	$ 15.00000	$ 15.00000	$ 15.00000	
DDA04113	Web Monthly Maint - per Wrkstn	$ 20.00000	$ 20.00000	$ 20.00000	
DDA04119	Image CD - per CD	$ 35.00000	$ 35.00000	$ 35.00000	
DDA04121	Virtual CD FTP Transmission	$ 25.00000	$ 25.00000	$ 25.00000	
DDA04227	Deposit Credit	$ 1.25000	$ 1.25000	$ 1.25000	
DDA04247	Image Check Item - On-Us	$ 0.07000	$ 0.07000	$ 0.07000	
DDA04248	Image Check Item - Transit	$ 0.07000	$ 0.07000	$ 0.07000	

DDA Element ID	Service Description/Name	Rates - Base Period (First 2 Years 2021-2023)	Rates - Option 1 (3 Years 2023-2026)	Rates - Option 2 (5 Years 2026-2031)	
DDA04143	Remittance Item	$ 0.07000	$ 0.07000	$ 0.07000	
DDA04271	Image Document - per Item	$ 0.07000	$ 0.07000	$ 0.07000	
DDA04118	Image Retrieval - per Item	$ 0.25000	$ 0.25000	$ 0.25000	
DDA04237	Image Quality Car/Lar & OCR	$ -	$ -	$ -	
DDA04250	Epson CaptureOne x30 Scanner	$ 650.00000	$ 650.00000	$ 650.00000	
DDA04130	Mobile Monthly Maint - per Device	N/A	N/A	$ 10.00000	Mod. 5 - New Added Service
DDA04131	Mobile Image Check - per Item	N/A	N/A	$ 0.50000	Mod. 5 - New Added Service
DDA04133	Mobile Remittance - per Item	N/A	N/A	$ 0.15000	Mod. 5 - New Added Service
	International Banking				
DDA34120	Foreign Check Deposited to FCA	$ 4.00000	$ 4.00000	$ 4.00000	
DDA34515	Un-Encode CAD/USD Item	$ 4.00000	$ 4.00000	$ 4.00000	
DDA15871 Various - Currency	Foreign Exchange Settlement - ACH Foreign Exchange Intl Wire Settlement Non USD	Variable Rate - Pass Through	Variable Rate - Pass Through	Variable Rate - Pass Through	*Variable Rate based on fees, commissions, or charges associated with exchange settlement of foreign wire transfers and is charged as a pass through.
	Check Payables				
DDA21063	Spt Check Payables Monthly Maint	$ 35.00000	$ 35.00000	$ 35.00000	
DDA21064	Spt Check Payables - Per Check	$ 0.55000	$ 0.55000	$ 0.55000	
DDA21508	Check Payables Envelopes	$ 0.02500	$ 0.02500	$ 0.02500	
DDA21077	Check Payables Postage	Variable Rate - Pass Through	Variable Rate - Pass Through	Variable Rate - Pass Through	*Variable Rate based on USPS commercial postage rates and dependent on output requirements and is charged as a pass through.
DDA21076	Check Payables - Check Add'l Page	$ 0.20000	$ 0.20000	$ 0.20000	
DDA21503	Check Payables - Additional Postage	Variable Rate - Pass Through	Variable Rate - Pass Through	Variable Rate - Pass Through	*Variable Rate based on USPS commercial postage rates for oversized envelopes and dependent on output requirements and is charged as a pass through.
DDA21060	My Easy View Monthly Maintenance	$ 20.00000	$ 20.00000	$ 20.00000	
DDA21061	My Easy View - per Item	$ 0.03000	$ 0.03000	$ 0.03000	
DDA21078	Check Payables Exp Mail	$ 4.50000	$ 4.50000	$ 4.50000	
DDA21065	Spt Check Payables Setup Fee	$ 500.00000	$ 500.00000	$ 500.00000	
	Account Validation				
DDA37000	AVS Status per Item	$ -	$ -	$ -	
DDA37001	AVS Ownership per Item	$ -	$ -	$ -	
DDA37008	AVS Basic per Item	$ 0.25000	$ 0.25000	$ 0.25000	
DDA37006	AVS Translated Tot Mo per Item	$ 0.25000	$ 0.25000	$ 0.25000	
DDA37004	AVS Detail Total Mo per Item	$ 0.25000	$ 0.25000	$ 0.25000	
	Faster Payments Services				
DDA36002	Disb via Zelle Standard Payment	$ 0.50000	$ 0.50000	$ 0.50000	
DDA36003	Disb via Zelle Instant Paymt	$ 1.00000	$ 1.00000	$ 1.00000	
DDA36005	Disb via Zelle - per Xmit	$ 5.00000	$ 5.00000	$ 5.00000	
DDA36050	RTP Origination	$ 0.50000	$ 0.50000	$ 0.50000	
DDA36051	RTP Remittance Advice	$ 0.35000	$ 0.35000	$ 0.35000	
DDA36052	RTP Request for Payment	$ 0.50000	$ 0.50000	$ 0.50000	
DDA36054	RTP Receipt	$ 0.70000	$ 0.70000	$ 0.70000	
DDA36056	RTP Monthly Maintenance	$ 25.00000	$ 25.00000	$ 25.00000	
	VantagePoint				
DDA31100	VP Monthly Maint - per Acct	$ 150.00000	$ 150.00000	$ 150.00000	
DDA31101	Data Normalization - per Item	$ 0.01000	$ 0.01000	$ 0.01000	
DDA31110	VP Data Trans - per Trans	$ 5.00000	$ 5.00000	$ 5.00000	
	Miscellaneous Charges				
DDA35702	Merchant Discount	Variable Rate - Pass Through	Variable Rate - Pass Through	Variable Rate - Pass Through	*Variable Rate for merchant fees/activities and is charged as a pass through.
DDA35706	Invoice Fee	$ -	$ -	$ -	
DDA35774	Audit Confirms	$ -	$ -	$ -	

Note 1: The Deposit Coverage Rate is a variable rate. The Deposit Coverage (aka, FDIC premium) rate is a variable rate pass through expense subject to change at any time throughout the duration of the agreement. The rate is based on coverage ratios, bank risk based factors, and market conditions, as such, rates vary based on FDIC's coverage ratios. The variable deposit coverage rate is charged per $1,000 of ledger balances.

Note 2: The Negative Collected Rate is a variable rate and cannot be fixed. The Negative Collected Rate is based on Prime+4% assessed on a daily basis using the actual number of days in the month and a 360-day year.

Note 3: Earnings Credit may be applied to monthly invoices/analysis statements and is a Bank managed variable rate that is subject to change at any time throughout the duration of the agreement and at the Bank's discretion.

Note 4: This rate schedule may be subject to mutual renegotiation (for impacted items) should total annualized volumes, type or quality of work, or regulatory requirements significantly change. Significant changes to service needs/volumes may be considered a change and the associated SOW may need to be revised accordingly. As such, impacted items/services may be subject to renegotiation and change via a formal modification.

Note 5: Rates identified in this schedule will remain constant and fixed for the Base Period and Option 1 (if exercised) of this agreement.

Note 6: Rates identified in this schedule for Option 2 (the final five-year term) are subject to review and negotiation. Prior to exercising Option 2 for the final five-year term, the parties will review and mutually agree upon final pricing. Should Option 2 be exercised via formal modification, per-item costs agreed upon as a result of such modification will be held fixed for the final five-year term.

Note 7: Any services that are required but are not specifically identified/included in this schedule shall be proposed by the Financial Institution and approved by both the Contractor and DOE's Contracting Officer and incorporated into the Agreement prior to services being charged or collected.

Note 8: Service Description/Names in the monthly account analysis statement may differ some from the name specified in this schedule; however, despite variations in service description/names the DDA Element ID is constant and specific to the service and will be used to validate services and charges on the monthly analysis statement rather than service description/name.

Master Services Agreement
(Governmental Entities)

Customer Tax Identification Number: 31-4379427

I, Brian R. Smith, HEREBY CERTIFY that I am Certifying Officer / Treasurer of Battelle Memorial Institute ("Customer"). I further certify that I have full power and lawful authority to execute this Master Services Agreement ("MSA") on behalf of Customer. I further certify that Customer has taken all action required by its resolutions and other organizational documents, records or agreements to authorize the individuals listed below to act on behalf of Customer in all transactions contemplated under this MSA. Customer shall not be bound by the terms and conditions for those specific services described, to the extent Customer elects not to use such service(s). Customer hereby agrees as follows:

DEPOSIT ACCOUNTS:

1. U.S. Bank National Association ("Bank") is hereby designated as Customer's banking depository. Customer has received a copy of the deposit account terms and conditions and agrees that such terms shall govern the deposit account services provided by Bank. All transactions between Customer and Bank involving any of Customer's accounts at Bank will be governed by the deposit account terms and conditions, this MSA and other disclosures provided to Customer. Customer agrees to provide Bank with a copy of documents requested by Bank.

2. Any one (1) of the persons whose names and signatures appear in Appendix A (individually, an "Account Signer") are hereby authorized to open, add, modify, or close accounts in the name of Customer or its subsidiaries or affiliates, or if applicable, as an agent for another entity, and to sign, on behalf of Customer, its subsidiaries or affiliates or as an agent for another entity, checks, drafts or other orders for the payment, transfer or withdrawal of any of the funds or other property of Customer, whether signed, manually or by use of a facsimile or mechanical signature or otherwise authorized, including those payable to the individual order of the person or persons signing or otherwise authorizing the same and including also those payable to the Bank or to any other person for application, or which are actually applied to the payment of any indebtedness owing to the Bank from the person or persons who signed such checks, drafts or other withdrawal orders or otherwise authorized such withdrawals; and are also authorized to endorse for deposit, payment or collection any check, bill, draft or other instrument made, drawn or endorsed to the accounts governed by this MSA for deposit into these accounts. The authorization contained in the preceding sentence includes transfers of funds or other property of Customer to accounts outside of those accounts Customer maintains at Bank. Any one of the Contract Signers (as defined below) is also authorized to execute any documentation that Bank may require to add or delete Account Signers.

3. Unless Customer otherwise advises Bank in writing and Bank has a reasonable opportunity to act on such writing, the Account Signers listed in Appendix A will be Account Signers on any future deposit accounts that Customer maintains with Bank.

4. Customer acknowledges and agrees that Bank is not required to obtain the consent of or otherwise contact an Account Signer for transactions other than those listed in paragraph 2 above, including, but not limited to, transfers between accounts Customer maintains at Bank, advances on loans Customer has with Bank and transfers to pay down loans Customer has with Bank.

TREASURY MANAGEMENT SERVICES:

5. Bank's treasury management services ("Treasury Management Service(s)") are described in the U.S. Bank Services Terms and Conditions, any supplements thereto, any implementation documents, user manuals, operating guides and other related documentation and disclosures provided by Bank, and any addendum to any of the foregoing (collectively the "Services Agreement"). Customer has received and reviewed the Services Agreement and desires to use one or more of the Treasury Management Services.

6. Any one (1) of the persons whose names and signatures appear in Appendix B (individually, a "Treasury Management Signer") are empowered in the name of and on behalf of the Customer to enter into all transactions contemplated in the Services Agreement including, but not limited to, selecting Treasury Management Services, appointing agents to act on behalf of Customer in the delivery of Treasury Management Services, signing additional documentation necessary to implement the Treasury Management Services and giving Bank instructions with regard to any Treasury Management Service, including without limitation, wire transfers, ACH transfers, and any other electronic or paper transfers from or to any account Customer may maintain with Bank. Bank may, at its discretion, require Customer to execute additional documentation to implement or amend certain Treasury Management Services. In such cases, documentation necessary to implement or amend such Services shall be signed by a Treasury Management Signer. Customer further acknowledges and agrees that Bank may implement or amend Services based on the verbal, written, facsimile, voice mail, email or other electronically communicated instructions that it believes in good faith to have been received from a Treasury Management Signer. Any one of the Contract Signers (as defined below) is also authorized to execute any documentation that Bank may require to add or delete Treasury Management Signers.

MONEY CENTER AND SAFEKEEPING SERVICES:

7. Any one (1) of the persons referenced in Appendix M (individually, a "Money Center Signer") are each authorized and empowered in the name of and on behalf of the Customer to transact any and all depository and investment business through the Bank's Money Center division (the "Money Center") and any securities custodial business through the Bank's Safekeeping Department (the "Safekeeping Department), which such person may at any time deem to be advisable, including, without limiting the generality of the foregoing, selecting any services that may from time to time be offered by the Money Center or the Safekeeping Department (collectively referred to herein as "Money Center Services" and "Safekeeping Services", respectively), appointing additional Money Center Signers or agents to act on behalf of Customer with respect to Money Center Services and Safekeeping Services, signing additional documentation necessary to implement the Money Center Services and Safekeeping Services and giving Bank instructions with regard to any Money Center Service and Safekeeping Service. Customer has received and reviewed the Services Agreement and may use one or more of the Money Center Services or Safekeeping Services from time to time. Bank may, at its discretion, require Customer to execute additional documentation to implement or amend certain Money Center Services or Safekeeping Services. In those cases, the required documentation shall be signed by a Money Center Signer. Customer further acknowledges and agrees that Bank may take any action with respect to any Money Center Services or Safekeeping Services requested by a Money Center Signer based on the verbal, written, facsimile, voice mail, email or other electronically communicated instructions that Bank believes in good faith to have been received from a Money Center Signer. Any one of the Money Center Signers is also authorized to execute any documentation that Bank may require to add or delete Money Center Signers.

FOREIGN EXCHANGE:

8. Bank is authorized by Customer to enter into foreign exchange transactions. Customer has received a copy of the Services Agreement and agrees that the terms contained in the Services Agreement, this MSA and other disclosures provided to Customer shall govern the foreign exchange services provided by Bank. Customer agrees to provide Bank with a copy of documents requested by Bank.

FOREIGN CURRENCY ACCOUNTS:

9. Bank is hereby designated as Customer's banking depository for one or more Foreign Currency Account(s) (the "Foreign Account(s)"). Any one (1) of the persons whose names and signatures appear in Appendix C (individually, a "Foreign Currency Account Signer") are hereby authorized to open, add, modify, or close any Foreign Account(s) in the name of Customer or its subsidiaries or affiliates and to make, on behalf of Customer, orders for payment or transfer of any of the funds or other property of Customer, whether signed, manually or by use of a facsimile or mechanical signature or otherwise authorized, including those payable to the individual order of the person or persons signing or otherwise authorizing the same. Customer hereby expressly authorizes and directs Bank to accept written and oral instructions any payment orders, by telephone or otherwise, consistent with the Services Agreement. Customer has received a copy of the Services Agreement and agrees that the terms contained in the Services Agreement, this MSA and other disclosures provided to Customer shall govern the Foreign Accounts. Any one of the Contract Signers (as defined below) is also authorized to execute any documentation that Bank may require to add or delete Foreign Currency Account Signers.

OTHER SERVICES:

10. A Contract Signer is authorized and empowered on behalf of Customer to transact any and all other depository and investment business with and through Bank, and, in reference to any such business, to make any and all agreements and to execute and deliver to Bank any and all contracts and other writings which such person may deem to be necessary or desirable.

GENERAL:

11. All Account Signers, Treasury Management Signers, Foreign Currency Account Signers and/or Money Center Signers (whether designated in this MSA or in a prior document [for example, a Certificate of Authority or a Treasury Management Services Agreement] executed by Customer) will remain in place until Bank receives written notice of any change and has a reasonable time to act upon Customer's written notice.

12. Any and all transactions by or in behalf of Customer with the Bank prior to the adoption of this MSA (whether involving deposits, withdrawals, Treasury Management Services, or otherwise) are in all respects ratified, approved and confirmed.

13. Customer agrees to furnish Bank with the names and signatures (either actual or any form or forms of facsimile or mechanical signatures adopted by the person authorized to sign) of the persons who presently are Account Signers, Treasury Management Signers, Foreign Currency Account Signers and/or Money Center Signers. Customer agrees that, except for Bank's gross negligence or willful misconduct, Bank shall have no liability to Customer which results from or grows out of honoring or relying on the signature or other authority (whether or not properly used and, in the case of any facsimile signature, regardless of when or by whom or by what means such signature may have been made or affixed) of any officer or person whose name and signature was so certified, or refusing to honor any signature or authority not so certified.

Each of the undersigned (individually and collectively, the "Contract Signers") certifies that, based on his or her review of Customer's books and records, Customer has, and at the time of adoption of this MSA had, full power and lawful authority to adopt the MSA and to confer the powers herein granted to the persons named, and that such persons have full power and authority to exercise the same.

Each of the Contract Signers further certifies that he or she has the full power and lawful authority to execute this MSA on behalf of Customer, its subsidiaries and affiliates, or if applicable, as an agent for another entity who has entered into an agreement with Customer authorizing Customer to act on such entity's behalf.

Each of the Contract Signers further certifies that the Account Signers, Treasury Management Signers, Foreign Currency Account Signers and/or Money Center Signers have been duly elected to and now hold the offices of Customer set opposite their respective names, and the signatures appearing opposite their names are the authentic, official signatures of the said signer.

The undersigned Contract Signers have executed this MSA as of the _____ day of _____, 20 _____.

Contract Signer Signature:		Contract Signer Signature:	
Print Name:	Brian R. Smith	Print Name:	
Print Title:	VP Finance and Corporate Treasurer	Print Title:	
Contract Signer Signature:		Contract Signer Signature:	
Print Name:		Print Name:	
Print Title:		Print Title:	
Contract Signer Signature:		Contract Signer Signature:	
Print Name:		Print Name:	
Print Title:		Print Title:	
Contract Signer Signature:		Contract Signer Signature:	
Print Name:		Print Name:	
Print Title:		Print Title:	

For Internal Use Only:

Review_____ Validation Method _____ TL Review_____ Imaged_____

Appendix A

Account Signers

Customer Information

Customer Name: Battelle Memorial Institute

Tax Identification Number: 31-4379427

Account Information

Account Name	Account Number	Tax Identification Number
Battelle Memorial Institute		31-4379427

Authorized Account Signers

Name	Title	Specimen Signature

The Contract Signer listed below represents and warrants to the Bank that: (i) the signatures listed above are the true and authentic signatures of the Authorized Account Signer(s); (ii) that each Customer listed above has taken all action required by its respective organizational documents to appoint the Authorized Account Signer(s); and (iii) he/she is authorized to complete this Appendix A for each Customer listed above.

Contract Signer Signature: _____ Print Title: VP Finance and Corporate Treasurer

Print Name: Brian R. Smith Date: _____

For Internal Use Only:

Authorized Signers are related to the Master Services Agreement dated: _____

Review_____ Validation Method_____ TL Review_____ Imaged_____

U.S. Bank Services

Terms and Conditions

Thank you for choosing U.S. Bank Services. This document provides product information, disclosures and descriptions of the Global Treasury Management, Foreign Exchange, Money Center and Safekeeping Services ("Services") available at U.S. Bank. Other documents may become part of our Agreement depending on the Services selected. Please read all documents carefully; they will govern the Services provided to you, the Customer upon mutual and bilateral agreement of the parties. Other documents may become part of our Agreement depending upon the Services selected upon mutual and bilateral agreement of the parties or when executed by Customer.

Customer shall not be bound by the terms and conditions for specific Services to the extent Customer is not using such Service(s).

U.S. Bank National Association

Member FDIC

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I. INTRODUCTION

1. Definitions.

a. "Agent" means any director, officer, employee, representative, affiliate, third-party vendor or any other person or automation acting on behalf of the Customer with the actual, implied or apparent authority of Customer. Bank may rely on any grant of authority until it receives written notice of its revocation and is given a reasonable amount of time to act upon such notice.

b. "Bank" means U.S. Bank National Association and each subsidiary or affiliate of U.S. Bank that provides Services to Customer.

c. "Business Day" means any day on which a majority of Bank's offices are open to the public for substantially all banking functions. Saturdays, Sundays, federal or state holidays or any day recognized by a Federal Reserve Bank as a holiday shall not be considered a Business Day, even if Bank's offices are open.

d. "Customer" means the business entity, and any parent company, subsidiary or affiliate, for whom Bank provides a Service.

e. "Service" or "Services" means one or more global treasury management, foreign exchange, or money center and safekeeping services offered by Bank.

2. Other Agreements, Laws and Regulations. These terms and conditions and the Master Services Agreement (or existing Treasury Management Service Agreement or equivalent document executed by Customer) are collectively referred to herein as the "Agreement". The Services are provided to Customer subject to the following other documents, laws and regulations, which are hereby incorporated into and made part of this Agreement:

a. the setup materials, user guides, and any supplement thereto required by Bank to implement a specific Service (referred to in the Agreement as the "Implementation Documents");

b. the most current fee and availability schedule and other fee disclosures provided to Customer, including account statements;

c. the provisions of the then-current deposit account agreement and accompanying disclosures, which govern deposit accounts and other depository services;

d. the Uniform Commercial Code, as enacted in the State of Minnesota;

e. any applicable automated clearinghouse operating rules, including, without limitation, the National Automated Clearing House Association Operating Rules and Guidelines (the "NACHA Rules"), the Real-Time Payments Operating Rules, and the rules promulgated by the Electronic Check Clearing House Organization (the "ECCHO Rules") and The Clearing House; and

f. federal, state and local laws and regulations applicable to Bank or Customer, including, without limitation, Regulation CC promulgated by the Board of Governors of the Federal Reserve System, 12 CFR Section 229.1, et seq. ("Regulation CC"), all Operating Circulars promulgated by the Board of Governors of the Federal Reserve System, and the regulations overseen by the Office of Foreign Assets Control ("OFAC").

3. Change of Terms. Bank may change the terms of this Agreement by mutual written agreement of the parties, such agreement to be incorporated into the SFIAA banking agreement between the parties. Any other variations to this Agreement must be in writing and executed by Bank. In the event performance of the Services in accordance with the terms of this Agreement would result in violation of any present or future statute, regulation, government policy, or relevant clearing or central bank agreements or settlement systems to which Bank is subject, and which governs or affects the transactions contemplated by this Agreement, then this Agreement shall be deemed amended to the extent necessary to comply with such statute, regulation, policy, agreement or systems, and Bank shall incur no liability to Customer as a result of such violation or amendment. No course of dealing between Bank and Customer will constitute a modification of this Agreement or constitute an agreement between the Bank and Customer regardless of whatever practices and procedures Bank and Customer may use.

4. No Third-Party Beneficiaries/Third-Party Claims. Services provided by Bank are for the sole and exclusive benefit of Customer, and no other persons or organizations shall have any of the rights and remedies arising under this Agreement.

5. Images. Bank may create a microfilm, optical disk, or other electronic image of the Agreement or Implementation Document. Bank may store the electronic image of such Agreement and/or Implementation Document in its electronic form and then destroy the paper original as part of Bank's normal business practices, with the electronic image deemed to be an original.

6. Foreign Account Tax Compliance Act. If a payment made by either party under this Agreement is or could become subject to the U.S. Federal withholding tax imposed by Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended ("FATCA"), then (i) each party shall provide to the other party such information, and shall disclose to the applicable governmental authorities such information, as may be required in order for such party to comply with all applicable requirements of FATCA and to determine that the other party has complied with FATCA, and (ii) each party warrants to the other that it will comply with FATCA. Customer is responsible for providing Bank with all necessary documentation to establish that payments to Customer are exempt from FATCA withholding.

7. Disclaimer of Warranties. BANK MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND OF MERCHANTABILITY, EITHER TO CUSTOMER OR TO ANY OTHER PARTY, WITH RESPECT TO THE SERVICES PROVIDED BY BANK OR ITS AGENTS OR WITH RESPECT TO SOFTWARE PRODUCTS PROVIDED OR MADE AVAILABLE TO THE CUSTOMER FOR ITS USE BY BANK IN CONNECTION WITH THIS AGREEMENT AND ANY SERVICE.

II. TERMS APPLICABLE TO ALL GLOBAL TREASURY MANAGEMENT, FOREIGN EXCHANGE AND MONEY CENTER AND SAFEKEEPING SERVICES

1. Services. Bank may provide Services that are not specifically included in the Services section of this Agreement. By accepting and using any Service, Customer agrees that the Service will be governed by this Agreement. Certain Services included in this Agreement may not be available or may not be provided in certain market areas.

2. Proprietary Information. Customer acknowledges that this Agreement, all related documentation and computer programs and systems used in providing Services, and all information related thereto constitute proprietary property of Bank that is of great commercial value. Customer agrees that it shall not acquire any proprietary interest or rights therein as a result of its use of the Services and shall keep all such proprietary information strictly confidential.

3. Representations and Warranties. Customer and Bank each represent and warrant to the other, as of the date this Agreement is entered into and at the time any Service is used or performed, that: (a) it is validly existing and in good standing under the laws of the jurisdiction of its organization; (b) it has all requisite power and authority to execute and deliver, and to perform its obligations under, this Agreement and each Service used or performed by it; (c) this Agreement has been duly authorized and executed by it and constitutes its legal, valid and binding obligation; (d) any consent or authorization of any governmental authority or third party required to be obtained by it in connection with this Agreement or any Service used or performed by it has been obtained; and (e) the Services received are for business use only and are not primarily for personal, family or household use. In addition, Customer represents and warrants to Bank that this Agreement will not violate: (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on Customer; or (ii) the provisions of any agreement to which Customer is a party or is subject, or by which it, or its assets, is bound, or conflict with or constitute a default thereunder.

4. Financial Review. Bank's willingness to provide Services to Customer is dependent on the Customer's financial condition. Customer's financial condition is subject to review by Bank from time to time, and such reviews must be satisfactory to Bank in its sole discretion and opinion. Customer shall, upon request, provide to Bank any such information as Bank may require to perform any such review. Customer's failure to meet such standards or provide such information or assistance when requested shall constitute a breach of this Agreement and shall permit Bank to cease providing Services upon written notice to Customer.

5. Fees. Unless otherwise agreed to by Bank in writing, Customer shall pay Bank the fees, charges and assessments set forth for the Services provided in the most current fee schedules. The price schedule for each Service shall be deemed accepted by Customer upon provision of the Service to Customer. In addition, Customer shall pay Bank the amount of any taxes levied or leased on fees charged pursuant to this Agreement, including, without limitation, federal, state, or local privilege excise or sales taxes based on gross revenue, any taxes or amount in lieu thereof paid or payable by Bank, excluding Bank's income taxes and any assessments charged to Bank directly as a result of providing the Services. Fees for Services used by Customer may be invoiced in full to Customer or may be offset through account analysis by applying earnings credit to Customer's service charges to determine a single monthly net service charge. The applicable earnings credit rate is established by the Bank and will change from time to time without upon demand advance notice to Customer. Customer's net service charge could be zero if such earnings credit exceeds total charges in a given month. If Customer's earnings credit is insufficient to offset the amount due hereunder, Customer agrees to pay such amount to Bank within agreed upon terms (net 30).

6. Deposit Accounts. Most Services require that Customer maintain one or more deposit accounts with Bank. All checks, wire transfers, ACH payments and other items deposited into such accounts are provisionally credited and taken subject to later verification by Bank and Bank's receipt of final settlement. Deposited items that are deposited and later returned unpaid will be charged against the account without prior notice. Customer agrees to pay Bank for any overdraft or overpayment in any of Customer's accounts. Customer authorizes Bank to charge any account Customer maintains with Bank for any amount remaining due under this Section.

7. Security Interest. Customer grants to Bank a consensual possessory security interest in Customer's deposit accounts maintained with Bank and the funds held therein to secure payment of all of Customer's obligations under this Agreement.

8. Accuracy and Timeliness of Information. Bank will use reasonable efforts to provide the information requested through the Services in a prompt fashion but shall not be liable for temporary failure to provide timely information. In such event, Customer shall be responsible for carrying out banking business through alternative delivery channels. Bank shall not be liable for any inaccurate or incomplete information with respect to transactions which have not been completely processed or posted to Bank's systems prior to being made available pursuant to the Services.

9. Authorized Signers and Users. Customer shall appoint certain Authorized Signer(s) in the Master Services Agreement or in such other format or document as may be agreed by Bank. Customer agrees that Authorized Signers shall be authorized to act on behalf of Customer in all actions taken under this Agreement and may enter into all transactions contemplated in this Agreement, including, without limitation, selecting Services for the benefit of Customer, appointing initial system administrator(s), and signing additional documentation that may be necessary to implement Services and giving instructions with regard to any Service, including, without limitation, wire transfers, ACH transfers and other electronic or paper transfers from or to any account Customer maintains with Bank. The Authorized Signer(s) or Customer's designated system administrator(s) shall appoint Agents to access or use the Services provided for the benefit of Customer ("Authorized Users"). Authorized Users may act on behalf of Customer for a particular Service in accordance with the relevant Implementation Documents or other document(s) establishing the Authorized Users' responsibilities or in accordance with the authority granted by Customer. Customer may revoke the authority of or change the Authorized Signers at any time upon prior written notice and execution of additional documentation required by Bank. Such change or revocation shall not be binding upon Bank until it has received the required written notice and has had a reasonable opportunity to act thereon. In any event, Bank may act on instructions that it believes in good faith were provided by an Authorized Signer or Authorized User, or anyone purporting to be an Authorized Signer or Authorized User.

10. Forms Approval and Service Implementation. Bank reserves the right to approve the form of Customer's checks, drafts, deposit slips and similar documentation. Prior to initiating a new account or Service, or at any other necessary time, Customer agrees to provide all information and conduct any test that Bank may reasonably request, including, without limitation, completing Implementation Documents and signature cards, providing corporate resolutions and other documents, and assessing test tapes and transmissions. Customer acknowledges that Services will not commence or continue until such time as an approved item or test is provided to Bank and determined by Bank to be satisfactory. Customer shall be responsible for initial product installation, whether or not Bank provides telephone or on-site installation support.

11. Security Procedures.

a. Introduction. Bank and Customer shall agree to one or more security procedures that must be used in connection with certain Service(s). Customer acknowledges and agrees that it has been informed of and understands Bank's security procedures, and that such security procedures are commercially reasonable. Customer agrees to be bound by any payment order, transaction or service change order that is acted upon by Bank in accordance with such security procedure and via a payment channel used by Customer under its agreements with Bank. Customer understands that the security procedures are not intended for the purpose of detecting errors in the transmission or content of information controlled by Customer. If Customer selects certain security procedures to use in connection with a Service and those security procedures provide less protection against unauthorized transactions or activity than other security procedures offered by Bank in connection with such Service, the security procedures selected by Customer shall be deemed commercially reasonable to the same extent as the security procedures offered by Bank that provide greater protection. Bank reserves the right to issue new security

procedures and/or to cancel or change any security procedures by giving verbal or written notice to Customer. Bank also reserves the right to periodically audit Customer's security procedures and information technology processes, and to mandate controls or suspend Services until Customer complies with such security procedures.

b. Access. Customer shall be solely responsible for designating authorized access to Services. Access to Services may be controlled through the use of user IDs, personal identification numbers, passwords, digital certificates/signatures, biometric authentication, private keys or other security devices ("Codes"). Customer is solely responsible for maintaining its own internal security and agrees to use the utmost care in selecting any company, individual or automation given access to one or more of the Services. Codes that are assigned to individual Authorized Users shall not be shared with any other person, including other Authorized Users and Customer shall not disclose any information regarding the Services that an unauthorized user would find helpful to obtain access to all or part of any Service. Customer assumes all risk of accidental disclosure or inadvertent use of any Codes, whether such dis closure or use arises out of Customer's negligent or deliberate acts or otherwise. If Customer or its Agents has reason to believe that any security procedures or Codes have or may become known by unauthorized persons (whether or not employed by Customer) or if Customer believes its network or computer systems have been compromised or its computers infected, Customer shall immediately notify Bank by telephone and confirm such verbal notification in writing to Bank within 24 hours. Bank will replace the security procedures and/or Codes in accordance with Bank's procedures. Customer shall be solely responsible for funds transfer instructions and other communications or transactions initiated before Bank received Customer's notice and had a reasonable time to act on such notice. Customer agrees Bank shall not be liable for any claims, losses, damages, costs, expenses, fines and other liabilities arising out of Customer's failure to maintain the security and confidentiality of the Codes or arising out of the unlawful use of any website or portal by Customer or any person who obtains access to a website or portal using the Codes.

c. Confidentiality. Customer and Bank represent, warrant and mutually agree that all confidential information concerning the other party or parties that comes into its possession in connection with any of the Services will be maintained in strictest confidence and shall not be used or divulged to any other party except as may be necessary or advisable for the due performance of any of the Services or as required by applicable law. Bank shall maintain physical, electronic, and procedural safeguards to keep Customer's confidential information secure. Customer's obligation to maintain the confidentiality of all security procedures shall survive the termination of any Service or this Agreement. Customer acknowledges that certain Services may involve the handling of confidential consumer information that may be subject to privacy laws and regulations, including unauthorized access or breach notification regulations.

d. Verbal or Written Instructions. For some Services, Bank may choose to honor Customer's request to give Bank verbal or written instructions regarding the Services. Customer agrees that Bank may in good faith rely on such verbal or written instructions that purport to come from an authorized Agent of the Customer without independent verification by Bank. Notwithstanding the foregoing, any instruction to change or add services must be in writing in accordance with the SFIAA.

e. Fraud prevention measures. Bank offers certain products, Services and security procedures, such as Positive Pay, account blocks or filters, and multi-factor authentication, that are designed to detect or deter fraud. Failure to use such products, Services or security procedures could substantially increase the likelihood of fraud. If Customer fails to implement any of these products, Services or security procedures, or if Customer fails to follow these or other precautions reasonable for its particular circumstances, Customer agrees that, except with respect to liability, loss or damage caused by Bank's own lack of good faith or failure to exercise ordinary care: (i) it will be precluded from asserting any claims against Bank for paying any unauthorized, altered, counterfeit or other fraudulent item that such product, Service, security procedure or precaution was designed to detect or deter; (ii) Bank will not be required to re-credit Customer's account or otherwise have any liability for paying such items; and (iii) Customer will pay all costs and expenses incurred by Bank for all efforts undertaken by Bank to recover any losses incurred by Customer.

12. Unsecured Electronic Transmissions and Instructions. Bank shall transmit to Customer information related to Services via secure electronic transmissions. If Customer elects to send or receive instructions or reports from Bank via unsecured electronic means, including, without limitation, facsimile transmission, voice mail, unsecured email, pager or other unsecured electronic or telephonic methods ("Electronic Transmission"), Customer acknowledges that such Electronic Transmissions are inherently insecure communication methods due to the possibility of error, delay and observation or receipt by unauthorized personnel. Bank may rely in good faith on Customer's instructions regarding how and to what number or email address Electronic Transmissions should be sent and may rely on any Electronic Transmission that it reasonably believes to have been initiated by the Customer. Should Customer elect to send or receive unsecured Electronic Transmissions to or from Bank, Customer assumes all risks, and Bank shall not be liable for any loss, that results from the nonreceipt, disclosure, alteration or unauthorized access of any such unsecured Electronic Transmission.

13. Account Blocks and Filters. ACH debit blocks and check blocks prevent ACH debits and checks from posting to Customer's account. ACH filters and check filters enable Customer to set various criteria to authorize certain transactions to post to Customer's account while excluding others. If an ACH debit or check filter is established by Customer, any ACH debit entry or check presented that does not specifically meet the criteria will be dishonored or sent back to the originator of the transaction. Customer acknowledges that the effectiveness of the filters is dependent on the accuracy and timeliness of the information provided by Customer. In addition, Customer acknowledges that payments to certain Bank-approved vendors cannot be blocked and that certain ACH transactions such as returns, settlements or adjustments cannot be blocked per NACHA Rules. If Customer desires to modify a block or filter setting, Customer shall notify Bank at least 72 hours in advance of the changes taking effect.

14. Computer Equipment and Software. Many Services require the use of computer hardware and software or other equipment. Customer is responsible for maintaining its computer and equipment (including those provided by or through Bank for use with Services) in good working order. Customer shall ensure that computers and other equipment have the necessary compatibility and format to interface with Bank's systems, including, without limitation, the ability to support the Bank's security procedures. Customer agrees to install upgrades and other system enhancements within a reasonable time after being requested to do so by Bank. Customer has no rights or ownership in any software provided by or through Bank and shall not transfer, copy, alter, modify, reverse engineer, reproduce, or convey in any manner, in whole or in part, any such software. Customer shall return all software and user manuals associated with any software upon request. Bank makes no representations or warranties with respect to any equipment or software provided by Bank.

15. Transactions on Non-Business Days/Cutoff Times. Transactions, deposits, payment orders, entries or other requests by Customer received by Bank on a non-Business Day, after established cutoff deadlines, or during a maintenance window may be treated by Bank as received on the next Business Day or may not be processed at all. Bank may change any cutoff time or other deadline at any time. Bank will make a reasonable effort to notify Customer of any changes in advance. Customer should perform periodic checks to verify all transactions have been properly processed, particularly for those done outside of normal business hours.

16. Customer-Initiated Transactions and Instructions. Bank will honor Customer's transactions and instructions (including adjustments, amendments and cancellations) only when Customer has complied with this Agreement and related policies and procedures. Bank will be under no obligation to honor, either in whole or in part, and may, in its sole discretion, delay, suspend or reject any transaction or instruction that:

a. Bank has reason to believe may not be authorized by Customer;

b. involves funds subject to a hold, dispute or legal process preventing their withdrawal;

c. violates any provision of any applicable regulation of the Federal Reserve Bank or any other federal, state or local regulatory authority; or

d. Bank has reasonable cause not to honor, for the protection of either Bank

or Customer.

Bank will honor Customer's transactions and instructions (including adjustments, amendments and cancellations) only when Customer has complied with all agreements between the parties. If Customer's account(s) is caused to be overdrawn, Customer will pay such overdraft by including such overdraft amount in the next business day's drawn down funding. If for any reason, Bank is not able to draw funds from Customer's Letter of Credit, Customer remains obligated to compensate Bank for the overdraft amount. If an overdraft fee is charged it can and will be refunded if the overdraft is determined to result from a bank error.

17. Inconsistent Name and Account Number. If Customer or third party acting on Customer's instruction initiates a fund transfer instruction or payment order ("Payment Order") to Bank that describes the person to receive the proceeds of such Payment Order (the "Beneficiary"), the Beneficiary's bank, or an intermediary bank by name and an account or other identifying number, Bank and subsequent parties to the Payment Order may rely on and act solely on the basis of such number, even though the name and number do not agree and even though Bank and subsequent parties know or have reason to know of the inconsistency. Customer's obligation to pay the amount of the Payment Order to Bank is not excused in such circumstances. With respect to incoming Payment Orders that do not include an account number recognizable to Bank, Bank may return the Payment Order to the sending financial institution without incurring any liability to Customer.

18. Intercompany Services/Authority to Transfer or Commingle Funds. In the event that Customer lists entities in an appendix to the Master Services Agreement or in any other document, or otherwise requests Bank to provide Services to a parent company, subsidiary, affiliate, or other commonly owned company, Customer agrees that it shall be jointly and severally liable for such company's obligations under this Agreement. Customer hereby represents and warrants to Bank that any and all transfers and commingling of funds required or permitted by any Service or requested by Customer, and all other aspects of the performance hereby by Bank and Customer, have been duly authorized by all necessary parties, including, without limitation, the account holder of each account, and that Customer has obtained and shall maintain in its regular business records and make available to Bank upon reasonable demand, for a period of seven (7) years after termination of the Service, adequate documentary evidence of such authorization from the account holder of each account, executed by the duly authorized officer(s) of each such account holder in accordance with that account holder's bylaws and/or board resolutions. Customer further represents and warrants that each transfer or commingling of funds authorized hereunder is not in violation of any agreement, bylaw or board resolution of Customer or any of its affiliates or subsidiaries, nor is it in violation of any applicable federal, state, local law, regulation, of any decree, judgment, order of any judicial or administrative authority. Each representation and warranty contained herein shall be continuing and shall be deemed to be repeated upon Bank's effecting each transfer and commingling of funds authorized hereunder.

19. Customer Records. This Agreement and the performance of Services by Bank shall not relieve Customer of any obligation imposed by law, clearinghouse rules (including the NACHA Rules and ECCHO Rules), or by contract regarding the maintenance of records, or from employing adequate audit, accounting and review practices as are customarily followed by similar businesses. In addition, Customer shall retain and provide to Bank, upon request, all information necessary to remake or reconstruct any deposit, transmission, file or entry for thirty (30) days following receipt by Bank of the deposit, file, entry, transmission or other order affecting an account.

20. Account Communications and Review Period. Customer agrees to regularly and promptly review and verify all statements, reports, check payment records, wire transfer instructions, confirmations, adjustments, charges, and other transactions ("Account Communications"). Customer may receive or access Account Communications electronically, including without limitation, delivery by posting to a password-protected website or database. Customer acknowledges that any Account Communication provided by Bank through electronic delivery is deemed to constitute good and effective delivery when posted by Bank, regardless of whether Customer actually or timely receives or accesses such Account Communication. Unless a different review period is specified elsewhere in this Agreement, Customer shall, within a reasonable time, which in no event shall be greater than thirty (30) calendar days following the day Bank first mails, electronically transmits or otherwise makes data available to Customer ("Review Period"), notify Bank of any error or discrepancy between Customer's records and any Bank notice or statement, or any transaction or transfer Customer believes was not authorized. If Customer fails to notify Bank of such unauthorized transaction within the Review Period, Customer agrees that the failure to report any such errors or unauthorized transactions shall relieve Bank of any liability for the unreported erroneous or unauthorized transaction. In accordance with NACHA Rules, Customer must report an unauthorized ACH debit entry to the Customer's account by the established deadline on the Business Day following the settlement date of the unauthorized entry. Otherwise, Customer's sole recourse is to the originator of the transaction.

21. Monitoring and Recording Communications. Customer acknowledges and agrees that Bank, or anyone acting on Bank's behalf, may monitor and/or record any communication between Customer, or its Agent, and Bank, or anyone acting on Bank's behalf, for quality control and other purposes. Customer also acknowledges and agrees that this monitoring or recording may be done without any further notice to Customer or its Agent. The communication that may be monitored or recorded includes telephone calls, cellular or mobile phone calls, electronic mail messages, text messages, instant or live chat, or any other communications in any form.

22. Limitation of Bank's Liability for Services. Customer acknowledges that Bank's fees for Services are very small in relation to the amounts of transfers initiated through these Services and consequently Bank's willingness to provide such Services is based on the liability limitations contained in this Agreement. In addition to greater limitations on Bank's liability that may be provided elsewhere in this Agreement, Bank's liability related to any Service shall be limited exclusively to actual proven damages arising directly from its own gross negligence or willful misconduct. Bank or Customer will not, under any circumstances, be liable for any special, incidental, indirect, consequential, punitive or similar losses or damages, whether or not the likelihood of such losses or damages was known by either party at the time Customer first obtains Services from Bank or at the time any instruction or order is given to Bank pursuant to any Service, and whether such losses or damages arise from tort, contract, loss of investment opportunity, lost or reduced profits, or otherwise. Bank's maximum liability for any loss of interest shall be calculated using a rate equal to the average Federal Funds rate at the Federal Reserve Bank of New York for the period involved. Notwithstanding the foregoing, Bank shall not be liable for any losses or damages caused, in whole or in part, by the action or inaction of Customer, or any Agent or employee of Customer, whether or not such action or inaction constitutes negligence or a breach of this Agreement. Bank or Customer shall not be liable for any damage, cost, loss, liability or delay caused by a force majeure event, including but not limited to, accident, strike, labor dispute, fire, flood, war, riot, terrorist act, government restrictions, exchange or market rulings, market volatility, suspension of trading, equipment breakdown, electrical, telephone, Internet or mechanical failures, acts of nature, any cause which is attributable to a third party, or any other cause or event that was beyond Bank's reasonable control. Customer agrees that the fees charged for the performance of the Services shall be deemed to have been established in contemplation of these liability limitations.

23. Dispute Resolution.

a. Governing Law. Except as otherwise provided herein, this Agreement shall be governed by the laws of the State of Washington, without regard to conflicts of law principles.

b. Jury Trial Waiver. To the fullest extent permitted by law, Bank and Customer hereby agree to waive trial by jury in any judicial proceeding involving, directly or indirectly, any matter (whether in tort, contract or otherwise) in any way arising out of, related to or connected with these Services or this Agreement. Bank and Customer represent and warrant to each other that this jury trial waiver is knowingly, willingly and voluntarily given.

c. Jurisdiction and Venue. Customer and Bank consent to the jurisdiction of state and federal courts located in the State of Washington, waives any argument that such venue is inconvenient and agrees to bring litigation commenced in connection with this Agreement in such courts.

d. Collection Costs. Should Bank have to undertake any action to recover any amount due under this Agreement for the Services, including, without

limitation, fees, overdrafts or overpayment, Customer will be liable to Bank for the cost of such effort.

e. Adverse Claims. If Bank receives an adverse claim against any account, and Bank reasonably believes that it will not be protected if the claim is ignored, Customer agrees that Bank may place a hold on the affected account. Any such hold will remain in place only so long as reasonably necessary to resolve the claim or employ legal remedies to allow a court to decide such claim. Assuming compliance with this Section, Bank shall have no liability for dishonored transactions due to the hold, and Customer agrees to reimburse Bank all costs incurred due to such adverse claim.

24. Necessary Third-Party Service Providers.

a. Third-Party Networks. Some Services are provided by Bank through access to a third-party network. Such Services are dependent upon the availability of the third-party network on conditions acceptable to Bank. Bank reserves the right to discontinue the Service or provide the Service through an alternative third-party network and shall have no liability should such network become unavailable. Bank does not warrant and shall not be responsible for Services received by Customer from any third-party network.

b. Third-Party Vendors. Customer agrees that Bank may, at its sole discretion and at any time without notice to Customer, engage third-party vendors to provide a Service, or portions thereof, to Customer, or to support Bank in its provision of a Service to Customer. Customer acknowledges that Bank's third-party vendors may perform certain functions offshore. Some Services and/or computer equipment and software are provided to Customer by a third-party vendor selected by Customer who is unaffiliated with Bank. In those cases, the third-party vendor is acting as Customer's Agent rather than an agent of Bank, and Customer agrees to be bound by such third party's acts or omissions. Bank does not warrant and shall not be responsible for Services provided by unaffiliated third-party vendors. Customer authorizes Bank to disclose to any third-party vendor of Customer or Bank information concerning Customer to the extent required to deliver the requested Service.

25. Notices. All written notices to Bank shall be delivered or mailed to the address designated by Bank. Notices, including but not limited to, Account Communications sent to Customer shall be delivered or mailed to Customer's current lead account address or other known address if deemed more appropriate by Bank under the circumstances. Notices may be delivered to some Customers in electronic format, including posting to Bank's website, delivery via facsimile to a number on file, or delivery to an electronic mail address on file or used by an Authorized Signer or Authorized User.

26. Severability. To the extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision shall be held to be invalid, illegal or unenforceable, such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability, without rendering invalid, illegal or unenforceable the remainder of any such provision or the remaining provisions of this Agreement.

27. Waiver. A waiver by Bank or Customer of any term or provision shall not be construed as a waiver of such term or provision at any other time, or of any other term or provision. Bank's waiver of the enforcement of any of the terms of this Agreement with respect to any transaction or series of transactions will not affect Bank's right to enforce any of its rights with respect to other Customers or to enforce any of its rights with respect to later transactions with Customer.

28. Assignment. In addition to Section 24 above, Bank may, upon written consent of Customer, assign or delegate its rights and duties under this Agreement. Such consent shall not be unreasonably withheld. If Customer assigns or transfers its rights or obligations hereunder, the assignee must execute an assignment and assumption of this Agreement and provide all documents and information reasonably requested by Bank..

29. Termination. Any Services may be terminated by either party upon 30 days' prior written notice to the other. Bank may also terminate or suspend any Services immediately without notice to Customer if any of the following occurs: (a) Customer becomes insolvent or files, or has filed against it, any bankruptcy or other insolvency, reorganization, liquidation or dissolution proceeding of any kind; (b) a material adverse change occurs in Customer's business or financial condition; (c) Bank has reason to believe that Customer has engaged in fraudulent or illegal activity; (d) Customer fails to maintain balances in accounts sufficient to coveroverdrafts; (e) Customer violates, or is in default under, the terms of this Agreement; (f) Customer fails to comply with security procedures or fails to provide information reasonably requested by Bank; (g) Bank determines it is impractical or illegal to provide any Services because of changes in laws, regulations or rules; (h) Bank, in good faith, is unable to satisfy itself that any Services have been properly authorized by Customer; or (i) Bank, in good faith, deems itself insecure. Notwithstanding any termination, the terms of this Agreement shall apply to all transactions which have been initiated prior to termination.

III. TERMS APPLICABLE TO ALL INTERNET-BASED SERVICES

1. Introduction. Bank offers a number of Services over the Internet. If requested by Customer and agreed to by Bank, Bank will grant Customer access to one or more of Bank's Internet Services in the manner established by Bank. Customer agrees that its use of Services from time to time offered by Bank via the Internet (collectively, the "Internet Services") shall be governed by:

(i) this Section and all other relevant sections of this Agreement, including, without limitation, sections governing the specific Services that are offered online;

(ii) the other agreements, laws and regulations described in Section I.2 of this Agreement; and

(iii) the applicable Terms of Use, as defined in Section III.2 below.

2. [Reserved.]

3. Security Procedures. Customer agrees to use the Internet Services in accordance with the security procedures established by Bank. Bank reserves the right to reject any transaction or Service request that is not made in accordance with such procedures. Customer shall at all times use a Web browser that supports the level of encryption used by Bank as part of its security procedures. Due to emerging technologies and ensuing changes in security practices, Bank reserves the right to supplement or change its security procedures from time to time upon reasonable notice to Customer. Customer acknowledges and agrees that, notwithstanding anything to the contrary set forth in the Agreement, in matters of security, reasonable notice may be less than a day's notice or even, in some cases, notice after the fact. Customer is solely responsible for maintaining a secure work environment to protect against the use of Internet Services by unauthorized individuals or unauthorized automated access. Security procedures to be followed by Customer include, without limitation, informing Authorized Users that any passwords should not be shared, securing physical access to the terminals used for Internet Services when an Authorized User has logged in to an application or system and, if applicable, identifying secure methods for controlling authorized automated access to an application or system.

4. System Administrator. Customer shall designate one or more System Administrator(s). The System Administrator shall be responsible for setting up Internet Services and for establishing internal security procedures related to such Internet Services, which may be made available through applications or systems offered by Bank, including, without limitation, accepting delivery of software, system-wide configuration of Bank accounts, appointing Authorized Users, establishing authority levels, authorization requirements and payment limits, and distributing and resetting IDs, passwords and other internal security devices related to the Internet Services. Customer represents and warrants to Bank that any actions taken by the System Administrator in relation to the Internet Services including, without limitation, the appointment of Authorized Users and the access, automation and privileges granted to such Authorized Users, are duly authorized by Customer.

5. Other Customer Responsibilities.

a. Equipment and Software. Customer is responsible for obtaining (from Bank, in some instances), installing and maintaining the computer and communications equipment (including, without limitation, personal computers and modems), software, Web browsers, Internet access and communications services necessary to access and use the Internet Services in accordance with this Agreement.

b. Use of Internet Services. Customer shall use its access to Internet Services and websites operated by or on behalf of Bank only to conduct its business through or with Bank and agrees to limit access to those Agents who require access to Internet Services.

c. Antivirus Protection. Customer agrees to run antivirus software before transmitting data to or through any website. Customer may use any commercially available, industry recognized antivirus software of the type that detects and disinfects viruses automatically, without the need for the Customer to execute virus scanning for each file manually. Customer shall update its antivirus software on a regular basis and in no event less often than once every week.

d. Anti-malware Protection. Bank may offer complimentary anti-malware software for use with certain Services that is designed to detect, deter or destroy different types of malware. Failure to install anti-malware software offered by Bank could substantially increase the likelihood of fraud and other losses. If Customer fails to install software offered by Bank, Customer agrees that, except with respect to losses caused by Bank's own lack of good faith or failure to exercise ordinary care, it will be precluded from asserting claims against Bank for any losses caused by malware which such software would have detected, deterred or destroyed. Bank will not be required to re-credit Customer's account or otherwise have any liability for such losses.

e. Network Security. Customer agrees to install and utilize current industry-standard network security for its information technology systems that access Services via the Internet. Network security protection includes, but is not limited to, firewalls and intrusion detection systems. For certain Services, Bank may require Customer maintain specific network security protection in order to access the Services.

6. Disclaimer of Warranties. BANK PROVIDES ALL INTERNET SERVICES ON AN "AS IS," "AS AVAILABLE" BASIS AND MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WITH RESPECT TO THE INTERNET SERVICES OR THE CONTENT OR SECURITY OF ANY WEBSITE. BANK DISCLAIMS ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING THE FOREGOING, BANK DOES NOT WARRANT THAT THE OPERATION OF ANY WEBSITE WILL BE UNINTERRUPTED OR ERROR-FREE. CUSTOMER IS RESPONSIBLE FOR TAKING APPROPRIATE PRECAUTIONS AGAINST DAMAGE TO ITS OPERATIONS WHICH COULD BE CAUSED BY INTERRUPTIONS OR MALFUNCTIONS OF ANY WEBSITE AND ASSUMES THE RISK OF SUCH OCCURRENCES.

IV. TERMS APPLICABLE TO SPECIFIC GLOBAL TREASURY MANAGEMENT SERVICES

The following are additional terms and conditions applicable to specific Treasury Management Services offered by Bank. Bank may change the number or type of Services offered at any time. Customer shall not be bound by the terms and conditions for the specific Services described in Sections IV, V and VI of this Agreement to the extent Customer is not using such Service(s).

A. INFORMATION REPORTING AND TRANSACTION SERVICES

Information reporting and transaction Services may be provided by Bank to Customer through SinglePoint®, Global Trade or other applications or systems as may be introduced by Bank ("System(s)"). The System may also be used by Customer to automate many of the Services offered by Bank and also may provide access to other Bank systems that initiate transactions. Customer agrees that such use of the System shall be governed by this Section and all other relevant sections of this Agreement.

1. Introduction. If requested by Customer and agreed to by Bank, Bank will grant access to Bank's System(s) in the manner agreed to by Bank.

2. Information Reporting. Bank is authorized to store, process, transmit and make available through Bank's agencies and Systems and through third-party data processing providers ("Providers") information regarding accounts designated by Customer. Bank or Providers will transmit to Customer information regarding its account(s) and/or other financial data through the System on a periodic basis. Customer may elect to receive data through one or more delivery mechanisms, including, without limitation, the Internet, facsimile, CD-ROM or secure email or other data transmission options supported by Bank. Section II.12 shall apply in the event Customer elects to receive facsimile reports via an Electronic Transmission. Balance and related information for Customer's account(s) held at other financial institutions may be made available by these financial institutions or Providers that input information into Bank's System. Bank will use reasonable care in submitting data into the System but assumes no responsibility for the accuracy or timeliness of the account information and other financial data supplied by other financial institutions or Providers. Bank will make every reasonable effort to deliver information by the mutually agreed upon time but does not guarantee a specific delivery time. Accordingly, Bank's responsibility to Customer with respect to the delivery of information shall be to deliver such work as close to the agreed time as may be reasonably practicable.

3. Transaction Services. Customer may use SinglePoint®, GlobalTrade or other similar System to access treasury management or trade finance transaction Services offered by Bank for which Customer has enrolled. Depending on the type of Service or System feature offered by Bank and selected by Customer, access to the transaction Services may include, but are not limited to, ACH, cash vault, check payables, wire transfer payments, book transfers, positive pay services, investments, loan services, trust services, letter of credit services, adjustments, returns and exceptions management, receivables management, transaction research and annotation, and system administration. Customer agrees that use of the System for transaction Services shall be governed by this Section IV.B and all other sections of this Agreement that are applicable to the product or Service being accessed.

4. Security Procedures/System Administrator. Customer agrees to operate the System in accordance with Sections III.3 and III.4 of this Agreement.

5. Manuals. Bank will provide Customer with a manual in electronic format that will set forth the applicable System's policies and procedures with which Customer agrees to comply. Bank may, without prior notification, make amendments to any manual. Bank owns or has obtained all proprietary rights to the manuals and Customer agrees not to duplicate, distribute or otherwise copy Bank's manuals without Bank's prior written consent. Any manual will at all times remain the property of Bank and Bank reserves the right to request Customer to return all printed copies of such manual within thirty (30) days of termination of this Service.

6. Customer Responsibilities. Customer will purchase (from Bank, in some cases) and provide all equipment and software necessary to use the applicable System in accordance with this Agreement. Bank shall have no responsibility and makes no warranties for such equipment or software. Customer agrees to use the System solely to conduct its business with Bank and agrees to limit access to those Agents who require access to the System. Customer agrees that in addition to other limitations to Bank's liability elsewhere in this Agreement, Bank shall not be liable for any loss or damage arising directly or indirectly from the following:

a. any inaccuracy or incompleteness in the input of an order or instruction from the Customer;

b. any failure by Customer to obtain a confirmation of an order or instruction; or

c. any cancellation or attempted cancellation by Customer of an order or instruction.

7. International Information Reporting. If requested by Customer and agreed to by Bank, Bank may provide incoming international information reporting through Providers or via SWIFT, which shall be governed by the terms of this Section IV.B, other applicable sections of this Agreement, and other applicable agreements or law. Bank shall receive the international information reporting data through Providers or via SWIFT from Customer's account-servicing Bank ("Servicing Bank") and shall display such data to Customer using SinglePoint® or other similar System. If Customer makes a request to Bank for an off-schedule international information report from the Servicing Bank, Customer agrees that Bank shall have no liability if the Servicing Bank does not support the off-schedule request or does not respond to the request in a timely manner.

B. ELECTRONIC DEPOSIT SERVICES

Electronic Deposit Services provide Customer with the option of making electronic deposits using one or more products offered by Bank. Customer agrees that the Electronic Deposit Services shall be governed by this Section and other relevant sections of this Agreement.

1. Processing Options. Customer shall at all times maintain an account with Bank. Customer captures checks or check information received from its Payor Customers into Check Images and transmits the same to Bank for processing and collection. Bank will seek to collect such Check Images through the check collection system by presenting or exchanging Check Images, or using Check Images to create a Substitute Check, or a Photo-In-Lieu ("PIL") for collection. If ACH processing is selected by Customer, checks that are eligible to be used as source documents to originate ARC entries, POP entries, or BOC entries are converted to ACH Entries and processed through the ACH system. Checks ineligible for ACH conversion are sent through check collection in the manner previously described.

2. Definitions.

a. "ACH Entry" means an ARC, POP or BOC debit entry originated to debit funds from a Payor Customer's account at a financial institution in accordance with the NACHA Rules.

b. "Check Image" means an electronic image of the front and back of an original paper check (including a paper Demand Draft), or an electronic image of a Substitute Check that is created by Customer, Bank or another bank or depository institution in the check collection system.

c. "Check Image Metadata" means information about the Check Image, as well as pointers to the actual image data (also known as image tags).

d. "Customer System" means the computer hardware and/or software and/or Web-based applications located at Customer's site that is used by Customer to prepare Electronic Deposits and to access the Electronic Deposit Services.

e. "Demand Draft" or "Remotely Created Check" means a paper item, other than a Substitute Check or PIL, which (i) is drawn on a Payor Customer account, (ii) does not bear the signature of the Payor Customer, and (iii) is authorized by the Payor Customer to be issued in the amount for which the item is drawn.

f. "Electronic Deposit" means electronic information (including Check Images, Check Image Metadata, MICR Data, dollar amount or ACH Entry information), obtained from capturing information from an original paper check and remittance documentation that is transmitted to Bank for deposit, processing and collection.

g. "Electronic Deposit Services" means an array of products and services that allow organizations that receive check payments and/or remittance payments to deposit all payments electronically at Bank, as further described in the applicable User Manual.

h. "Electronic Deposit System" means Bank's computer systems or databases that Customer may access in order to obtain Electronic Deposit Services.

i. "MICR Data" means information from the Magnetic Ink Character Recognition stylized printing on the bottom of checks comprising of routing, transit, account and check serial numbers.

j. "Payor Customers" means clients and/or customers of Customer that submit original paper checks or check information to Customer for payment obligations owed to Customer.

k. "Photo-In-Lieu" or "PIL" means a photocopy of the front of an original paper check created from a Check Image.

l. "Substitute Check" means a paper check document that meets the definition of a "substitute check" in the Check Collection for the 21st Century Act as implemented by Regulation CC of the Federal Reserve Board.

3. Customer Authorizations and Notifications. Customer shall adhere to any and all applicable laws, regulations and clearinghouse rules, including but not limited to, obtaining all necessary consents and authorizations from, and/or providing all necessary disclosures to its Payor Customers concerning the creation of Demand Drafts or the conversion of Payor Customers' checks to ACH Entries. Customer is solely responsible

for ascertaining the content, method, and frequency of any required authorizations and notifications.

4. Determination of Items Eligible for Electronic Deposit.

a. Only original paper checks that qualify as a source document may be converted to an ACH Entry under NACHA Rules. Bank will apply certain automated internal edits and screens to the Electronic Deposit submitted by Customer to determine whether the original paper check is a source document that qualifies for conversion to an ACH Entry. Customer acknowledges and agrees that Customer is the Originator of such ACH Entries under NACHA Rules regardless of whether Customer or Bank initiates the ACH Entry into the payment system.

b. Only a paper item, payable on demand, and drawn on or payable through or at an office of a bank, is eligible for deposit as a Check Image. Unless permitted by applicable law, Customer represents and warrants to Bank that Customer shall not use the Electronic Deposit Services to transmit Electronically Created Items (as defined in Federal Reserve's Regulation CC). Without limiting the generality of the preceding sentence, the following items are not eligible for deposit as Check Images or an Electronic Deposit under the Electronic Deposit Services, and Customer must deposit these original paper items with Bank: (i) checks, including travelers checks, that are drawn on banks located outside of the United States; (ii) checks payable in a medium other than U.S. dollars; (iii) non-cash items (as defined under Section 229.2(u) of Federal Reserve's Regulation CC); (iv) promissory notes and similar obligations, such as savings bonds (unless explicitly permitted as an Electronic Deposit in the applicable User Manual); (v) checks issued by and drawn on Customer or an affiliate of Customer; and (vi) any other class of checks or drafts as identified by Bank to Customer from time to time in the User Manual.

5. Capture of Checks and Check Information.

a. For certain Electronic Deposit Services, Customer shall use scanning hardware and/or software that meets Bank's specifications. Depending on the type of Electronic Deposit Service or processing option(s) selected by Customer, in the event the condition of a paper check precludes a complete automated read, Customer shall be responsible for visually inspecting the Check Image. Customer shall be responsible for the repair of any MICR Data (if applicable) and for ensuring that any and all information on the front and back of a paper check is accurately captured and legible in the resulting Check Image, that the resulting Check Image contains an accurate record of all MICR Data required for a substitute check, and that the Check Image otherwise complies with any Check Image or MICR Data quality standards and guidelines that may be established by the American National Standards Institute (ANSI), ECCHO Rules, the Federal Reserve, other applicable regulatory agency or clearinghouse, or which Bank may provide to Customer from time to time. Customer acknowledges that current image technology may not capture all security features (e.g., watermarks) contained in the original paper checks and agrees to assume any and all losses resulting from claims based on security features that do not survive the image process.

b. Customer further acknowledges that Bank does not verify the accuracy, legibility or quality of the Check Image prior to processing an Electronic Deposit. Bank may, in its sole discretion, reject, repair, alter, amend, re-format or convert the Check Image Metadata or MICR Data submitted in an Electronic Deposit in accordance with general check collection practices and industry presentment standards, but Bank shall have no obligation to reject, repair, alter, amend, re-format or convert the Check Image Metadata or MICR Data. If Bank requires that Customer comply with certain formatting standards or other guidelines outlined in the applicable User Manual when submitting Electronic Deposits (for example, requiring use of the external processing code for identifying Remotely Created Checks) and Customer declines to implement, or comply with, such standards or guidelines, Customer acknowledges that Bank shall not be liable for any error or loss that results from Bank processing such Electronic Deposit or from Bank's re-formatting or conversion of the Electronic Deposit prior to processing.

c. Bank shall not be liable to Customer for failure to process an Electronic Deposit, or any error that results in processing or collecting an Electronic Deposit: (i) for which Customer has not provided Bank an accurate, complete and legible image of, or information from, the original paper check; (ii) for which Customer has failed to comply with formatting standards or other guidelines required by Bank; or (iii) which would violate this Agreement, the User Manual or any other agreement between Customer and Bank.

d. If Customer desires to make an Electronic Deposit outside of the contiguous United States, Customer shall seek Bank's prior approval. Bank may reject a deposit transaction or terminate the Electronic Deposit Services immediately if Customer fails to obtain Bank's prior approval. If Customer chooses to access Electronic Deposit Services from locations outside the contiguous United States, Customer is responsible for compliance with local laws. Customer agrees not to use the Electronic Deposit Services in any country that is subject to geographically-based restrictions imposed by OFAC.

6. Upload of Electronic Deposit to Bank.

a. Customer shall upload the Electronic Deposit transmission (containing one or more Electronic Deposits) to Bank prior to the daily cut-off time established by Bank from time to time for the receipt of Electronic Deposits. Any Electronic Deposit transmission received by Bank after its daily cut-off time shall be deemed to have been received by Bank at the opening of its next Business Day. Performance of the Electronic Deposit Services may be affected by external factors such as communication network latency. Customer is responsible for the transmission of the Electronic Deposit until the Electronic Deposit System reports a successful acknowledgement of receipt of the transmission.

b. An Electronic Deposit is received when the entire Electronic Deposit transmission in which that Electronic Deposit is contained is received by Bank in accordance with section 6.a above. If only a portion of that Electronic Deposit transmission is received by Bank for any reason, including without limitation, a failure during the transmission to Bank, the Electronic Deposit transmission is deemed to have been not received by Bank with respect to any Electronic Deposit contained in that Electronic Deposit transmission (including any Check Image contained in the portion of that Electronic Deposit transmission that was received).

c. Bank will process Electronic Deposit transmission received from Customer either via ACH Processing, Check Image or Substitute Check collection in accordance with the processing options selected by Customer. For each Check Image sent to Bank in an Electronic Deposit transmission, Customer agrees not to deposit or cash the original paper check nor re-deposit the Check Image at Bank or any other financial institution or other business.

d. A per item limit, dollar limit, or deposit limit may be established by Bank in its sole discretion and communicated to Customer. If any such limit is established, Bank shall have no obligation to process items or files in excess of the limit.

7. Funds Availability. Customer agrees that the transmission of Check Images using Electronic Deposit Services is not subject to the funds availability requirements of Regulation CC. Bank may, at any time, and in its sole discretion, provide a one-time notification to Customer if Bank intends to delay funds availability beyond ordinary Regulation CC funds availability time frames for items submitted by Customer using Electronic Deposit Services. In such instance, funds deposited will be available for withdrawal 3 business days after electronic transmission to Bank, subject to any holds placed on the account as permitted under this Agreement. Bank may, but is not required to, make such funds available sooner.

8. Collection of Check Images. Notwithstanding anything to the contrary in this Agreement, Bank may in its sole discretion determine the manner in which Bank will seek to collect a Check Image deposited by Customer for check collection. Without limiting the generality of the preceding sentence, Bank may, at its option: (i) present or transfer the Check Image to the paying bank, a Federal Reserve Bank, check clearinghouse, image share/exchange network, or other bank; (ii) create a Substitute Check or a PIL from the Check Image and collect such item, or (iii) request that Customer provide to Bank the original paper check from which the Check Image was created and then collect the original paper check. Depending on the collection method, the Check Image or physical item is subject to the rules of that clearinghouse, Federal Reserve Bank, or image share/exchange network or financial institution agreement.

9. Representment of Returns. If Customer identifies to Bank a returned ACH Entry as being returned because the original paper check was ineligible as a source document for the ACH Entry, Bank shall use reasonable efforts to collect the check related to the ACH Entry by

creating, in Bank's sole discretion, a Substitute Check, or a PIL from the image of the original paper check.

10. Storage of Check Images. Bank shall store Check Images and other check information on the Electronic Deposit System in accordance with Bank's record retention schedule and shall make such information available to Customer according to the applicable User Manuals and fee schedule. If the Electronic Deposit Services are terminated, Customer may obtain Check Images or check information at the price outlined in the fee schedule.

11. Franking, Endorsement, Retention and Destruction of Original Paper Checks. Depending on the requirements outlined in the applicable User Manual, Bank may require, or strongly recommend, that Customer frank or mark the face of each original check after successfully capturing each Check Image to help ensure that an item is not deposited more than once either as a Check Image or physical check. Bank may require Customer to restrictively endorse each check prior to capturing each Check Image. Customer shall destroy the original paper check based on guidelines identified in the applicable User Manual and shall employ commercially reasonable methods to securely store the original paper check until destruction. At Bank's request, Customer shall provide the original paper check to Bank if the original paper check has not been destroyed by Customer and Bank needs the original paper check to process a payment or resolve a dispute arising from an Electronic Deposit.

12. Representations and Warranties. With respect to each Check Image or Electronic Deposit that Customer transmits to Bank, Customer is deemed to make any representation or warranty that would have applied had Customer deposited the original paper check, including without limitation, that no party will receive a presentment or otherwise be charged for a paper check, whether presented in paper or electronic form, which Customer has converted to a Check Image such that such party is asked to make payment of a check which has already been paid. In addition Customer is deemed to make to Bank any representation or warranty that Bank makes, under applicable law, clearinghouse rule, Federal Reserve Operating Circular, Federal Reserve Regulation (including without limitation Regulation CC), bi-lateral agreement or otherwise, to any person (including without limitation a collecting bank, a Federal Reserve Bank, a Receiving Depository Financial Institution, a paying bank, a returning bank, a depository bank in possession of the original paper check, the drawee, the drawer, any endorser, or any other transferee) when Bank transfers, presents or originates a Check Image, Substitute Check, PIL or ACH Entry created from the Electronic Deposit.

1. Customer Responsibility. With respect to each Check Image, Electronic Deposit or other image that Customer transmits to Bank, except for Bank's gross negligence or willful misconduct, Customer agrees Bank shall not be liable for any and all claims, demands, damages, losses, liabilities, penalties and expenses (including, without limitation, reasonable attorney fees and court costs at trial or on appeal)arising directly or indirectly:
(a) from Customer's breach of a representation or warranty as set forth in section 12 above; (b) as a result of any act or omission of Customer in the capturing, creation or transmission of the Check Image or Electronic Deposit, including without limitation, the encoding of the MICR Data from the original paper check; (c) from any duplicate, fraudulent or unauthorized check, Check Image, Substitute Check, PIL or ACH Entry; (d) for any loss caused by Bank's acceptance of a Check Image, or creation of a Substitute Check PIL or ACH Entry instead of presentment of the original paper check; (e) out of Customer's deposit of an Electronically Created Item; or (f) from any other act or omission arising out of Bank's action or inaction taken pursuant to any request by Customer or pursuant to this Agreement. This Section 12 shall survive termination of the Agreement.

13. Left Intentionally Blank.

14. User Manual. Bank will provide Customer with one or more user guides ("User Manual") in paper or electronic format that will set forth the policies and procedures for the relevant Electronic Deposit Services product with which Customer agrees to comply. Bank may, without prior notification, make amendments to any User Manual. Bank may require that certain employees of Customer attend periodic training as a condition to using the Electronic Deposit Services.

15. Security Procedures and Right to Audit. Customer shall comply with all security procedures for the Electronic Deposit Services that are established by Bank or set forth in the applicable User Manual. Customer is solely responsible for (i) maintaining its own internal security procedures; (ii) safeguarding the security and confidentiality of any information that is obtained from Payor Customers' checks, Check Images and other information that is either printed from, stored on, or downloaded to, the Customer System, Electronic Deposit System, or Customer's other computer/data systems or portable media; and (iii) preventing errors or unauthorized access to the Customer System or the Electronic Deposit System. Bank reserves the right to periodically audit Customer's security procedures and information technology processes and to mandate controls.

16. Mobile Remote Deposit Services ("Mobile Services"). Depending on the type of Electronic Deposit Service selected by Customer, Mobile Services is an optional add-on service that will allow Customer to make remote check deposits and obtain check deposit history made through the Mobile Services using a supported mobile device. If Customer selects Mobile Services, Customer will need to download and install a Mobile Service application on compatible and supported mobile phones, tablets or other devices (collectively, "Devices").

a. Description of Mobile Services. Mobile Services allow Customer to use a Device to take photographs of the front and back of the check and to transmit the Check Image to Bank in a secure data encrypted format using Customer's mobile service provider's cellular network or the Internet (collectively, "Network"). Certain Mobile Services may allow Customer to use a Device to enter remittance data and to take photographs of the front and back of remittance and general documents associated with the Check Image for reporting and research purposes.

b. Use of Mobile Services. Customer agrees to use Mobile Services in accordance with this Agreement, other user requirements provided in the User Manual and the downloaded mobile application. Bank reserves the right to modify the scope of Mobile Services at any time or change or upgrade Mobile Services from time to time, including the right to cease offering the Service on a previously supported Device. Bank also reserves the right to refuse any Electronic Deposit requested through the Service because a Check Image fails image quality standards, is detected as a duplicate item, or for any other reason in Bank's sole discretion. Customer understands and agrees that Mobile Services may not be accessible at all times due to Network connectivity or may have limited utility over some Networks, such as while roaming. Customer acknowledges and agrees that Bank may use geolocation technology to track that Mobile Services activity occurs within the contiguous United States.

c. Software. Customer agrees not to use Mobile Services or the content or information delivered through Mobile Services in any way that would infringe upon any third-party copyright, patent, trademark, trade secret, or other proprietary rights or rights of publicity or privacy, including any rights in the Mobile Services software. In the event Mobile Services is terminated or Customer's software license is revoked for any reason, Customer agrees to promptly delete the Mobile Services application from its Devices.

d. Service Limitations.

i. Neither Bank nor Customer's mobile service providers can always foresee or anticipate technical or other difficulties related to Mobile Services, which may result in loss of data, personalization settings or other interruptions. Bank assumes no responsibility for the timeliness of any Mobile Services transmissions or communications, or the loss or failure to store any user data, communications or personalization settings in connection with a Device and Customer's use of Mobile Services.

ii. Bank shall not be responsible for the operation, security, functionality or availability of any Device or Network that Customer utilizes to access Mobile Services. Transmission of a Check Image shall not be deemed received unless the Device reports a successful acknowledgement of receipt of the transmission. Customer agrees to exercise caution when utilizing Mobile Services on Devices and to train its Authorized Users to exercise good judgment and discretion when accessing or transmitting information.

iii. Information about activity is synchronized between the Mobile Services software and Bank's Electronic Deposit System, however, deposit information available via the Mobile Services application may differ from the information that is available directly through the Electronic Deposit System. Information and features available directly through the Electronic Deposit System may not be available via the Mobile Services application and may be described using different terminology. The method of entering information via the

Mobile Services application may also differ from the method of entering instructions through the Electronic Deposit System. Customer agrees that Bank shall not be liable for any errors or delays in the content as a result of Customer's use of the Mobile Services software.

iv. Customer acknowledges that its mobile service carrier or provider may provide for fees, limitations and restrictions such as data usage charges or data throttling which may have an impact on Customer's use of or interaction with Mobile Services. Customer agrees to be solely responsible for all such fees, limitations and restrictions.

e. Security.

i. If Customer permits its employees or agents to use their own personal mobile devices to access Mobile Services, Customer assumes any and all risks associated with the use of personal mobile devices, including but not limited to, any risk that compromises the integrity of Customer's corporate network or sensitive business data. Customer is solely responsible for implementing policies that will help mitigate the risk of allowing employees to use personally-owned mobile devices, which may include but are not limited to, requiring that Devices are configured and managed with information assurance controls commensurate with the sensitivity of the underlying data and employing Mobile Device Management (MDM) software or other software that secures, monitors, manages and supports mobile devices deployed across operators, service providers and enterprises.

ii. Customer shall ensure that its employees or agents exercise appropriate precautions surrounding the use and safeguarding of the Devices at all times. Customer agrees not to leave Devices unattended when logged into Mobile Services and to log off immediately at the completion of each access. Customer agrees that either a username and password or biometric verification are the agreed-upon security procedures and that such security procedures are commercially reasonable. If these security procedures are used to access Mobile Services, Customer agrees that any transactions using Mobile Services are hereby authorized. If Customer permits other persons to use a Device, login information or any other means to access Mobile Services, Customer will be responsible for the resulting transactions, and Bank shall have no liability for any damages Customer may incur.

iii. Devices with internet capabilities are susceptible to viruses. Customer is responsible for ensuring that each Device is protected from and free form viruses, malicious software ("malware") and other harmful components which could result in damage to programs, files, or the Device, or could result in information being intercepted by a third party. Bank shall have no liability for any damages which may result from such viruses, malware or other harmful components.

C. ACH SERVICES

1. Introduction. If requested by Customer and agreed to by Bank, Customer or its Agent may initiate credit or debit Automated Clearing House ("ACH") transactions ("Entries") for payments ("Credit Entries") and/or collections ("Debit Entries") on Business Days to its accounts or the accounts of others ("Receivers") in accordance with Bank's security procedures and this Agreement. Bank will act as an Originating Depository Financial Institution ("ODFI") with respect to such Entries. Bank may process Entries directly, through one or more clearinghouses, or through the mechanism selected by Bank. Customer's rights and obligations with respect to such Entries are governed by applicable law and the NACHA Rules, as amended from time to time. Customer acknowledges that it shall be bound by the then-current version of the NACHA Rules and agrees not to initiate any Entry in violation of the NACHA Rules or applicable federal, state or international law, regulation or clearinghouse rules, including, without limitation, Regulation E of the Board of Governors of the Federal Reserve System, regulations promulgated by the Office of Foreign Assets Control, FinCEN, rules governing the Canadian, Mexican and European payments systems and Operating Circular 4 of the Federal Reserve Bank (collectively referred to herein as the "Rules"). Customer acknowledges and agrees that Bank shall have the right to examine Customer's books, records and systems to confirm Customer's compliance with the Rules and this Section IV.D and that Bank shall further have the right to suspend Services if Bank determines, in its sole and absolute discretion, that Customer is not complying with the Rules and/or this Section IV.D. Customer acknowledges that a copy of the NACHA Rules is available through NACHA at current NACHA prices. Bank shall have the right, in its sole discretion, to terminate or suspend ACH Services immediately if Bank is legally or contractually required to place a hold on funds or a portion of the funds in Customer's account(s). Bank may also, in its sole discretion, delay, suspend or reject an ACH file or Entry if the Bank has a reasonable basis to suspect the ACH file or Entry may be unauthorized or fraudulent. Capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to them in the NACHA Rules.

2. Entry Origination/Processing Dates/Deadlines. Customer may initiate Entries in the manner and format agreed to by Bank. ACH files transmitted to Bank shall be in an unbalanced file format. Bank has the right to restrict the standard entry class ("SEC") codes utilized by Customer. If notified by Bank of such restriction, Customer must cease use of the SEC code and the underlying transaction type. Customer agrees that all Entries (regardless of SEC Code) that involve the storage, exchange or transmission of banking information via unsecured electronic networks shall be encrypted or transmitted via a secure session, using a commercially reasonable security technology that complies with regulatory guidelines. Bank will establish a deadline for the receipt of Entries from Customer ("Deadline"). Bank may establish different Deadlines for Entries depending on the method of delivery employed by Customer and all such Deadlines are subject to change. Bank must receive Customer's Entries at or prior to the Deadline for the Entries to be processed on the Business Day of receipt. Entries received after the Deadline, Entries that contain an Effective Entry Date that is invalid or stale, or Entries that are ineligible for Same Day ACH, will be processed on the next Deadline, which may be the next Business Day. Entries with settlement dates of more than thirty
(30) calendar days from receipt will not be processed unless prior arrangements have been made. If Customer has opted-in for Same Day ACH, Customer acknowledges that any Entry using the current day's date as the Effective Entry Date that is submitted to the ACH Operator prior to the Deadline shall carry the Same Day ACH fee. If Customer has not opted-in for Same Day ACH and submits an Entry prior to the Deadline using the current day's date as the Effective Entry Date, Customer acknowledges that such Entry shall be processed on the next Business Day.

3. Content and Secondary Authorization. In submitting any Entry, Customer shall be responsible for providing all information required by Bank. Customer bears sole and exclusive responsibility to verify that the information set forth in Entries submitted to Bank is authentic, accurate and conforms to the Rules. The Services hereunder are only designed to respond to information provided by Customer. Accordingly, any inaccuracy in any information provided by Customer may result in unintended processing by Bank. Bank bears no responsibility for detecting or reporting any error in data supplied by Customer and shall not be liable to Customer for any information provided by Customer with respect to an Entry which

is inaccurate, incomplete or otherwise incorrect. Bank strongly recommends that Customer utilize a second individual to review and approve ACH files prior to submission to Bank. Customer acknowledges and agrees that such a security procedure is commercially reasonable and that Customer's failure to use this procedure substantially increases Customer's risk of an unauthorized ACH file.

4. Entry Limits and Payment. Customer agrees to comply with any applicable per transaction or aggregate Entry limits established by the Rules. Customer shall at all times maintain a settlement account with Bank for the purpose of funding Customer's Entries ("Account"). The total dollar amount of Entries initiated by Customer through Bank under all ACH Services and pending on a given day shall not exceed the lesser of collected or available balances in the Account or an exposure limit should one be established by Bank ("Exposure Limit"). Establishment of an Exposure Limit should not be interpreted or construed by Customer as a commitment or agreement to provide any credit or loans to a Customer and is subject to modification or termination at any time by Bank. Customer shall pay Bank for all Entries and authorizes Bank to charge its Account or any other account with Bank in the amount of such Entries. Bank shall have the right in its sole discretion to reject any or all Entries initiated by Customer without notice if Bank has reason to believe that there will be insufficient available funds on the relevant settlement date, even if Bank may have previously accepted Entries for processing with insufficient available funds in the Account. Customer will receive funds for any Debit Entry on the ACH settlement date. Bank shall credit the Account in any amount payable to the Customer, subject to Bank's right to make adjustments in accordance with this Agreement. Bank may establish, monitor and periodically review Customer's Exposure Limit and Customer's compliance thereof, and may, in Bank's sole discretion, cease processing Entries based on such review.

5. Prenotification. To the extent permitted by the Rules, Customer may elect to send a prenotification that it intends to initiate an Entry to a particular account in accordance with the procedures set forth in the Rules or by Bank. The prenotification can be returned or result in a Notification of Change ("NOC"). If the prenotification is returned, Customer shall research the problem and make any necessary corrections before transmitting another Entry. If the prenotification results in a NOC, Customer shall make the required change prior to initiating another Entry or issue a Refused NOC. Bank offers an optional Service that allows Bank to track Customer's NOC on Customer's behalf. If Customer selects this option, Bank shall only manage the changes to the routing numbers, account numbers and transaction codes.

6. Notification of Change ("NOC"). A NOC is created by the Receiving Depository Financial Institution ("RDFI") to notify Customer (via Bank) that previously valid information contained in a posted Entry is outdated, or information contained in a prenotification or live transaction is erroneous or improperly formatted and should be corrected. Bank offers NOC Manager, which is a Service that allows Bank to track Customer's NOC on Customer's behalf. NOC Manager only manages the changes to routing numbers, account numbers and transaction codes. Bank, in its sole discretion, may require that Customer enroll in NOC Manager as part of ACH Services provided to Customer.

7. Data Breach Notification. Customer may have gathered personal or financial information of its customers for the purpose of initiating ACH transactions. Such information may include, without limitation, the customer's bank account number together with the bank routing number, or the customer's name together with the customer's social security number or tax identification number. Customer agrees to immediately report to Bank any loss, theft or unauthorized access of such information ("data breach") by or from Customer, its Agent, or third-party service provider, if circumstances indicate that the misuse of such information has occurred or is reasonably possible. Customer acknowledges that Bank may have an obligation to report any data breaches to NACHA and other affected parties, and agrees to establish appropriate procedures to prevent, detect, investigate and report data breaches. If applicable to Customer, Customer agrees to render electronically stored account numbers used in the initiation of Entries unreadable in accordance with the requirements and effective dates specified by NACHA.

8. ACH Secured Funds Entries. Bank may, at any time, and in its sole discretion, require Customer to prefund some or all Credit Entries that Customer desires to initiate. Customer acknowledges and agrees that such funds are held solely for the benefit of Bank and that Customer will not be entitled to earn any interest thereon. Upon initiation of such Credit Entries, Bank is authorized to immediately charge the Account (in the total amount of such Entries). If ACH Secured Funds is used to initiate Debit Entries, funds will be credited to the Account on the settlement date of the transaction. However, such funds shall not be available for withdrawal from the Account for two Business Days, or such other period as determined by Bank, after the settlement date.

9. File Confirmation System. Customer shall at all times comply with applicable file confirmation procedures and any security procedures established by Bank. Such procedures are solely for the purpose of verifying the origination of Entries by Customer or Bank's receipt of the ACH file and/or batch (but not for errors in transmission or content).

a. Control Totals. If Customer elects to provide Bank with the total dollar value of Entries and any other necessary information ("Control Totals"), Customer must telephone Bank's Interactive Voice Response system or input Control Totals through SinglePoint each time it originates Entries. After Bank receives Customer's ACH file, Bank will compare the information in the ACH file to the Control Totals. If the information matches the Control Totals, Bank will process the ACH file. Bank will notify Customer if the Control Totals do not match the information in the ACH file, or if Bank receives an ACH file without receiving Control Totals or vice versa. Bank will not process an ACH file unless it receives conforming Control Totals before established Deadlines.

b. Confirmation of Receipt. If Customer elects not to provide Bank with Control Totals but elects to receive a confirmation report or file, Bank shall provide Customer with a confirmation that Bank received Customer's ACH file and/or batch. After Customer receives the confirmation report or file, Customer will compare the confirmation information to Customer's ACH transmission information. If the information does not match, Customer shall notify Bank before Bank's established deadline, failing which, Bank shall process Customer's ACH file and/or batch. Customer acknowledges that the confirmation report or file is for the sole purpose of verifying Bank's receipt of the file and does not signify any validation of data. Customer bears sole responsibility for any inaccurate or incomplete information provided to Bank if Customer fails to notify Bank prior to Bank's processing of Customer's file.

10. Rejected and Returned Entries, Unauthorized Entries. Bank may reject any Entry that is not initiated in accordance with this Agreement. In the event that an Entry is rejected, or returned by an ACH processor, for any reason whatsoever, it shall be Customer's responsibility to reinitiate the Entry. Bank will give Customer or its designated Agent notice of any rejected or returned Entry in the manner agreed to by the parties. Bank is authorized to debit/credit the Account for Entries that are returned to Bank. Unless the return is caused by Bank's failure to properly execute an Entry, Bank has no obligation to pay Customer interest on the amount of any returned Entry debited from the Account. A Receiver may, in some cases, have the right to have an unauthorized or erroneous Debit Entry credited to its account. Customer agrees that Bank may deduct the amount owing to the Receiver from Customer's Account upon Bank's receipt of proper notice from the Receiver's bank. Bank may charge back against Customer any Debit Entry that is returned or reversed by the RDFI.

11. ACH Redeposit Service. If requested by Customer and agreed to by Bank, Bank will reinitiate (maximum of two times) each Debit Entry returned for insufficient or uncollected funds.

12. Amendment of Entries. Customer does not have the right to delete, reverse or amend any Entry (each, an "Adjustment Request") after it has been received by Bank. If Customer sends Bank an Adjustment Request via internet, secure email, or fax in accordance with the terms of this Agreement, Bank will make reasonable efforts to act on the Adjustment Request. All Adjustment Requests must be received by Bank prior to the established deadlines, and even if the Adjustment Request is made in a timely manner, Customer acknowledges that an Adjustment Request may prove unsuccessful (for example, if it is returned by the RDFI for non-sufficient funds).

a. Internet Option. If Customer has selected the Internet Option, Customer may use SinglePoint® to transmit information to Bank for the purpose of amending ACH files. Customer agrees to comply with any applicable software agreement, user guide and any established security procedures.

b. Secure Email Option. If Customer has selected the Secure Email

Option, Customer may send an Adjustment Request to a designated shared mailbox at Bank.

c. Fax Option. If Customer has selected the Fax Option, Customer may transmit an Adjustment Request to Bank via facsimile to a designated facsimile number. Customer acknowledges that the Internet and Secure Email Options are substantially more secure than the Fax Option. Customer agrees to be bound by any instructions submitted via the Fax Option, whether or not authorized, issued in its name and accepted by Bank in accordance with the agreed procedures.

13. Customer Representations. Customer represents and warrants to Bank that each Entry: (i) complies with the terms of this Agreement and the Rules; (ii) does not breach any warranty of Customer or Bank contained in this Agreement and the Rules; (iii) complies with applicable state, federal and international laws and rules, including, without limitation, the Electronic Funds Transfer Act, Regulation E and regulations overseen by the Office of Foreign Assets Control; (iv) is accurate, timely, and authorized; and (v) that any Debit Entry is for a sum that on its settlement date is due and owing from the Receiver to Customer or is a correction of a previously transmitted erroneous Credit Entry. With respect to each ACH Entry (regardless of SEC Code), Customer is deemed to make to Bank any representation or warranty that Bank makes, under applicable law and the Rules to any person, RDFI, or any other transferee. Receiver authorizations shall expressly authorize Bank to transmit corrective entries to Receiver's accounts to correct a prior Entry and shall authorize Customer to release to Bank all information concerning its Receivers that is required by Bank to recover such Entries. Customer shall immediately cease initiating Entries upon receiving actual or constructive notice of the termination or revocation of the Receiver's authorization. Customer will retain each authorization received by Customer for such period of time as may be required by the Rules or applicable law and shall provide Bank with copies of such authorizations upon request.

14. Re-presented Check Entries. NACHA Rules allow Customer to initiate an Entry to collect certain checks that have been returned unpaid for insufficient or uncollected funds ("RCK Entry"). In the event that Customer initiates an RCK Entry to Bank for check collection purposes, Customer agrees that such RCK Entry will comply with all provisions of this Agreement and applicable Rules and makes the following additional representations and warranties regardless of which entity initiates the RCK Entry on its behalf:

a. Each check is eligible under NACHA Rules to be collected via an RCK Entry.

b. Customer has no knowledge of any insolvency and it has good legal title to the returned item.

c. All signatures on the returned item are authentic and authorized, and the returned item is without alteration, not subject to claims or defenses, and will not be presented to the paying bank.

d. The RCK Entry accurately reflects the item and any information encoded after issue in magnetic ink is correct. (RCK Entries cannot be used for collection fees.)

e. Any restrictive endorsement placed on the item is void or ineffective.

f. Customer has provided clear and conspicuous notice of its electronic check representment policy in advance of receiving the item to which the RCK Entry relates.

g. The Customer will provide to Bank immediately upon request a copy of the front and back of the returned item, provided that the request is made within seven (7) years of the settlement date of the RCK Entry.

15. Internet-Initiated Entries. NACHA Rules allow Customer to initiate a Debit Entry to a consumer Receiver's account pursuant to an authorization obtained from the Receiver via the Internet ("WEB Entry"). In the event that Customer initiates a WEB Entry to Bank, Customer agrees that such WEB Entry will comply with all provisions of this Agreement and applicable Rules and makes the following additional representations and warranties regardless of which entity initiates the WEB Entry on its behalf:

a. Customer has employed a commercially reasonable fraudulent transaction detection system to screen each WEB Entry. As of the effective date specified by NACHA, a commercially reasonable fraudulenttransaction detection system must include, at a minimum, validation of the account number to be debited for each Web Debit Entry. This validation must be completed for the first use of such account number as well as each time there is a change in such account number.

b. Customer has employed commercially reasonable methods of authentication to verify the identity of the Receiver.

c. Customer has taken commercially reasonable steps to verify that routing numbers are valid.

d. Customer has established a commercially reasonable secure Internet session prior to the key entry by the Receiver of any banking information and through the transmission of the data to Customer. If regulatory requirements or technological advancements drive the commercially reasonable standard to change, Customer agrees to comply with the new standard.

e. Customer has and will conduct an annual audit to ensure that the financial information that Customer obtains from Receivers is protected by security practices that include adequate levels of: (1) physical security to protect against theft, tampering, or damage, (2) personnel and access controls to protect against unauthorized access and use, and (3) network security to ensure secure capture, storage and distribution of financial information. Customer will provide proof of Customer's security audits to Bank upon request. Any such information provided to Bank shall be kept confidential except as required to be disclosed by applicable law, rule or regulation. Bank may cease processing Entries for Customer if Bank in its sole discretion determines that Customer's security procedures are inadequate.

16. Telephone-Initiated Entries. NACHA Rules allow Customer to initiate a Debit Entry to a consumer Receiver's account pursuant to the Receiver's oral authorization and banking information obtained via the telephone ("TEL Entry"). In the event that Customer initiates a TEL Entry to Bank, Customer agrees that such TEL Entry will comply with all provisions of this Agreement and applicable Rules and makes the following additional representations and warranties regardless of which entity initiates the TEL Entry on its behalf:

a. Receiver Authorization. Customer shall obtain the Receiver's explicit authorization prior to initiating a Debit Entry to the Receiver's account. In the event that Customer obtains the Receiver's authorization verbally, Customer will either tape record the Receiver's oral authorization or provide, in advance of the settlement date of the Entry, written notice to the Receiver that confirms the oral authorization. Customer agrees that, at a minimum, the following specific information is disclosed to, and acknowledged by, the Receiver during the telephone call:

(i) the date on or after which the Receiver's account will be debited;

(ii) the amount of the Debit Entry to the Receiver's account;

(iii) the Receiver's name;

(iv) the account to be debited;

(v) a telephone number that is available to the Receiver and answered during normal business hours for customer inquiries;

(vi) the date of the Receiver's oral authorization;

(vii) a statement that the authorization obtained from the Receiver will be used to originate an ACH debit to the Receiver's account;

(viii) for recurring TEL entries, the amount of recurring transactions; and

(ix) for recurring TEL entries, the timing (including the start date), number, and/or frequency of the electronic fund transfers.

Customer shall retain either the original or a duplicate tape recording of the Receiver's oral authorization or a copy of the written notice confirming the Receiver's oral authorization for two years from the date of the authorization and shall immediately provide same to Bank upon request.

If Customer chooses to provide the Receiver with written notice confirming the Receiver's oral authorization, Customer will disclose to the Receiver during the telephone call the method by which such notice will be provided.

b. Security Procedures. In addition to all other representations and warranties contained in this Agreement and the Rules, Customer also represents and warrants the following each time it delivers a TEL Entry to the Bank that it has (a) utilized a commercially reasonable security procedure to verify the identity of the Receiver, including name, address

and telephone number; and (b) further that Customer has established commercially reasonable procedures to verify the accuracy of the RDFI's ABA routing and transit number.

17. Accounts Receivable and Back Office Conversion Entries. NACHA Rules allow Customer to utilize ACH to collect consumer check payments received via U.S. mail or at a dropbox location ("ARC Entry"). NACHA Rules also enable Customer to convert during back office processing checks presented either at the point of purchase or a manned bill payment location ("BOC Entry"). In the event that Customer initiates an ARC or BOC Entry to Bank, Customer agrees that such ARC or BOC Entry will comply with all provisions of this Agreement and applicable Rules and makes the following additional representations and warranties regardless of which entity initiates the ARC or BOC Entry on its behalf:

a. Prior to the receipt of each check, Customer has provided clear and conspicuous notice to the Receiver: (i) that receipt of the check is authorization for a payment as a check transaction or for a one-time ACH debit to the Receiver's account; and (ii) of Customer's phone number for inquiries regarding BOC Entries.

b. Customer shall provide a copy of the notice to the Receiver at the time of the transaction if Receiver presents the check in-person.

c. Each check is eligible as a source document under NACHA Rules to be collected via an ARC or BOC Entry.

d. Customer shall use a reading device to capture the Receiver's routing number, account number, and check serial number from the source document (unless Bank has agreed to do so on Customer's behalf for retail lockbox services).

e. The amount of the entry, the routing number, the account number, and the check serial number are in accordance with the source document.

f. The source document to which the ARC or BOC Entry relates will not be presented for payment.

g. Customer has established policies and procedures to destroy the source document as soon as is reasonable and shall use commercially reasonable methods to securely store the source document until such destruction.

h. Customer shall use commercially reasonable methods to securely store all banking information relating to the ARC or BOC Entry.

i. Customer shall retain a reproducible and legible image, microfilm or copy of the front of the Receiver's source document for two years from the settlement date of each ARC or BOC Entry, and shall immediately provide same to Bank upon request.

j. For BOC Entries, Customer has employed commercially reasonable procedures to verify the identity of each Receiver of BOC Entries.

k. For BOC Entries, Customer maintains a working telephone number that is answered during Customer's normal business hours for Receiver inquiries regarding BOC transactions.

18. Point of Purchase (POP) Entries. NACHA Rules allow Customer to initiate a Debit Entry to a Receiver's account for in-person purchases made by check at the point-of-purchase ("POP Entry"). In the event that Customer initiates a POP Entry to Bank, Customer agrees that such POP Entry will comply with all provisions of this Agreement and applicable Rules and makes the following additional representations and warranties regardless of which entity initiates the POP Entry on its behalf:

a. Customer has posted a notice in a prominent and conspicuous location at the point-of-purchase and provided Receiver with a written notice of same: (i) that when a check is provided as payment, it is authorization for payment as a check transaction or for a one-time ACH debit to the Receiver's account; and (ii) that funds may be withdrawn from the Receiver's account the same day payment is made.

b. Each check is eligible under NACHA Rules to be collected via a POP Entry and the Receiver has not opted out of check conversion

c. Customer has used a reading device to capture the Receiver's routing number, account number, and check serial number from the source document.

d. Customer has provided a receipt to Receiver containing the Originator name, telephone number, date of transaction, transaction amount, check serial number of the source document, merchant number, terminal city and state; and Customer has not included the Receiver's complete account number or complete identification number on such receipt.

e. Customer has returned the voided source document to the Receiver after capturing the necessary check information and the source document was not previously negotiated, voided, or provided by the Receiver for use in any prior POP Entry.

f. Customer has obtained the Receiver's authorization and provided a copy of same to Receiver, which: (i) is in writing and signed or similarly authenticated by the Receiver; (ii) is readily identifiable as an ACH debit authorization; (iii) clearly and conspicuously states its terms; and (iv) states that the check will not be processed.

19. International ACH Transactions (IAT) Entries. NACHA Rules allow Customer to initiate or receive international payment transactions transmitted via the ACH network.

a. In the event any part of an Entry originates from, or is transmitted to, a financial agency office located outside the territorial jurisdiction of the United States that handles the payment transaction ("IAT Entry"), Customer agrees that such IAT Entry will comply with all provisions of this Agreement and applicable Rules. Customer acknowledges that an IAT Entry is ineligible for Same Day ACH. Customer also makes the following additional representations and warranties regardless of which entity initiates the IAT Entry on its behalf:

- **(i)** Customer is in compliance with U.S. law, including, but not limited to, Customer's obligations under programs administered by OFAC and FinCEN.
- **(ii)** The origination of an outbound IAT Entry is in compliance with the laws and payment system rules of the receiving country.
- **(iii)** In the case of an IAT Entry to a non-consumer account, Customer has an agreement with the Receiver whereby the Receiver has agreed to be bound by the Rules.

IAT Entries may be processed by Bank through a correspondent bank. Bank assumes no liability for delays, non-delivery, late returns or other events resulting from processing delays by the correspondent bank or for other causes beyond Bank's control. Cancellation or amendment of an IAT Entry involving non-U.S. dollar currency is subject to any rate exchange loss as determined by Bank. Customer agrees to sell any canceled or amended Entry to Bank at the then current applicable foreign currency buy rate.

b. Remittance Transfer Provider. If Customer is at any time classified as a Remittance Transfer Provider under Regulation E, Customer represents, warrants and agrees that:

- **(i)** Customer shall be responsible for performing and complying with the requirements of 12 CFR Part 1005, including, but not limited to, providing disclosures to the consumer (sender), the error resolution procedures, the provision of any remedies to the consumer, and the cancellation and refund of remittance transfers;
- **(ii)** Bank is acting as an agent and not as a Remittance Transfer Provider when performing activities on behalf of Customer; and
- **(iii)** Even if Bank is deemed a Remittance Transfer Provider under applicable law, Customer shall take all actions necessary to comply with the obligations of a Remittance Transfer Provider.

20. Third-Party Vendors. If Customer initiates Entries through a third-party vendor or processor ("Vendor"), Vendor is the agent of Customer and not of Bank. If Customer uses a Vendor, Customer shall be deemed to have authorized Bank to follow the instructions of such Vendor to the same extent and under the same conditions as would apply if the instructions came direct from Customer and Customer shall be responsible for insuring that such Vendor fully complies with the Rules and this Agreement. Bank is not responsible for the acts or omissions of Vendor.

21. Third-Party Sender. If Customer is transmitting Entries as a third- party vendor or processor on behalf of originators ("Third-Party Sender"), Customer agrees to be bound by the applicable terms provided in this Agreement and the Rules. Customer warrants to Bank that the originator has agreed to assume the responsibilities of an Originator under NACHA Rules and that ACH Entries shall not be initiated in violation of laws of the United States. Customer represents that it has executed an ACH agreement

with each Originator and that the agreement binds the Originator to the NACHA Rules. Customer shall provide Bank with the list of Originators, copies of the agreements, and other information deemed reasonably necessary to identify the Originators within two (2) Business Days of Bank's request. Bank reserves the right to review the list of Originators for which Customer is transmitting the Entries and to reject any in Bank's sole discretion. Customer further agrees to assume all applicable responsibilities, warranties and liabilities of the ODFI, as specified in the NACHA Rules. Customer shall cooperate fully and respond within two (2) Business Days to any inquiry from Bank relating to potential NACHA Rule inquiries or violations.

22. Cash Concentration/Deposit Reporting Services. Customer may request Bank to provide deposit reporting Services based on information provided by the Customer or its designated Agent. Information will be delivered to Bank at the time and location established by Bank. Bank has no responsibility for the accuracy of any information provided by Customer. Customer may authorize Bank to initiate Credit or Debit Entries to accounts designated by Customer at other financial institutions. Bank will initiate such Entries in accordance with agreed procedures. Customer agrees to authorize RDFIs to honor such transactions.

23. ACH Positive Pay Service. ACH Positive Pay Service assists Customer in detecting fraud by electronically matching incoming ACH transactions to authorizations that Customer can create and manage online. If ACH Positive Pay Service is selected by Customer, Customer shall designate the account(s) maintained at Bank that are to be used with the ACH Positive Pay Service ("ACH Positive Pay Account"). Customer shall create authorizations for incoming ACH Credit and/or Debit Entries that it desires to post to the ACH Positive Pay Account. Customer shall be responsible for the accuracy and completeness of all information provided to Bank. Bank will allow incoming Entries that match Customer's authorizations to post to Customer's ACH Positive Pay Account. Incoming ACH transactions that do not match Customer's authorizations will be treated as exception items, and Customer agrees to monitor, review and make payment decisions on the exception items prior to Bank's established deadline. Bank is authorized to return all exception items unless Customer instructs bank to pay one or more exception items prior to the established deadline. Bank shall have no responsibility for any liability, loss or damage resulting from the return of any exception item to the Originator in accordance with this Section or Customer's failure to meet Bank's established deadlines, except with respect to losses caused by Bank's own lack of good faith or failure to exercise ordinary care. Bank's failure to report a discrepancy will not discharge Customer's obligation with regard to any item and shall not obligate Bank to return any item if it is otherwise authorized.

D. WIRE TRANSFER SERVICES

1. Introduction.

a. Governing Law. Bank sends outgoing and receives incoming wire transfers through Fedwire (the funds transfer system owned and operated by the Federal Reserve Banks or other provider in accordance with section II.24.A). All funds transfers are governed by this Agreement, Subpart B of Regulation J of the Federal Reserve Board, OFAC regulations, and all other applicable international, federal, state and local laws and regulations. Customer agrees not to initiate or receive a wire transfer payment order in violation of applicable federal, state or local law.

b. Authorized Users. Customer will designate to Bank in the form required by Bank those individuals authorized to instruct Bank regarding wire transfer Services including without limitation, individuals authorized to initiate payment orders and select advice methods, confirmation methods, and any or all authorizations and instructions that may be requested by Bank. Bank may rely on any such authorization until it has been revoked in writing by Customer. Bank shall have a reasonable time to process any revocation received pursuant to this Section.

2. Routing/Time Deadlines. Bank may use any means of transmission, funds transfer system, intermediary bank, clearinghouse or route that Bank reasonably believes is suitable for each outgoing wire transfer. Bank will establish from time to time one or more deadlines after which Bank will not accept an incoming payment order to be processed on the day of receipt. Payment orders received after Bank's established deadline, during a maintenance window, or on any non-Business Day, including any Saturday, Sunday, holiday or any day that Bank's wire department is not open will be rejected. Payment orders received during a maintenance window, including the end-of-day maintenance window, will not receive a notice of rejection.

3. Payment Orders.

a. Communication. Customer may communicate a payment order to Bank by the means and manner agreed to between the parties.

b. Content of Payment Orders. Customer will supply to Bank any information Bank may reasonably request regarding any payment order initiated by Customer, including, without limitation, money amounts, affected accounts, dates of transfer, the beneficiary's name and account number, the name and routing number or bank identifier code of the beneficiary's financial institution, such additional information as Bank may reasonably request and, if necessary, further evidence of any Agent's authority to transfer funds or to do any other act contemplated by this Service.

c. Execution of Payment Orders. Customer authorizes Bank to execute and charge Customer's account(s) with Bank for payment orders delivered to Bank in accordance with this Agreement. Bank has no obligation to execute a payment order if Customer's account to be charged has insufficient collected and available funds to cover the order.

d. Processing Payment Orders. The order in which Bank processes wire transfer payment orders is determined solely by Bank. Customer does not have the right to reverse, adjust or revoke any payment order after it has been received by Bank, provided, however, that Bank will make a reasonable effort to act on such a request by Customer. With respect to a payment order already transmitted to the beneficiary's financial institution, Bank shall, at Customer's request, request the financial institution to return funds previously transferred. Customer understands that the receiving institution is under no legal obligation to comply with this request.

e. Rejection of Payment Orders. Bank may reject a payment order from Customer if such payment order is not initiated in accordance with the applicable security procedure, if there is any inconsistency between a payment order and information previously supplied to Bank, if Bank is unable to obtain confirmation of such payment order satisfactory to Bank, if there are insufficient collected funds in Customer's specified account to fund the payment order, if Bank has a reasonable basis to suspect the payment order may be unauthorized or fraudulent, or if Bank has other reasonable grounds not to honor the payment order. Bank will notify Customer by telephone that it has rejected a payment order. Bank may also reject an incoming payment order if it has reasonable grounds to do so.

f. Standing Payment Orders. If requested by Customer and agreed to by Bank, Customer may initiate a standing payment order, which is one where

the Customer pre-programs the beneficiary, the beneficiary's financial institution, and the accounts to be debited and credited and such information remains constant for subsequent payment orders. Customer shall provide Bank with the necessary information to execute the standing payment order, including, without limitation, the dollar amount to be transferred or the desired peg balance, the frequency of the order and the day of week or month when the payment order is to be executed. Customer may terminate a standing payment order at any time upon receipt by Bank of a written notice. Bank shall have a reasonable time to act on such notice.

g. Batch Wire; Direct Wire Interface.

(i) Service Specifications. If requested by Customer and agreed to by Bank, the Batch Wire service and Direct Wire Interface service allows Customer to initiate payment orders from its computer to Bank's computer, subject to the provisions of this Agreement. In addition, the Direct Wire Interface service allows Customer to receive reports of incoming wire activity. Customer will comply with the relevant interface specifications established by Bank for these services, including, without limitation, file formats, means of data transmission, or establishing a secure connection (the "Specifications"). Bank may furnish Customer with modifications to the Specifications and Customer shall implement such modifications as soon as reasonably practicable.

(ii) Wire Transfer Software, Confidentiality. Customer or its Agent shall be solely responsible for creating the computer programs to implement the Specifications ("Wire Transfer Software"). Customer shall maintain the confidentiality of the Specifications and the Wire Transfer Software and permit access solely to those responsible for supporting the Wire Transfer Software or authorized to initiate payment orders. Customer shall implement passwords and other security devices commensurate with the highest level of security afforded by Customer to other computer programs and confidential information of Customer.

4. Confirmation of Outgoing Wire Transfers.

a. Confirmation Method. Customer and Bank shall agree to the method of confirming payment orders received from Customer. Customer shall designate Authorized Users to confirm payment orders. Bank recommends a minimum of three potential Authorized Users to confirm payment orders and that Authorized Users serve as an initiator or a confirmer, but not both. Notwithstanding Bank's recommendation, if Customer permits an Authorized User to act as both initiator and confirmer, Customer hereby authorizes Bank to process a wire initiated and confirmed by such Authorized User. Customer may add, change or delete the Authorized Users in accordance with Section II.9 of this Agreement. In the event the designated Authorized Users with authority to confirm are not available to confirm a payment order, Customer agrees that Bank may, at its discretion, elect to process the payment order initiated by an Authorized User. Customer agrees to be bound by any such payment order processed by Bank.

b. Waiver of Confirmation. Bank advises Customer not to waive confirmation. If Customer, however, chooses to waive confirmation, Customer agrees to be liable for all outgoing payment orders, except those payment orders where (1) Customer is able to conclusively prove that the unauthorized transfer could not have been prevented by the use of confirmation procedures; (2) Bank is unable to produce any evidence that the unauthorized transfer could have been prevented by the use of confirmation procedures; and (3) Customer is not otherwise liable for the transfer under this Agreement or applicable law. Customer acknowledges that not using confirmation procedures substantially increases Customer's risk of liability for an unauthorized wire transfer.

c. Confirmation of Wire Transfers Initiated through SinglePoint®, Batch Wire, or Direct Wire Interface (collectively, the "Customer Initiation Methods"). Customer represents and warrants that the confirmation of payment orders initiated through any of the Customer Initiation Methods shall be verified, initiated and confirmed by Customer prior to receipt by Bank. All payment orders shall be initiated and confirmed in accordance with the security procedures established for the relevant Customer Initiation Method.

5. Advices.

a. Advice Method. Customer will select the type of advice it wishes to receive after Bank receives an incoming wire transfer. If Customer selects telephonic advices, Customer may designate person(s) to be contacted and telephone numbers to be used for advice purposes. Bank shall not be required to make more than one attempt to reach Customer's designated location by telephone. If Bank is able to reach the Customer's designated location, but not Customer's designated Agent, Bank may leave a message containing the information to be conveyed.

b. Advices by Facsimile. If Customer selects advices by facsimile ("fax"), Customer shall exercise extreme care in maintaining its own security in the receipt of fax advices. Customer acknowledges that the information to be received by fax may include confidential information, including, without limitation, names, amounts, phone numbers, originating account information and the text of incoming wires. Customer further acknowledges that it alone assumes full responsibility for maintenance of its internal security procedures to keep such information confidential.

c. Waiver of Advice. Customer may waive its right under the Uniform Commercial Code to receive advices by so indicating on the applicable Implementation Documents.

6. International Wire Transfers.

a. General. Wire Transfers across country borders are customarily done by Bank through a correspondent bank. Outgoing U.S. dollar payment orders may be converted by the correspondent bank or beneficiary bank to the local beneficiary's currency at the applicable rate in effect at any point in the processing chain. Though in some cases Bank may receive compensation from the correspondent bank in accordance with such conversion, the conversion is executed by the correspondent bank in accordance with the policies and procedures of such correspondent bank at an exchange rate set by that correspondent bank in its sole discretion and subject to any applicable regulations. Any fee, commission or charges assessed by Bank, the correspondent bank or the beneficiary bank may be passed on to the Customer or deducted from the wire transfer amount. Bank assumes no liability for delays, non-delivery, market risk or other events resulting from causes beyond Bank's control. In refunding unexecuted payment orders, Bank shall be liable to Customer only to the extent it receives payment from the correspondent bank processing the transfer. Cancellation or rejection of a transfer involving non-U.S. dollar currency is subject to any rate exchange loss as determined by Bank. Customer agrees to sell any canceled or rejected payment order to Bank at the then-current applicable foreign currency buy rate.

b. Remittance Transfer Provider. If Customer is at any time classified as a Remittance Transfer Provider under Regulation E, Customer represents, warrants and agrees that:

(i) Customer shall be responsible for performing and complying with the requirements of 12 CFR Part 1005, including, but not limited to, providing disclosures to the consumer (sender), the error resolution procedures, the provision of any remedies to the consumer, and the cancellation and refund of remittance transfers;

(ii) Bank is acting as an agent and not as a Remittance Transfer Provider when performing activities on behalf of Customer; and

(iii) Even if Bank is deemed a Remittance Transfer Provider under applicable law, Customer shall take all actions necessary to comply with the obligations of a Remittance Transfer Provider.

7. Reverse Wire Transfers.

a. Authorized Debits. If requested by Customer and agreed to by Bank, Customer authorizes Bank to debit Customer's account(s) with Bank upon receipt of a Fedwire drawdown request, and to send funds to the requesting bank. Each transfer will be done on the Business Day Bank receives the incoming request from the requesting bank if the request is received within a reasonable time to determine whether Customer's Account has sufficient available funds and to obtain access to the Federal Reserve network prior to the close of business.

b. Reverse Wire Funding. Customer acknowledges and agrees that Bank may reject any reverse wire request in excess of the collected and available balance. Requesting bank will be notified if the request is rejected by Bank.

c. Wire Transfer Numbers. Customer's obligation to pay Bank the amount of the funds transfer in the event that the Fedwire message does not identify the same account or financial institution is not excused in such circumstances. When names and numbers are inconsistent, the numbers shall control. With respect to incoming wire transfers that do not indicate an account number recognizable to Bank, Bank may return the wire transfer to the sending financial institution without incurring any liability. Customer does not have the right to reverse, adjust or revoke any Fedwire message after it is received by Bank; however, Bank will use reasonable efforts to act on such a request by Customer to reverse, adjust or revoke such message before Bank has sent the outgoing wire transfer. With respect to an outgoing wire transfer already transmitted by Bank, Bank shall, at Customer's request, request the receiving financial institution to return funds previously transferred. Customer understands and agrees that the receiving financial institution may or may not comply with any such request.

d. Authorizations. Customer's authorization for reverse wire requests shall remain in effect until Customer gives written notice to Bank. Bank will have a reasonable time to act on any written notice received from Customer.

e. Limitation on Bank's Liability. In consideration of Bank's compliance with this authorization, Customer agrees that Bank's treatment of any authorized debit, and Bank's rights with respect to it, shall be the same as if the entry were initiated personally by Customer. Bank shall have no liability if any authorized debit is dishonored.

8. Additional Limits on Bank's Liability. Bank is responsible only for performing the Services described in this Section. Bank shall not be responsible for the acts or omission of Customer, any Federal Reserve Bank or other financial institution, any transmission or communication or any other person, and no such person shall be deemed to be Bank's agent under this Agreement.

E. DATA TRANSLATION SERVICES

1. Introduction. Bank may provide electronic data integration, custom formatting, or data translation ("Data Translation Services") to electronically streamline the exchange of payments, remittance and other information between Customer and Bank and between Customer and its trading partners. If requested by Customer and agreed to by Bank, Bank will provide Data Translation Services in accordance with this Agreement and other procedures provided to the Customer. Customer agrees that Data Translation Services shall be governed by this Section and all other relevant sections of this Agreement.

2. Scope of Services. Data Translation Services may be used by Customer to initiate and receive payments using multiple payment channels or networks, which may include, but are not limited to, checks, wire transfers, ACH, virtual card, SWIFT, Real-Time Payments (RTP), Zelle, Visa or Mastercard, and to provide and receive business communications such as remittance data, payment data, invoices, confirmations, orders, or other information in Customer's preferred format. In order to obtain Data Translation Services, Customer must maintain an analyzed demand deposit account with Bank.

3. Entry Origination/Processing Dates/Deadlines. Customer may from time to time deliver to Bank requests to format information for payments and/or other data translation via the agreed upon means (collectively, "Data Translation Request(s)"). All Data Translation Requests shall conform to the content, format, deadlines and other specifications that may be established by Bank or a third-party software program approved by Bank for use with the Service. Bank may establish different deadlines for Data Translation Requests depending on the method of delivery employed by Customer and all such deadlines are subject to change. Bank must receive Customer's Data Translation Requests at or prior to the deadline established for processing on the Business Day of receipt. Data Translation Requests received after the deadline will be processed on the next Business Day. Customer will be notified if a Data Translation Request is rejected in accordance with procedures established by Bank. Customer represents and warrants that all information in each Data Translation Request delivered to Bank by Customer shall be accurate, timely, authorized and will otherwise comply with all applicable laws, rules and regulations.

4. Content and Transmission of Information. Data Translation Requests are only designed to respond to information provided by Customer. Accordingly, any inaccuracy in any information provided by Customer may result in unintended processing by Bank. Bank bears no responsibility for detecting or reporting any error in data supplied by Customer and shall not be liable to Customer for any information provided by Customer with respect to a Data Translation Request which is inaccurate, incomplete, duplicative or otherwise incorrect. Customer shall retain data on file adequate to permit Customer to remake each request for at least ten (10) Business Days following the date a file is sent to Bank and shall provide such data to Bank on request. Customer acknowledges that Bank has no obligation to maintain back-up copies of requests or other information delivered by Customer to Bank. Customer acknowledges that Data Translation Services may involve the transmission of confidential consumer information that may be subject to privacy laws and regulations, including breach notification regulations. If Customer is the recipient of misdirected information, Customer shall immediately notify Bank and return the information to Bank. Customer agrees not to retain, use, copy, distribute or otherwise disclose the information in any manner.

5. Payment Requests. Customer agrees that its requests to initiate payments utilizing Data Translation Services shall be governed by this Section, the sections of this Agreement governing the applicable payment mechanism, and all other applicable laws, rules and regulations governing the relevant payment mechanism. Customer authorizes Bank to execute all electronic and check payment requests ("Payment Requests"), and settle to the Customer's account all Payment Requests, delivered to Bank in compliance with the terms of this Agreement, including the security procedures. Customer is solely responsible for initiating the Payment Requests sufficiently in advance to meet Customer's contractual obligations to its vendors and/or its customers. Bank shall not be responsible for any late payment or finance charges that may result from Customer's failure to allow sufficient lead-time.

a. Electronic Payment Requests. Depending on the scope of the Data Translation Services solution offered by Bank, Customer may from time to time request that Bank initiate electronic payments using the ACH, card,

SWIFT and Zelle networks, The Clearing House system, the wire transfer system or other electronic funds transfer system ("Electronic Payment Requests"). Except as may be provided elsewhere, Customer may not amend or revoke Electronic Payment Requests after they have been received by Bank. Customer acknowledges that the rules of NACHA and other electronic funds transfer systems may make any credit provisional until the financial institution crediting the account of the beneficiary specified in an Electronic Payment Request receives final settlement and that if the financial institution does not receive final settlement, it is entitled to a refund and Customer shall be deemed not to have paid the beneficiary. Electronic Payment Requests with settlement dates of more than thirty (30) calendar days from receipt will not be processed unless prior arrangements have been made. Customer authorizes Bank to use whatever means Bank, in good faith, deems reasonable under the circumstances to execute each Electronic Payment Request, including selection of a funds transfer system, routing and means of transmission.

b. Check Payment Requests. Customer may from time to time request that Bank print checks and related remittance information ("Check Payment Request(s)") and issue and distribute such checks and information. Customer shall designate the account(s) from which Bank is to make payment ("Payment Account") and shall maintain a sufficient balance in the Payment Account to fund its Check Payment Requests. To mitigate against fraud, Bank requires that Customer utilize Bank's Positive Pay Services in conjunction with the Payment Account. Customer agrees that checks drawn in a manner consistent with a Check Payment Request shall be duly authorized to the same extent as a check drawn and signed by Customer and is properly payable by Bank. Customer authorizes Bank to deduct the Payment Account in the amount of the Check Payment Request. If there are insufficient funds in the Payment Account to make a Check Payment Request, Bank may in its sole discretion either refuse to make the payment or make the payment and overdraw the Payment Account. In either event, Customer shall incur fees as disclosed by Bank in the account agreement and related fee schedules and other disclosures. Customer has no right to reverse, adjust or revoke any Check Payment Request after it has been received by Bank. Bank will, however, make reasonable efforts to act on such a request by Customer. If Check Payment Requests relate to printing checks drawn on another financial institution's account ("Off-Us Checks"), Customer acknowledges that Bank shall not be liable for any fraudulent or unauthorized activity that may arise from the use of such Off-Us Checks. If Check Payment Requests relate to printing payroll checks, Customer acknowledges that Bank shall only print payroll checks and shall not be responsible for any other aspect of payroll processing, including, but not limited to, producing IRS Form W- 2s, 1099s or other payroll-related tax documents. In addition, Customer represents and warrants that it shall not include any social security numbers in the Check Payment Requests for payroll checks.

6. Security Procedures. Customer shall comply with all security procedures established by Bank for Data Translation Services. Customer agrees that all Data Translation Requests that involve the exchange or transmission of banking information shall only use secure transmission options supported by Bank. For some Services, such as ACH, Customer and Bank may establish alternative, comparable security procedures for accessing such Services when Data Translation Services are utilized. Customer is solely responsible for maintaining its own internal security procedures to prevent errors or unauthorized access to Customer's computer systems by unauthorized employees, vendors or customers. Bank has no responsibility for the security procedures employed by Customer's trading partners.

7. File Confirmation Procedures. Customer shall at all times comply with the applicable file confirmation procedures established by Bank. File confirmation procedures utilizing Data Translation Services are solely for the purpose of verifying Bank's receipt of the Payment Requests but not for identifying errors in transmission or content.

a. Control Totals. Control Totals are an elective option that allows Customer to confirm file totals of Payment Requests transmitted to Bank. If the Control Totals option is selected by Customer, Customer shall call Bank's Audio Response Unit ("ARU") or send a data file to Bank providing the total items and dollar value of the Payment Requests and any other necessary information ("Control Totals"). After Bank receives Customer's Payment Requests, Bank will compare the Payment Requests to the Control Totals. If the Control Totals match the Payment Requests, Bank will process the Payment Requests. Bank will not process the Payment Requests if Bank does not receive conforming Control Totals on or before the established delivery deadline. Bank will notify Customer if the Control Totals do not match the Payment Requests, or if Bank receives Payment Requests without receiving Control Totals or vice versa.

If the Control Totals option is not selected by Customer, upon Bank's receipt of Customer's electronic payments via a data file, Bank shall send an acknowledgement to Customer confirming receipt and acceptance of Customer's Payment Requests. If Customer identifies errors in the content or transmission of Customer's Payment Requests, or if Customer does not receive an acknowledgement from Bank, Customer agrees to notify Bank immediately. Depending on the payment deadlines, Bank may be able to delete or reverse processing of Payment Requests.

b. Payables File Manager. Payables File Manager is an elective Service that allows Customer to confirm that Bank has received Customer's files. Using SinglePoint® or other applications or systems as may be introduced by Bank, Customer may view the status of Data Translation files sent by Customer to Bank. If Customer selects this Service, Customer agrees to promptly and regularly review the status of all files displayed in the Payables File Manager and to notify Bank immediately if any files sent by Customer were not received by Bank. Depending on the payment deadlines, Bank may be able to delete or reverse processing of Payment Requests. Customer bears sole responsibility for any inaccurate or incomplete information sent to Bank if Customer fails to notify Bank prior to Bank's processing of Customer's files.

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F. CASH VAULT SERVICES

1. Introduction. The Terms "cash", "coin" and "currency" as used herein shall refer to coin and currency of the United States and certain foreign currencies accepted by Bank.

2. Foreign currency. Customer shall not deposit any foreign currency unless Customer has obtained Bank's prior approval. Bank reserves the right, in its sole discretion, to impose restrictions on, or discontinue acceptance of, foreign currency deposits. Section H.5 below does not apply to foreign currency processing. Foreign coin shall not be accepted for deposit by Bank under any circumstances.

3. Account. All deposits of coin, currency and checks will be credited to, and all withdrawals of coin, currency and checks will be debited against, Customer's deposit account at Bank (the "Account") which Customer has designated as being covered by the Services described herein. Customer agrees that it shall not deposit any items, instructions or objects other than coin, currency and checks as outlined in this Agreement and agrees to assume any and all risk of loss associated with tendering items not specified herein.

4. Deposits.

a. Customer shall supply and maintain tamper-evident disposable plastic bags used for deposits. Plastic bags shall be sealed according to manufacturers' instructions and addressed to the appropriate secured facility specified by Bank. Customer will prepare deposits as follows: (i) currency will be batched separately from checks with each currency and check batch accompanied by a deposit ticket fully completed by Customer; (ii) currency will be banded with 100 notes of the same denomination whenever possible; (iii) deposits will be delivered by Customer's approved carrier to the secured facility specified by Bank; and (iv) to receive same-day credit, deposits must be made prior to the daily deadline established by Bank from time to time, and any deposits received by Bank after its deadline may be considered to have been received on the next Business Day. Foreign currency deposits do not qualify for same-day credit and are subject to Bank's prevailing exchange rates.

b. Bank will process Customer's deposits as follows: (i) deposits will be receipted and conditional (subject to verification) credit assigned based on the amount identified on the deposit ticket; (ii) deposit tickets that are missing, blank or do not contain legible "declared balances" are subject to delayed ledger credit of one Business Day; and (iii) coins and currency will be counted and Bank's count will be the valid and controlling count.

c. For U.S. currency, if there is a coin and currency variance of more than USD 10 from the declared balance on Customer's deposit ticket, Bank shall adjust Customer's coin and currency deposits through a separate debit or credit to Customer's account. Any such adjustment shall not be reflected on Customer's deposit ticket. Deposit tickets containing a declared total that includes check deposits may require a separate and additional adjustment for any variances to Customer's check deposits. If there is a coin and currency variance of USD 10 or less from the declared balance on Customer's deposit ticket, Bank shall not make any adjustment to Customer's currency and coin deposits and shall credit Customer's account based on Customer's declared balance. Upon request, Bank will provide Customer with any available information that may assist Customer in reconciliation of the difference.

d. Deposited items are deemed received on the day of delivery if Bank receives the deposit prior to Bank's established deadlines. Deposits will be processed in accordance with normal Bank procedure and any applicable availability schedules. All deposits made by Customer shall be subject to verification and adjustment by Bank. Bank's verification shall be deemed correct and binding upon Customer for all purposes, absent manifest error.

e. If Customer chooses to pre-encode its checks or other items for deposit, Customer agrees to comply with the pre-encoded deposit procedures and specifications as may be established and revised by Bank. Customer shall be responsible for any of its encoding errors. Bank may treat certain deposits as unencoded deposits if there is an unacceptable rate of encoding errors.

5. Withdrawals.

a. Bank may provide Customer with U.S. currency and coin in designated denominations from time to time as requested by Customer through the Bank's automated ordering system ("Cash Orders"). Customer must

comply with all of Bank's policies and procedures regarding the placement and delivery of Cash Orders, including, without limitation, the maintenance of a designated password. Customer shall be responsible for maintaining the confidentiality of Customer's password and restricting access to the system to authorized Agents. All Cash Orders will be charged to the account designated by Customer and must be picked up by Customer's Agent or sent by registered mail to a street address. Only approved carriers may pick up Cash Orders directly from a cash vault operated by Bank. Bank may release any Cash Order to any individual that Bank reasonably believes to be Customer's Agent. Customer shall be responsible for any Cash Order after receipt thereof by the Agent. Bank may specify a daily Cash Order limit and Customer agrees that it will not initiate a Cash Order in excess of the designated limit. In no event shall Customer initiate a Cash Order in excess of the immediately available funds in the designated account.

b. Customer may order currency and coin from Bank as follows:

(i) The preferred order for currency is in standard full strap (100 banknotes) quantities only.

(ii) Coin may be ordered in standard full box units (50 rolls), individual rolls or loose standard bags only.

(iii) A charge for the face value of the monies ordered will be made to the Account on the day the order is processed by Bank.

(iv) Orders for coin and currency may be placed no later than the deadline established by Bank from time to time for delivery on the next Business Day. Depending on Customer's location, select cash vault sites may require a multiple-day lead time or more for coin and currency orders.

(v) Bank must be notified of any discrepancies pertaining to coin or currency orders within two Business Days of receipt by Customer of such coin or currency. Customer must return documentation to back-up outages such as plastic change order bag, currency strap, coin wrapper and/or box.

6. Processing. Bank will provide processing on all Business Days. Cash Vault Services using third-party applications with time-stamp data are for informational purposes only and may not reflect actual timing of receipt, posting or verification of Customer's deposits by Bank. Bank shall not be liable for any inaccurate or incomplete information with respect to such time-stamp data provided to Customer.

7. Carrier Service. Any carrier service utilized to deliver or obtain coin, currency or other property to or from Bank, including, without limitation, a common carrier, will act as the agent of Customer and not of Bank. Customer and carrier shall agree upon the pickup and delivery days and times. Customer will bear the entire risk of loss of coins, currency, checks or other property of Customer when in the custody or control of Customer's carrier service.

8. Cash Shipping Solution. If this Service is selected by Customer and agreed to by Bank, Bank may rent a caller box at the United States Postal Service (USPS) post office and engage an armored carrier, on Customer's behalf, to retrieve Customer's deposits from the caller box for delivery to Bank and to deliver Customer's coin and currency orders to the post office. Customer agrees to implement and properly use any and all security procedures prescribed or recommended by USPS and Bank and agrees Bank shall not be liable for any claims or losses arising from Customer's failure to implement and properly use any such prescribed or recommended security procedures. Customer will bear the entire risk of loss of coins, currency, checks or other property of Customer until received at, or upon pick up from, Bank's cash vault.

9. Representations. Customer represents and warrants to Bank that (a) all funds deposited with Bank will be the proceeds of, and all funds ordered and withdrawn from Bank will be intended for use in, Customer's lawful activities and (b) all of Customer's transactions hereunder will be conducted solely on Customer's behalf and not on behalf of any other person or entity.

10. Regulatory Compliance. Upon request, Customer shall immediately provide Bank with any information and shall otherwise cooperate with Bank in every way necessary in order to enable Bank to fulfill its obligations with respect to the reporting of transactions in coin and currency or any other regulatory requirement.

11. Use of and Access to Cash Vault Services. Customer acknowledges and agrees that Cash Vault Services are to be used exclusively for its benefit and, absent prior written approval by Bank, Customer will not permit third parties, including non-Customers or other Agents of Customer (excluding approved carriers or agents making cash deposits into a Customer's account at Bank and agents ordering cash on behalf of a Customer), from accessing or otherwise using any Cash Vault Services offered by Bank.

G. U.S. BANK EASYTAX[SM] SERVICES

1. Authorization; Enrollment. If the EasyTax Service is requested by Customer and agreed to by Bank, Bank will electronically enroll Customer in the Electronic Federal Tax Payment System (EFTPS) if Customer desires to make federal tax payments via EFTPS. Electronic enrollment will allow Bank to process Customer's tax payments in compliance with EFTPS through Bank's tax payment system only. If Customer chooses to pay federal taxes by any other means, payments may not be EFTPS compliant. Customer understands that Bank's EFTPS enrollment form 8655 does not replace the EFTPS form 9779, which is sent to mandated companies by the Internal Revenue Service. Customer may also use the EasyTax Service to make state and/or local municipality tax payments in jurisdictions that support such payments. Customer agrees that the EasyTax Service shall be governed by this Section and all other relevant sections of this Agreement.

2. Submission of Information. Customer shall furnish Bank with complete and accurate master file information which shall enable Bank to file tax deposits via ACH with the appropriate tax authorities in a timely manner. The Service provided by Bank hereunder shall be based solely upon the information furnished by Customer to Bank. Accordingly, any inaccuracy in any information provided by Customer may result in unintended processing by Bank. Customer bears sole and exclusive responsibility to verify that the information provided to Bank is complete and accurate. Bank bears no responsibility for detecting or reporting any error in data supplied by Customer and shall not be liable to Customer for any information provided by Customer with respect to information that is inaccurate, incomplete or otherwise incorrect. The Service provided hereunder does not relieve Customer of any duty imposed on Customer by law to maintain records or from verifying and, if necessary, immediately correcting in writing all data received from Bank relating to the Service. Customer agrees to be bound by any instructions, whether or not authorized, issued in its name and accepted by Bank in accordance with the agreed procedures. Customer agrees Bank shall have no liability to Customer which arises out of the use of information provided by Customer.

3. Requests for Payment. Requests for payment to tax authorities must be made in accordance with instructions which Bank shall provide Customer, which may be amended by Bank from time to time at its discretion, and will be considered complete only if actually received by Bank. All tax deposits must be initiated at least one Business Day in advance of the due date, otherwise deposits may be subject to federal or state penalties. Any request by Customer to make tax deposits hereunder shall be submitted to Bank prior to the daily cut-off time established by Bank from time to time. Any such request received by Bank after its daily cut-off time may be processed on the next Business Day. In the event that an ACH Entry is rejected or returned by an ACH processor for any reason whatsoever, Bank will give Customer notice of any rejected or returned ACH Entry in the usual manner agreed to by the parties. Bank shall have no liability for any delay caused by strikes, telephone failure, equipment or electrical failure, or any other condition beyond the reasonable control of Bank.

4. Receipt of Funds. Funds received by Bank from Customer shall be held as a deposit liability of Bank to Customer until such time as such funds are due and paid to the appropriate tax authorities. Customer is not entitled to interest on such funds and Bank may invest such funds solely for Bank's benefit.

5. Account. Customer shall maintain with Bank a commercial demand deposit account in which Customer shall maintain immediately available funds in an amount sufficient to cover all tax deposits and fees charged by Bank for the Service hereunder. Failure by Customer to maintain such funds shall relieve Bank from providing such Service, notwithstanding any request by Customer to provide the Service.

6. Liability. Bank shall not be liable for any penalties assessed by reason of failure of Customer to make any tax payments. Interruption of the Service or performance hereunder for any reason shall not relieve Customer of its obligation to make any required tax deposits, and Bank shall not incur any liability to Customer for Customer's failure to make any such deposit. If Customer elects to make a tax deposit by any means other than through Bank, Bank shall not be liable for any penalties or interest arising from any error in due date or other calculations for deposits made within the period in which such other deposit was made. Bank may choose to provide its EasyTax Service through a third-party vendor. Bank and its third-party vendor's liability to Customer is limited to correcting any error made by the Bank or third-party vendor. The sole and exclusive remedy, at law or in equity, against Bank or third-party vendor is limited to money damages in an amount not to exceed the total amount paid to Bank for EasyTax fees during the twelve (12) months preceding the event giving rise to the liability. Neither Bank nor third-party vendor will be liable for special, incidental, indirect, punitive or consequential damages. Customer acknowledges that the EasyTax Service would not be available or would be available at substantially increased rates without the liability and remedy limitations set forth in this Agreement.

7. Codes. Customer shall keep confidential the access and PIN codes issued to Customer in connection with the Service, and only Customer shall use such codes. If Customer suspects that any such codes have become known or otherwise accessed by unauthorized persons, Customer shall notify Bank immediately and follow up such notice with written confirmation. The occurrence of unauthorized access will not affect any deposits made in good faith by Bank before Bank has received such notification and had a reasonable time to act to prevent any unauthorized deposits.

H. PAPER-BASED DISBURSEMENT SERVICES

a. Controlled Disbursement.

a. Disbursement Account. If requested by Customer and agreed to by Bank, Customer will open and maintain a demand deposit account ("Disbursement Account") and a primary funding account ("Funding Account") at Bank. The disbursing bank may be a financial institution that is a subsidiary or affiliate of Bank or Bank itself. Customer agrees to use Bank's Positive Pay Services in conjunction with the use of Disbursement Account(s). Should Customer decline to use Bank's Positive Pay Services in conjunction with the use of Disbursement Account(s), Customer agrees that, except with respect to liability, loss or damage caused by Bank's own lack of good faith or failure to exercise ordinary care, it will be precluded from asserting any claims against Bank for paying any unauthorized, altered, counterfeit or other fraudulent item that Bank's Positive Pay Service was designed to detect or deter. Customer hereby authorizes and directs Bank to act on its behalf and as its agent, as Bank in its sole discretion deems necessary or advisable, in performing any of the Controlled Disbursement Services and related Services.

b. Funding Procedures. On each Business Day, Bank shall electronically provide Customer with a report of the total aggregate amount of all presented disbursement checks and ACH transactions posted in the early morning ACH window, net of the prior day adjustment and other charges to the Disbursement Account (the "Total Clearings"). Customer agrees to maintain sufficient collected balances in the Funding Account by the established deadline to fund the Total Clearings. Bank is hereby authorized to debit the Funding Account in an amount equal to the actual or estimated Total Clearings and to transfer funds in said amount for credit to the Disbursement Account. Bank reserves the right to convert the Disbursement Account into a standard prepaid checking account at any time upon notice to Customer.

c. Adjustments. Bank will compare the report of electronic presentments to the checks presented against the Disbursement Account. If the total dollar amount of checks electronically reported is less than the total dollar amount of checks presented, Bank will credit the Disbursement Account for the difference. Bank will add this difference to Customer's Total Clearings the next Business Day.

d. Daily Dollar Limit. A daily dollar limit (the "Dollar Limit") may be established from time to time by Bank with respect to the Disbursement Account in Bank's sole discretion. Bank shall have no obligation to pay disbursement checks and ACH transactions (collectively, "Disbursement Items") in excess of the Dollar Limit. Bank may, at any time, either verbally or in writing (but shall not be deemed obligated to) notify Customer of any change made by Bank in the Dollar Limit. Establishment of the Dollar Limit should not be interpreted or construed by Customer as any commitment or agreement by Bank to provide any credit or loans to Customer, nor as an agreement or commitment to debit the Funding Account when doing so would create a negative balance therein.

e. Special Circumstances. Customer acknowledges that Bank, under some circumstances beyond its control, may at times be unable to provide a report of the total amount of its Total Clearings early enough for Customer to make a complete and acceptable funding of the accounts. Customer nevertheless agrees to fund the Funding Account completely by using an estimate of the Total Clearings.

f. Action Affecting Accounts. Should Bank receive any process, summons, order, injunction, execution, levy, lien, garnishment, or adverse claim notice (either by a governmental authority or third party) (hereinafter referred to as "Process"), which Bank reasonably believes will adversely affect the Funding Account or the Disbursement Account, Bank may, at its option and without liability, refuse to honor orders to pay or withdraw sums from any Disbursement Account and may either hold the Funding Account balance herein until such Process is disposed of to the satisfaction of Bank or pay the balance over to the source of the Process in accordance with applicable law.

g. Return of Disbursement Items Unpaid. Bank reserves the right, in Bank's sole discretion, to return unpaid any or all Disbursement Items presented for payment against the Disbursement Account in the event that:

(i) there are insufficient collected and available balances on deposit in the Funding Account by the established deadline to fund the Total Clearings;

(ii) debits cannot be posted because the Disbursement Account or Funding Account is frozen, blocked, closed or because of any other condition; or

(iii) any communications failure or other condition prevents Bank from monitoring Customer's Dollar Limit and/or the Disbursement Items presented for payment.

h. Stop Payment Orders. Customer may issue stop payment orders on Disbursement Items drawn on the Disbursement Account in accordance with Bank's procedures.

b. Warrant Services.

a. Warrant Account. If requested by Customer and agreed to by Bank, Customer shall open and maintain a demand deposit account upon which warrants shall be drawn and will be charged (the "Warrant Account"). Customer shall maintain on deposit sufficient collected and available balances to cover items drawn on the Warrant Account.

b. Warrant Format. All warrants shall contain on the face of the item the words "warrant" and "payable through U.S. Bank." Customer will also encode all warrants in accordance with Bank specifications. Customer agrees to immediately make any changes to the format of the warrants or encoding when requested to do so by Bank and will be solely responsible for its failure or refusal to comply with Bank's specifications. Any warrant drawn by Customer on the Warrant Account shall be treated by Bank as a warrant regardless of what appears on the face of the

c. Presentment and Return. Bank shall make warrants presented to Bank available to Customer via electronic presentment. Bank shall notify Customer by electronic means of the account number, warrant number and dollar amount of all presented warrants and provide Customer with a front and back image of each warrant received by Bank. Bank's delivery of the images shall constitute an electronic presentment under the Uniform Commercial Code, Federal Regulation CC and other applicable laws. Warrant Services are additionally subject to the Reverse Positive Pay terms contained elsewhere in this Agreement. Customer shall notify Bank of each warrant that should be returned in the form agreed to by Bank and Customer. If Customer does not specifically decline payment of a warrant by the deadline established by Bank, such warrant will be finally paid by Bank. Customer acknowledges that warrants payable through Bank are considered to be drawn on Bank for purposes of the expeditious return and notice-of-nonpayment requirements of subpart C of Regulation CC of the Federal Reserve Board. If Bank agrees to return a warrant following Bank's deadline, Customer agrees to be responsible for Bank's failure to return the warrant in an expeditious manner as prescribed in Regulation CC. Bank shall be deemed to have made timely presentment to Customer with respect to any warrants that Bank receives at a time when it is prevented from making presentment to Customer as a result of any force majeure event illustrated in Section II.22.

d. Examination of Warrants. Bank shall have no responsibility to examine warrants prior to presentment to Customer for its payment decision. Bank will take ordinary care to see that the amount of each warrant as drawn is accurately posted to Customer's account. Bank will not make any attempt to verify signatures, endorsements or restrictive clauses on warrants. Bank will not examine the dates on which warrants have been drawn for undated, stale or post-dated items. Bank shall have no responsibility for any liability, loss or damage resulting from (i) a payment in accordance with this Section of any warrant that is altered or unsigned or that bears the forged or unauthorized signature of Customer or (ii) return of any check to the depository bank in accordance with this Section.

e. Encashment of Warrants. Unless otherwise instructed by Customer, Bank is authorized to pay warrants issued by Customer that are presented for encashment by payees. Bank will not be liable for the encashment of any warrant which contains, or is purported to contain, a forged signature of a maker or endorser, or any other unauthorized modification, as long as Bank exercises ordinary care in cashing the warrant.

I. POSITIVE PAY SERVICES

1. Introduction. Positive Pay Services are offered by Bank as the most effective way to minimize loss from fraudulent check issuance or payment. If Positive Pay Services are requested by Customer and agreed to by Bank, Customer and Bank agree that in the event of an inconsistency between this Agreement and applicable law, the provisions of this Agreement shall prevail to the extent permitted. Nothing in this Agreement is intended to limit Bank's right to return an item unpaid if there are insufficient available funds in the designated account.

2. Format Specifications. Customer shall comply at all times with Bank's format and data transmission standards for the Positive Pay Service. Customer agrees to issue checks, warrants or other items (collectively, "Items") in accordance with Bank's specifications and will change the Item format when requested to do so by Bank. Bank shall not be responsible for correcting or resolving processing problems caused by substandard quality magnetic encoding.

3. Positive Pay.

a. Customer Responsibilities. Customer shall designate to Bank all account(s) that are to be used with the Positive Pay Service ("Positive Pay Account(s)"). Customer will provide Bank with a file of all outstanding Items prior to activation of this Service. On each day that an Item is written against the Positive Pay Account, Customer shall supply Bank with all required Item issue information prior to the deadline established by Bank. Such information shall include, without limitation, the account number, the issue date, the Item number and the dollar amount. Customer shall be responsible for the accuracy and completeness of all information provided to Bank. Customer agrees to review all Positive Pay Exception Items (as defined below) each Business Day.

b. Bank's Responsibilities. In reliance on the information provided by Customer, Bank shall create a master issue file for each designated Positive Pay Account ("Issue File"). If ARP File Confirmation Service is selected by Customer, Bank shall process the Issue File and provide a confirmation to Customer that the Issue File was received and processed. Excluding valid stop payment orders and issue records voided by Customer request, all Items, including those that have been electronically converted, that match by Item number and dollar amount to Bank's Issue File will be deemed properly payable and Bank is authorized to pay all such Items.

c. Positive Pay Exceptions. Each Business Day, Bank shall make reasonable efforts to report to Customer any Item that does not match the Issue File (each, a "Positive Pay Exception") and, if requested and available, provide the front and back images of those Items for that day's presentment; provided, however, no images shall be provided in the case of electronically converted Items. Customer agrees to review and make payment decisions on the Positive Pay Exception Items prior to Bank's established deadline each Business Day. If Customer selects the Positive Pay Same Day service for controlled disbursement accounts, Customer shall receive and may make payment decisions on Positive Pay Exception Items prior to the Items posting to the controlled disbursement accounts or defer payment decisions until the established deadline on the next Business Day. Bank strongly recommends that Customer select "return all" as its default setup for all Positive Pay Exception Items as the most effective fraud protection default setup. If Customer's requested default setup is for Bank to "return all" Positive Pay Exception Items, Bank is authorized to return any Positive Pay Exception Item unless Customer instructs bank to pay a Positive Pay Exception Item prior to the established deadline. If Customer's requested default setup is for Bank to "pay all" Positive Pay Exception Items, Bank is authorized to finally pay any Positive Pay Exception Item unless Customer has instructed Bank to return the Positive Pay Exception Item prior to the established deadline. Bank may rely on any instructions received from Customer that Bank reasonably believes to be genuine. Except with respect to liability, loss or damage caused by Bank's own lack of good faith or failure to exercise ordinary care, Bank shall have no responsibility for any liability, loss or damage resulting from:

(i) payment in accordance with this Section of any Positive Pay Exception Item that is altered or unsigned or which bears the forged or unauthorized signature of Customer;

(ii) the return of any Positive Pay Exception Item to the depository bank in accordance with this Section; or

(iii) Customer's failure to meet Bank's established deadlines. Customer may be required to place a stop payment order on any returned Positive Pay Exception Item, which shall be subject to Bank's customary stop payment fee. Bank's failure to report a discrepancy will not discharge Customer's obligation with regard to any Item and shall not obligate Bank to return any Item if it is otherwise properly payable.

d. Teller Positive Pay. All Positive Pay Accounts will interface with the Bank's teller system unless requested by Customer. Bank will compare Items presented for cash at a branch of the Bank with Customer's Issue File. Customer acknowledges that under some circumstances issuance information submitted by Customer may not be reflected in Customer's Issue File until the opening of the following Business Day. Customer agrees to follow Bank's established procedures should it need to manually add an Item to the Issue File. Bank will make reasonable efforts to assist Customer, but Customer acknowledges that Bank may be unable to process such requests on a same-day basis. If a special handling process for teller-cashed items is selected by Customer and agreed to by Bank, Bank shall attempt to contact Customer for approval prior to the encashment of any item that does not appear in the Issue File. Customer agrees that Bank, in its sole discretion, may refuse to cash any Positive Pay Exception Item and such refusal will not be deemed to be a wrongful dishonor. In the event of dishonor, Bank will refer the presenter to Customer. In the event that Customer requests Bank not activate or temporarily deactivate Teller Positive Pay, Customer agrees to assume all risk of loss for any Bank teller-cashed Item that would have been identified as a Positive Pay Exception Item prior to acceptance.

e. Teller Payee Positive Pay. If Customer selects the Teller Payee Positive Pay service, payee name(s), in addition to the Issue File information, will be verified at Bank's teller lines. Customer shall include in the Issue File the payee name(s) for each Item issued by Customer. Customer shall be responsible for the accuracy and completeness of the payee information provided to Bank. In reliance on the payee information provided by Customer, Bank will compare the payee information on the Item presented for encashment at a Bank teller line with Customer's Issue File. Customer acknowledges that Bank will not be able to validate payee information if payee information is not provided for a particular Item or for electronically converted Items presented to Bank for payment. Customer acknowledges that, under some circumstances, issuance information submitted by Customer may not be reflected in Customer's Issue File until the opening of the following Business Day. Customer agrees to follow Bank's established procedures should it need to manually add an Item to the Issue File. Bank will make reasonable efforts to assist Customer, but Customer acknowledges that Bank may be unable to process such requests on a same-day basis. If a special handling process for teller-cashed items is selected by Customer and agreed to by Bank, Bank shall attempt to contact Customer for approval prior to the encashment of any item that does not appear in the Issue File. Customer agrees that Bank, in its sole discretion, may refuse to cash any Positive Pay Exception Item, including where the payee name is not an exact match and such refusal will not be deemed to be a wrongful dishonor. In the event of dishonor, Bank will refer the presenter to Customer.

f. Payee Positive Pay. If Customer selects this option, which is available only through SinglePoint®, Customer's Item stock may first be tested to ensure it meets Bank's payee name readability rate. Customer shall designate to Bank all Positive Pay Accounts that shall use Payee Positive Pay. In addition to the Issue File information provided by Customer for the Positive Pay Service, Customer shall include in the Issue File the payee name(s) for each Item issued by Customer. Customer shall be responsible for the accuracy and completeness of the payee information provided to Bank. In reliance on the payee information provided by Customer, Bank will compare the payee information on the Item with Customer's Issue File for Items presented or deposited at Bank. Customer acknowledges that Bank will not be able to validate payee information for electronically converted Items presented to Bank for payment. Bank may, in its sole discretion, impose variable parameters for which the payee information will not be reviewed for certain Items processed through the back office. If such parameters are imposed, Bank agrees to assume the risk of loss for an Item that would have been identified as a Positive Pay Exception solely on the basis of the payee information.

4. Reverse Positive Pay.

a. The Paid File. Customer shall identify all accounts subject to Reverse Positive Pay ("Reverse Positive Pay Account"). When an Item is presented for payment against an identified Reverse Positive Pay Account, Bank shall notify Customer prior to the designated time, and in no case later than the Business Day following the day of presentment, of the Reverse Positive Pay Account number, Item number and amount of the presented Item (the "Paid File") and, if requested and available, shall provide Customer with the front and back images of the Items. By electing Reverse Positive Pay, Customer assumes all fraudulent and other risks associated with teller-cashed Items, except as may be caused by Bank's own lack of good faith or failure to exercise ordinary care, unless Customer provides standing instructions to Bank to disallow encashment at the teller line.

b. Payment Instructions. Customer shall compare the information provided by Bank with Customer's Item issuance records. Customer shall notify Bank prior to the deadline established by Bank of Customer's decision on any reported Items that should be dishonored. Bank may rely on any instructions received from Customer that it reasonably believes to be genuine. Bank is authorized to finally pay any Item listed on the Paid File unless the Customer instructs Bank to return the Item prior to the established deadline. Except with respect to liability, loss or damage caused by Bank's own lack of good faith or failure to exercise ordinary care, Bank shall have no responsibility for any liability, loss or damage resulting from (i) a payment in accordance with this Section of any Item that is altered or unsigned or which bears the forged or unauthorized signature of Customer or (ii) return of any Item to the depository bank in accordance with this Section. Bank reserves the right to require Customer to place a stop payment order on any Item to be returned. Any such orders will be subject to Bank's customary stop payment fee. Customer shall notify Bank by the designated deadline if the Paid File has not been received from Bank. Bank will make reasonable efforts to provide the Paid File to Customer and honor Customer's instructions. Bank's failure to provide a Paid File will not discharge Customer's obligation with regard to any Item that was otherwise properly payable at the time of presentment.

J. LOCKBOX SERVICES

1. Lockbox Service Requirements. Bank provides wholesale, retail and property management Lockbox Services, as well as E-Lockbox Services to assist customers in expediting receipt of their remittances. Customer will have its customers forward their payments to the location designated by Bank ("Lockbox"). Prior to initiation of any Lockbox Service, Customer must maintain a demand deposit account with Bank associated with the Lockbox Service ("Lockbox Account").

2. Testing; Remittances and Envelopes. Customer shall provide Bank samples of remittances and envelopes for testing and approval prior to using such remittances and envelopes in production. After implementation of Lockbox Services, if there are proposed changes to remittances and envelopes, Customer shall review the proposed changes with Bank and obtain Bank's approval prior to use. Bank may adjust the price for processing Customer's payments if changes are made to Customer's remittances and/or envelopes (including remittance scan line configuration) without such prior approval. Bank may request changes in Customer's remittances or envelopes due to changes in law or regulation, or as reasonably necessary due to equipment or processing improvements. If Customer fails to implement such changes, Bank may adjust the price for payment processing or cease processing Customer's payments as necessary to comply with law or regulation, as reasonably determined by Bank. Customer agrees not to provide any form of prepaid business reply mail envelopes for use with the Lockbox Services.

3. Access to Mail. Customer authorizes Bank or its agent to pick up mail at the appropriate postal facility, to have custody of the keys or combinations and unrestricted and exclusive access to such box, and to collect the mail therein to be processed by Bank as agreed by the parties. Bank shall process remittances in accordance with its standard procedures or in accordance with prior instructions received from Customer and agreed to by Bank. Upon termination of Customer's Lockbox Service, mail received shall be forwarded for sixty (60) days following termination.

4. Proprietary Rights. Bank possesses all proprietary rights to written material, including, without limitation, all computer programs written for Bank's Lockbox processing system, portable media, listings and other documentation originated and prepared by Bank. Customer shall not duplicate, sell or use in any manner such programs or documentation without the prior written consent of Bank.

5. Collections/Availability. Unless otherwise agreed, while Customer receives Lockbox Services, all collected funds held in the Lockbox Account shall be deemed to be Customer's funds for all purposes, including adjustment, attachment, execution, garnishment and other forms of legal process. The crediting and collection of items will be handled under the same agreement as applied to other commercial deposits and shall be subject to Bank's then current funds availability schedule.

6. Transmission of Information. Bank may transmit to Customer remittance information or other information received at the lockbox ("Lockbox Information") via secure electronic transmission. Customer further acknowledges that Bank has a duty to protect Lockbox Information and ensure that it is safely delivered to Customer and that Bank has deemed secure electronic transmissions to be the safest mechanism for delivery. If Customer elects to receive the Lockbox Information using other delivery means including paper reports, Internet delivery, CDs, DVDs, or other portable electronic media, Customer acknowledges that such delivery means are inherently more insecure and agrees to assume all risk, for any obligations, liability or losses that results from the nonreceipt, disclosure, dissemination, alteration or unauthorized access of the Lockbox Information. If Customer is the recipient of misdirected Lockbox Information, Customer shall immediately notify Bank and return the information to Bank. Customer agrees not to retain, use, copy, distribute or otherwise disclose the information in any manner.

7. Image Delivery Services. Bank shall electronically store check images, check information, remittance information or other information received at the Lockbox in accordance with Bank's record retention schedule. Customer may obtain such images or information via Internet access, CDs, DVDs or file transmission, if available, at the price outlined in the fee schedule. If the images or information are sent via CD or DVD, Customer agrees to verify the contents of the CD or DVD upon receipt and

request a replacement, if necessary, within 10 days of receipt. Customer is solely responsible for safeguarding the security and confidentiality of all images and information that is stored on Customer's computer systems, or printed or downloaded from the Internet, CDs, DVDs, other portable media, or file transmissions.

8. Credit/Debit Card Processing. If Customer desires to provide its customers with the option of making their payments via credit card or non-PIN based debit card, Customer shall first secure approval from a payment transaction processor that Bank is able to support. Credit/debit card processing shall be subject to applicable laws, rules and regulations, and the terms of any other agreement between Customer and the payment transaction processor. Customer acknowledges that Bank is acting on behalf of Customer to merely initiate the authorization of payments at the Lockbox site, and that Bank shall have no responsibility for chargebacks, processing fees, payment disputes or other matters related to the credit/debit card transaction. Bank shall enter the credit/debit card information using its best efforts and if adjustments are subsequently required, Customer shall be responsible for handling all adjustments.

9. Foreign currency-denominated items and items drawn on foreign banks. If Customer desires to have non-U.S. dollar items processed by Bank, or items denominated in U.S. dollars but drawn on a foreign bank, Bank shall handle the items within parameters established by Bank based on amount, the type of currency and other considerations outlined in the Implementation Documents. If the item does not fall within Bank's parameters for processing, Bank shall return the item unprocessed to Customer or forward the item for handling as a foreign cash letter collection. If Bank provides Customer with credit at the U.S. dollar conversion rate in effect, and if the item is subsequently returned by the drawee Bank, Bank shall charge Customer's account for the prevailing exchange rate in effect at the time of the chargeback.

10. Compliance with Applicable Law. If specific lockbox handling requirements are required in order for Customer to comply with law or regulations applicable to Customer (for example, Regulation Z), Customer agrees to immediately notify Bank of any such requirements. If Bank is unable to accommodate Customer's specific requirements, Bank or Customer may immediately terminate the Lockbox Services.

11. Customer Responsibility. With respect to each item received at the Lockbox, except for Bank's gross negligence or willful misconduct, Customer agrees Bank shall have no liability to Customer which arises directly or indirectly: (i) from Customer's breach of a representation or warranty under applicable law, clearinghouse rule, Federal Reserve Operating Circular, or other similar rules or regulations; or (ii) from any other act or omission arising out of Bank's action or inaction taken pursuant to any request by Customer or pursuant to this Agreement. This Section 11 shall survive termination of the Agreement.

12. Wholesale Lockbox Processing. Bank offers Wholesale Lockbox Processing services which allows for the processing of primarily business-to-business payments. Bank is authorized to remove and examine the contents of each envelope in accordance with Bank's wholesale lockbox servicing guidelines and shall observe the following guidelines provided in this Section. Bank shall capture, format and send remittance data to Customer via information reporting or data transmission in accordance with the Implementation Documents.

a. Check Date. Bank will not examine any checks or other items with respect to check dates.

b. Check Amount. If Bank is unable to determine the amount of a check, such check will be forwarded unprocessed to Customer as an exception.

c. Payee. Checks made payable to the Acceptable Payees listed in the Implementation Documents or any reasonable derivation thereof are acceptable for deposit. Checks made payable to others may be returned by Bank as exceptions. Customer warrants that each Acceptable Payee is either Customer, its affiliate, or an entity that has authorized Customer to act on its behalf for the Services provided herein. If the Acceptable Payee is an affiliate of Customer or an entity which authorized Customer to act on such entity's behalf, Customer represents and warrants that such affiliate or entity has authorized checks payable to it to be credited to the Lockbox Account. Bank may require written authorization from any Acceptable Payee or written evidence that an Acceptable Payee has authorized Customer to act on its behalf. If Customer designates 'Accept All Payees' in the Implementation Documents and Bank accepts suchdesignation, Bank shall process all checks for credit to the Lockbox Account regardless of the payee name on the check. Such designation may be subject to additional Bank fees. Customer agrees Bank shall have no liability to Customer which arises out of Bank's processing of checks based on Customer's "Accept All Payees" designation.

d. Missing Signature. In the absence of a signature, Bank will process the check. Customer agrees to reimburse Bank if the check is subsequently returned.

e. Exceptions. If a check is treated as an exception, it will be forwarded by Bank to Customer with the remittance data, and not deposited or otherwise reflected in the account of Customer.

f. Correspondence. Any correspondence, invoices and miscellaneous enclosures which are included with a payment, as well as any envelope that does not contain a check, will be returned to Customer unless Customer specifies different instructions in the Implementation Documents.

g. Notation. Customer agrees that Bank shall disregard any notation on a check containing "paid in full", "lien waiver" or other restrictive notation, whether preprinted or handwritten, and treat any such check as though such notation did not appear thereon. If Customer instructs Bank not to process checks with restrictive notations, Bank will use its best efforts to detect checks bearing such notations, but Bank shall not be liable to Customer for failure to detect any such notation.

h. Document Order. Bank shall use its best efforts to process documents that are not in logical order, are difficult to identify, or which are received in unorganized large packages.

13. Lockbox Remote Capture Services. Lockbox Remote Capture Services is an optional add-on service to the Wholesale Lockbox Processing service which provides eligible customers the ability to scan and transmit to Bank lockbox payments received at office locations. If Customer is approved for Lockbox Remote Capture Services, Customer agrees that Bank's Lockbox Remote Capture Services shall be governed by this this Section L (Lockbox Services) and other relevant sections of this Agreement, including but not limited to, the Electronic Deposit Services section.

14. Retail Lockbox Processing/Property Management Lockbox Processing. Retail Lockbox Processing will no longer be offered to new customers as of January 1, 2019. Bank offers Retail Lockbox Processing services and Property Management Lockbox Processing services which allow for the automated processing of high volumes of consumer-oriented payments. Bank is authorized to open each envelope and remove the contents, disregarding all notations and other marks on the envelopes. Bank shall not examine checks or other items with respect to payee names, check dates and check signatures. Bank is not required to retain remittance envelopes or forward them to Customer. Bank will disregard any restrictive notation on any check, including but not limited to "paid in full", whether preprinted or handwritten, and shall treat any such check as though such language did not appear thereon. Bank will process, endorse and deposit remittances in accordance with its standard procedures. If Bank is unable to determine the amount of a check, such check will be forwarded to Customer as unprocessable. Bank will deliver miscellaneous enclosures, unprocessable transactions and remittance data in accordance with the Implementation Documents.

15. Retail Lockbox ARC Services. Retail Lockbox Processing will no longer be offered to new customers as of January 1, 2019. Retail Lockbox ARC Services is an optional add-on service to Retail Lockbox Processing and it provides Customer with the services necessary to convert eligible check payments received within U.S. Bank's retail lockbox into ACH ARC Entries. If Customer selects Retail Lockbox ARC Services, Customer agrees that the Service shall be governed by this Section L (Lockbox Services) and other relevant sections of this Agreement including, but not limited to, the Electronic Deposit Services section. Customer shall adhere to any and all applicable laws, regulations and clearinghouse rules, including but not limited to, obtaining all necessary consents and authorizations from, and/or providing all necessary disclosures to, its customers concerning the conversion of such customers' checks to ACH Entries. Customer is solely responsible for ascertaining the content, method, and frequency of any required authorizations and notifications. Only original paper checks that qualify as a source document may be converted to an ACH Entry under NACHA Rules. Bank will apply certain automated internal edits and screens to determine whether the original

paper check is a source document that qualifies for conversion to an ACH Entry. Customer acknowledges and agrees that Customer is the Originator of such ACH Entries under NACHA Rules regardless of whether Customer or Bank initiates the ACH Entry into the payment system. Bank shall not be liable to Customer for failure to electronically process checks if such processing would violate this Agreement, or any other agreement between Customer and Bank. If an ACH Entry is returned because the original paper check was ineligible as a source document for the ACH Entry, Bank shall use reasonable efforts to collect the check related to the ACH Entry by presenting the original paper check (if not destroyed), the check image or a substitute check.

16. E-Lockbox. E-Lockbox provides Customer with the ability to receive consumer payments electronically that are initiated via the consumers' home banking portal or through other payment channels offered by third-party bill consolidators, including consumer credit counseling agencies.

a. Network. "Network" means the MasterCard Remote Payment and Presentment Service ("RPPS"), a division of MasterCard International, Inc., or other originators of consumer-initiated bill payments. Bank receives payments and remittance data via the Network. Bank will credit payments to Customer's account and electronically transmit the remittance data in Bank's standard or other mutually acceptable format for loading to Customer's accounts receivable system.

b. Customer's Responsibilities. Customer shall provide Bank with all data and specifications necessary for the Network to process payments and for Bank to transmit the remittance data to Customer. Customer agrees to conduct tests that Bank may deem necessary to ensure Customer and Bank are able to process the remittance data. The purchase, installation, testing and maintenance of any and all equipment used to receive and process information from Bank is the responsibility of Customer. As soon as possible, and in any event, no later than 48 hours after Bank transmits the remittance data to Customer, Customer agrees to process all such data and to inform Bank of any incorrect, unidentifiable or unprocessable information (collectively, "Returns").

c. Bank's Responsibilities. Bank shall develop a program to process and transmit remittance data received from the Network in Customer's preferred file format. Bank shall transmit Returns to the Network when Customer provides Bank with the Return information. Bank will credit Customer's account in an amount equal to the payments received and debit Customer's account in an amount equal to any Returns and, if applicable, any Reversals (defined below).

d. Reliance on Network. Customer acknowledges that Bank's ability to process payments and remittances are dependent upon the continued use and support of the Network and third-party computers housing the Network and its associated communications network. In the event that access to the Network or its computer communications system is terminated or suspended for any reason, Bank shall not be liable to Customer for any disruptions or failure to provide any part of this Service. Bank assumes no responsibility for the accuracy, timeliness or the completeness of data delivered from the Network to Bank.

e. Optional Reversal Transactions. Reversals are Network-initiated debit messages from payment originators informing of the cancellation of previous transactions. Customer may set debit caps on Reversals to limit the daily debit amount a payment originator may send through the Network. If Customer instructs Bank to accept Reversals, Customer hereby authorizes Bank to debit Customer's account for the amount of the Reversals.

f. Optional Biller Stop Payment. Biller Stop Payment allows Customer to provide Bank with instructions regarding payments that Customer does not want posted to its account. If Customer instructs Bank to stop a payment from posting to its account, Customer hereby authorizes Bank to return the payment through the Network. Payments that are stopped will not be included in Customer's settlement transaction or the remittance data provided to Customer.

K. ZERO BALANCE ACCOUNT (ZBA) SERVICES

1. General. ZBA Services allow Customer to concentrate balances across multiple checking accounts consisting of a lead ("Master Account") and one or more sub-accounts funded by the Master Account. At the close of each Business Day, at a time determined by Bank, Bank shall transfer available or collected balances between the Master Account and sub-account(s) via two-way automatic transfers to ensure that the sub-accounts maintain a zero balance or a balance otherwise designated by Customer (collectively, the "Established Balance"). In addition, one-way transfers can be made from: (i) the Master Account to the sub-account; (ii) the sub-account to the Master Account; or (iii) the Master Account to the sub-account with deposits remaining in the sub-account.

Customer agrees to maintain sufficient available funds in the Master Account to cover the aggregate debits made to the sub-accounts to enable the sub-accounts to be maintained at the Established Balance at the close of each Business Day. If the available balance in the Master Account is insufficient to restore the balance in a sub-account to the Established Balance, a lesser amount may be transferred to the sub-account in Bank's sole discretion. If there are multiple sub-accounts and insufficient funds in the Master Account to fund all sub-accounts, Bank may, in its sole discretion, determine which sub-accounts to fund and to what extent. In addition, Bank may, in its sole discretion, either (i) reject any checks or other debit items drawn on any sub-account or (ii) accept any checks or other debit items drawn on a sub-account, even if such acceptance would bring the sub-account below the Established Balance. If Bank must reverse a provisional credit and such reversal causes the Master Account to have a negative balance, Customer agrees that Bank may reverse the transfer of any funds, in whole or in part, between the sub-account and the Master Account, and Bank may additionally reject any items not finally paid on the sub-account. Bank reserves the right to suspend or terminate ZBA Services without prior notice to Customer.

2. Focal Point Plus. If selected by Customer, the Focal Point Plus Service allows Customer to: (i) concentrate balances across multiple checking accounts consisting of a lead ("Master Account") with one or more subaccounts ("Shadow Accounts"), which are all funded by the Master Account; and (ii) track transactions with location reporting. Two-way automatic transfers ensure the Shadow Accounts maintain a zero balance. One-way transfers can also be made from the Shadow Accounts to the Master Account. Customer acknowledges and agrees the Shadow Accounts are deemed to be part of the Master Account for purposes of this Agreement and cannot be used to process transactions independent of the Master Account.

L. SINGLEPOINT® INTERNATIONAL REQUEST FOR TRANSFER SERVICES

The U.S. Bank SinglePoint® International Request for Transfer Services will enable domestic or foreign organizations doing cross-border business to initiate or execute payment or transfer instructions from, or between, Customer accounts held at Bank and foreign banks. Prior to implementation of this Service, the Forwarding Bank and the Executing Bank must enter into a Bilateral Agreement referencing their mutual accession to the SWIFT Request for Transfer (MT101) Service Level or other relevant Service Level. Bank acts in the capacity of the Forwarding Bank with respect to all Requests for Transfer. This Service or other similar remote initiation Services offered by Bank are governed by this Agreement, the Bilateral Agreement, the Interbank Agreement, and all other applicable federal, state and local laws and regulations. Unless otherwise defined, all capitalized terms shall have the meanings set forth in the Interbank Agreement and Bilateral Agreement.

1. Definitions.

a. "Beneficiary" means the person or entity designated in the Originator's instruction to receive funds.

b. "Beneficiary Bank" means the financial institution crediting the funds to the Beneficiary's account.

c. "Execute" or "Execution" means the debiting of the Originator's account by the Executing Bank pursuant to a Request for Transfer from the Forwarding Bank and the forwarding of the credit transfer to the Beneficiary Bank.

d. "Executing Bank" means the financial institution that receives and Executes the Request for Transfer from the Forwarding Bank and then forwards the credit transfer to the Beneficiary Bank.

e. "Forwarding Bank" means a financial institution receiving a Request for Transfer from the Instructing Party and forwarding it to the Executing Bank.

f. "Instructing Party" means a customer of the Forwarding Bank, which could be an office, department or division of the Originator, or a separate legal entity, authorized by the Originator to initiate a Request for Transfer to the Forwarding Bank.

g. "Interbank Agreement" means the Service Level Master Agreement (SLMA) and Request for Transfer Service Level Rules and Regulations (MT 101) or other relevant Service Levels offered by Society for Worldwide Interbank Financial Telecommunication (SWIFT), to which the Forwarding Bank and the Executing Bank are a party.

h. "Originator" means the customer of the Executing Bank whose account is to be debited pursuant to a Request for Transfer.

i. "Request for Transfer" means a transfer instruction received by the Forwarding Bank from the Instructing Party for onward transmission as an MT101 to the Executing Bank, and which is capable of being processed under an Interbank Agreement.

2. Bank as the Forwarding Bank. If Customer selects Bank as the Forwarding Bank, Customer is deemed to be the Instructing Party for all Requests for Transfer. Customer will appoint those individuals authorized to instruct Bank regarding Request for Transfer Services ("Authorized Users") via the relevant Implementation Documents and System Administrator designations establishing the Authorized Users' access authority and transaction limits. Bank may rely on any such authorization until it has received Customer's written notice of revocation and has had a reasonable opportunity to act thereon. Customer and its Authorized Users and other Agents shall maintain the highest possible level of confidentiality with regard to PINs or other security devices and will take all steps necessary to prevent access to them by unauthorized persons. Customer shall be responsible for the accuracy, completeness and timeliness of all Requests for Transfer sent to Bank. Requests for Transfer received after Bank's established deadline or on any non-Business Day, including any Saturday, Sunday, holiday or any day that Bank's wire department is not open, will be considered received on the next Business Day. Customer authorizes Bank to process and forward to the Executing Bank all Requests for Transfer received in accordance with any established security procedures. Notwithstanding the foregoing, Bank does not assume any responsibility for the Execution of the Request for Transfer by the Executing Bank and completion of the credit transfer to the Beneficiary Bank. Customer understands and acknowledges that any applicable callback notifications on PIN limits established by Customer with Bank for wire transfer dollar thresholds do not apply to Requests for Transfer. Customer agrees not to initiate a Request for Transfer in violation of applicable federal, state or local law or regulations.

3. Security Procedures. Customer and Bank shall comply with any established security procedures with respect to the initiation and forwarding of any Request for Transfer, including but not limited to, the SWIFT authentication procedures identified in the SWIFT User Handbook, as amended from time to time. Customer agrees that any such security procedures shall be deemed commercially reasonable. Customer understands that the security procedures are not intended for the purpose of detecting errors in the transmission or content of a Request for Transfer controlled by Customer. Customer agrees to be bound by any Request for Transfer sent in the name of Customer that is processed by Bank in compliance with the agreed security procedures whether or not authorized.

4. Amendment or Cancellation. Customer does not have the right to reverse, adjust or revoke any Request for Transfer after it has been received by Bank; provided, however, that Bank will make a reasonable effort to act on such a request by Customer. With respect to a Request for Transfer that has already been Executed, Bank may intervene at Customer's request, to request that the Beneficiary Bank return all or a portion of the funds. Customer understands that the Beneficiary Bank is under no legal obligation to comply with this request.

5. Rejection/Repair. Bank may reject a Request for Transfer if: (i) it is not initiated or transmitted in accordance with the applicable security procedures; (ii) there is any inconsistency between a Request for Transfer and information previously supplied to Bank; or (iii) Bank has other reasonable grounds not to honor the Request for Transfer. Bank shall have no obligation to repair any Request for Transfer it receives but may, in its absolute discretion, endeavor to repair any Request for Transfer. Bank shall notify Customer of any rejections or suspensions.

6. Limits on Bank's Liability. Bank sends outgoing and receives incoming Requests for Transfer using SWIFT. Bank shall not be responsible for the acts or omissions of Customer, the SWIFT network, other financial institution or any other person. Payment to a foreign country is subject to the laws of the foreign country involved. Bank assumes no liability for foreign exchange risk, delays, non-delivery or other events resulting from causes beyond Bank's control.

M. SWIFT-RELATED SERVICES

The SWIFT-Related Services (the "Service") will enable organizations with domestic or cross-border activity to initiate or execute payment or transfer instructions from Customer's Bank account to another account held at Bank or a third-party bank, and to receive account information and payment notifications from Bank via products and services offered by the Society for Worldwide Interbank Financial Telecommunication ("SWIFT"). This Service or other similar services offered by Bank are governed by this Agreement, applicable SWIFT agreements, rules, and terms and conditions (collectively, "SWIFT Terms"), and all other applicable federal, state and local laws and regulations. Unless otherwise defined, all capitalized terms shall have the meanings set forth in the SWIFT Terms.

a. **Definitions.**

a. "Account Reporting" means cash management notifications, transaction and account information provided by Bank to Customer.

b. "Beneficiary" means the person or entity (including Customer) designated in Customer's Transfer Request to receive funds.

c. "Beneficiary Bank" means the financial institution (including Bank) that credits the funds to the Beneficiary's account.

d. "Execute" or "Execution" means the debiting of Customer's account by Bank and the forwarding of the credit transfer to the Beneficiary Bank pursuant to a Transfer Request from Customer.

e. "FileAct" means a file transfer service that utilizes the SWIFT infrastructure to enable the transfer of data in various file formats.

f. "Transfer Request" means a MT103 or other SWIFT transfer instruction sent by Customer to Bank for onward processing. If SWIFT-Related services are accessed using SCORE, "Transfer Request" means a MT101 transfer instruction.

g. "SCORE" means the Standardized Corporate Environment, a SWIFT direct access corporate service which offers Customer a secure connection and standardized environment to manage Customer's payments and payment information.

b. **Security Procedures.** Customer shall comply with all security procedures established by Bank for the SWIFT-Related Services, including but not limited to, the SWIFT authentication procedures identified in the SWIFT User Handbook, as amended from time to time. Customer agrees that any such security procedures shall be deemed commercially reasonable. Customer understands that the security procedures are not intended for the purpose of detecting errors in the transmission or content of any Account Reporting, or of a Transfer Request controlled by Customer. Customer is solely responsible for maintaining its own internal security procedures to prevent errors or unauthorized access to Customer's computer systems by unauthorized employees, vendors or customers. Customer agrees to be bound by any Transfer Request that appears to have been sent by Customer that is processed by Bank in compliance with the agreed security procedures, whether or not authorized. Bank will use reasonable care in transmitting the Account Reporting but assumes no responsibility for the accuracy or timeliness of the information supplied by other financial institutions, the SWIFT network. Customer agrees to immediately notify and fully cooperate with Bank if it suspects or becomes aware of any breach or compromise of the security of the SWIFT-Related Services.

c. **Transmission and Processing of Transfer Requests.** Customer authorizes Bank to Execute all Transfer Requests delivered to Bank by Customer in compliance with the terms of this Agreement and any established security procedures. Customer shall adhere to formatting and processing requirements established by Bank. Customer authorizes Bank to use whatever means Bank, in good faith, deems reasonable under the circumstances to execute each Transfer Request, including selection of a funds transfer system, routing and means of transmission. Customer shall be responsible for the accuracy, completeness and timeliness of all Transfer Requests sent to Bank for Execution. Transfer Requests with settlement dates of more than thirty (30) calendar days from receipt will not be processed unless prior arrangements have been made. Customer is solely responsible for initiating Transfer Requests sufficiently in advance to meet Customer's contractual obligations to its vendors and/or customers. Bank shall not be responsible for any late payment or finance charges that may result from Customer's failure to allow sufficient lead-time to make a Transfer Request. Bank and any other financial institution may rely on the account, routing or BIC numbers in the Transfer Requests even if such numbers do not correspond to the name of Customer, the Beneficiary or the Beneficiary Bank.

d. **Amendment or Cancellation of Transfer Requests.** Customer does not have the right to reverse, adjust or revoke any Transfer Request after it has been received by Bank; provided, however, that Bank will make a reasonable effort to act on such a request by Customer. With respect to a Transfer Request that has already been Executed, Bank shall, at Customer's request, request that the Beneficiary Bank return all or a portion of the funds. Customer understands that the Beneficiary Bank is under no legal obligation to comply with this request.

e. **Rejection/Repair of Transfer Requests.** Bank may reject a Transfer Request if: (i) it is not initiated or transmitted in accordance with the applicable security procedures; (ii) does not adhere to Bank's formatting or processing requirements; (iii) there is any inconsistency between a Transfer Request and information previously supplied to Bank; (iv) Customer's Transfer Requests exceed any applicable transaction limits established by Bank; (v) if there are insufficient collected funds in Customer's account to fund the Transfer Request; or (vi) Bank has other reasonable grounds not to honor the Transfer Request. Bank shall have no obligation to repair any Transfer Request it receives but may, in its absolute discretion, endeavor to do so.

f. **Account Reporting.** Bank may send notifications that allow Customer to receive advices relating to Customer's payments processed by Bank. Bank may also provide Customer with information on accounts maintained at Bank. If Customer elects to receive notifications and other account information via SWIFT, Customer shall exercise extreme care in maintaining its own security in the receipt of the notifications or information. Customer acknowledges that the data received via SWIFT may include confidential information, including, without limitation, names, amounts, phone numbers and account information. Customer further acknowledges that it alone assumes full responsibility for maintenance of its internal security procedures to keep such information confidential.

g. **Limits on Bank's Liability.** Bank will use reasonable efforts to provide notifications and information in a prompt fashion but shall not be liable for the temporary failure to provide timely data. Bank assumes no responsibility for any delays caused, or for inaccurate or incomplete information provided, by the SWIFT network or third-party banks with respect to payments and related information. Bank shall not be responsible for the acts or omission of Customer, the SWIFT network, any other financial institution or any other person. Payment to a foreign country is subject to the laws of the foreign country involved. Bank assumes no liability for foreign exchange risk, delays, non-delivery or other events resulting from causes beyond Bank's control.

h. **SCORE.** If Customer accesses the SWIFT-Related Services using SCORE, Customer shall additionally comply with applicable SWIFT agreements, documentation, user guides, security procedures and all other instructions and recommendations provided by SWIFT or by Bank in relation to the use of SCORE. Customer acknowledges that Bank does not regulate the setup and provision of SWIFT membership, joining the SWIFT network or SCORE, the SWIFT network security or the facilities necessary to access and use them. Customer represents that it is, and will throughout the term of this Service remain, an authorized SWIFT participant. Customer authorizes Bank to act on any instruction contained in a SWIFT message received by Bank through SCORE which appears to have been sent by Customer. In the event that Customer requests Bank to provide SWIFT-Related Services through SCORE to a parent company, subsidiary, affiliate or other commonly owned company, Customer agrees that it shall be jointly and severally liable for such related entity's obligations under this Agreement. Customer represents and warrants that such related entity is a duly authorized agent of the Customer and that the related entity is acting on behalf of Customer in its authorized capacity.

i. **FileAct.** If the FileAct service is offered by Bank and selected by Customer, Customer may use this service which enables the secure and reliable transfer of files to exchange batches of financial messages, reports, bulk payment files, images and other data over the SWIFT network. FileAct supports both interactive (real-time) and store-and-forward modes. Prior to implementation, Customer shall verify that Bank is capable of supporting the file formats and transaction types that Customer wishes to transmit. If the file format and transaction type is supported by Bank, Customer agrees that the processing of each file shall be additionally subject to all applicable Sections of the Agreement.

V. TERMS APPLICABLE TO SPECIFIC FOREIGN EXCHANGE SERVICES

The following are additional terms and conditions applicable to all Foreign Exchange Services offered by Bank. Bank may change the number or type of Services offered at any time.

1. Conflicting Provisions. With respect to all foreign exchange transactions or other derivative products entered into by Customer, to the extent that any provision of this Agreement conflicts with a provision of any ISDA Master Agreement by and between Customer and Bank or any documents related thereto (the "ISDA"), the ISDA terms shall govern.

2. Foreign Exchange Risk. Many banking and finance transactions carry risk. All foreign exchange transactions, including but not limited to, swaps, options, forwards, foreign exchange transactions currency accounts, and other similar derivatives and related products involve unique risks specific to the nature of these types of transactions and the currency market. These types of transactions are not suitable for all Customers. Customer should fully understand the nature and extent of exposure to risk of loss, if any, which in some circumstances may significantly exceed the amount of any initial payment made by or to Customer. All decisions to enter into foreign exchange transactions should be made by Customer giving appropriate consideration to Customer's experience, objectives, financial resources and business environment.

3. Arm's Length Transactions. Bank is acting solely in the capacity of an arm's length contractual counterparty and not in the capacity of financial advisor to Customer or fiduciary unless otherwise explicitly agreed in writing and then only to the extent so provided.

A. FOREIGN EXCHANGE WEB

1. Introduction. Bank may provide foreign exchange services to Customer in connection with U.S. Bank Foreign Exchange Web, a private Internet site owned and operated by Bank ("USB FX Web"). If requested by Customer and agreed to by Bank, Bank will provide USB FX Web services in accordance with this Agreement and other procedures provided to the Customer. Customer agrees that Customer's use of USB FX Web and all transactions initiated thereby shall be governed by this Section, all other relevant sections of the Agreement and any other related disclosures provided to Customer, in either paper or electronic format. USB FX Web shall be available only during normal business hours as established by Bank, which may vary by day or location. Notwithstanding anything to the contrary herein, Bank does not confirm that the person authorizing any USB FX Web transaction is an Authorized Signer or is otherwise authorized to conduct any USB FX Web transaction on behalf of Customer.

2. Access Devices. USB FX Web shall be available only during normal business hours as established by Bank, which may vary by day or location. Once Bank has granted Customer access to USB FX Web, System Administrator(s) designated by Customer in the Implementation Documents will be provided with one or more access devices, which may include cards, identification numbers and/or passwords. Customer shall use USB FX Web in accordance with the security procedures set forth in this Agreement.

3. Trades.

a. General Procedures. By clicking one or more buttons in USB FX Web, Customer informs Bank that Customer wishes to purchase or sell a stated amount of currency against a second currency on a designated date ("Settlement Date") either unconditionally or at a displayed exchange rate, if one may be obtained ("Trade"). Any transaction that results following the submission of a Trade shall be Customer's legally binding obligation. Trades submitted to Bank via USB FX Web shall be effective only upon acceptance by Bank. Bank will establish from time to time specific times of day after which Trades will not be processed on a "same-day" or "next-day" basis. Trades submitted after Bank's deadline will be considered received on the next business day. Deadlines will differ depending on the Trade currency and other factors. Customer is solely responsible for the accuracy and completeness of any settlement instructions delivered to Bank through USB FX Web and such settlement instructions are subject to the concurrence of Bank. Bank shall make reasonable efforts to provide information and status of the terms of any Trade on the USB FX Web site or by other means established by Bank. Failure by Bank to confirm a Trade for any reason, including without limitation computer malfunction, shall not excuse Customer's obligations related to any Trade. Bank's internal records with respect to each Trade shall constitute conclusive evidence of the terms of each Trade. The terms of each Trade shall be incorporated into and become part of this Agreement.

b. Payment. Once a Trade has been made, Customer agrees to make payment or delivery of currency to Bank on the Settlement Date of the Trade in accordance with the settlement instructions provided by Customer, plus any applicable fees or charges. Should Customer instruct Bank to settle a Trade by debiting an account, Customer agrees to maintain sufficient available funds in the account to settle on the Settlement Date. Should funds be insufficient to settle the trade on the Settlement Date, Bank reserves the right in its sole discretion to debit any of Customer's account with the Bank in the amount of Trade, subject to applicable account fees and charges, or to cancel the Trade.

c. Cancellation or Change. Customer acknowledges and agrees that Customer shall have no right to cancel or reverse a Trade once submitted. Bank will, however, make reasonable efforts in its sole and complete discretion to cancel or amend the terms of a Trade upon Customer's request. Should a Trade be successfully canceled or amended, or in the event that a Trade is canceled due to failure by Customer to make settlement on the Settlement Date or failure to provide Bank with complete settlement instructions prior to the Settlement Date of a Trade, Customer agree to reimburse Bank for any breakage costs and other expenses incurred by Bank to cancel or amend the Trade, including any fees imposed for this extraordinary service. Bank reserves the right to adjust the exchange rate on any Trade requiring a new Settlement Date to reflect any costs associated with carrying that Trade to a new Settlement Date.

4. Orders.

a. General Procedures. Bank may offer and agree to accept conditional instructions from Customer to Bank to buy or sell a stated amount of foreign exchange against U.S. dollars based upon exchange rate target prices ("Orders") via USB FX Web. All Orders requests submitted to the Bank through USB FX Web will not become active until accepted by the Bank. Bank in its sole discretion may decline to accept any Order. All Orders must be in liquid, actively traded currencies and must contain a U.S. dollar component. If an expiration date is not specified, Orders will remain open until filled. Orders must be for an amount of currency equivalent to at least $100,000 U.S. dollars, based upon the exchange rate contained in the Order. Either Bank or Customer may cancel an Order that has been accepted by Bank at any time prior to the execution of that Order. Cancellations, however, must be effected by direct telephone communication between Bank and Customer. Bank shall have a reasonable time to act on any request for cancellation. An Order that has been filled will be binding on the Customer, even if it has not yet been communicated to the Customer as filled. Customer shall have no right to cancel an Order once filled by Bank. Note that there is no single facility, exchange or system for the exchange of currencies and therefore, prices that fulfill the requirements of Orders may be reached at some place in the world at some time of day that is not apparent to Bank or its agents. Bank and its agents monitor markets and systems that are generally best representative of the primary market for foreign exchange and can only be responsible for filling Orders based upon prices traded or available in those markets or systems.

b. Types of Orders. Two types of Orders may be transacted via USB FX Web.

(i) Limit/Profit Orders. Limit/Profit Orders are Orders placed above the current exchange price for sellers and below the current exchange price for buyers. A Limit/Profit Order to sell foreign currency would yield more dollars at the Order price than at the current exchange price and are filled only if wholesale buyers begin bidding for the foreign currency specified in the Order against U.S. dollars at a price equal to or higher than the price stated in the Order. A Limit/Profit Order to buy foreign currency would cost fewer dollars at the Order price than at the current exchange price and are filled if wholesale sellers begin offering the foreign currency specified in the Order against U.S. dollars at a price equal to or less than the price stated in the Order. All Limit/Profit Orders are filled only when they can be filled at a price equal to or better (for the Customer) than the Order price. Limit/Profit Orders for $5,000,000 U.S. dollar equivalent or less will be executed in full, should all the conditions of the Order be met. If Bank or its agents cannot find sufficient liquidity to fill the complete Order at the requested price Limit/Profit, Orders for more than

$5,000,000 U.S. dollars may be filled for less than the Order amount, but in no event for less than $5,000,000 U.S. dollars. Orders larger than $5,000,000 U.S. dollar equivalent with an "all or none" limitation may not be placed through USB FX Web.

(ii) Stop/Loss Orders. Stop/Loss Orders are Orders placed below the current exchange price for sellers, and above the current exchange price for buyers. A Stop/Loss Order to sell foreign currency would yield fewer dollars at the Order price than at the current exchange price and becomes a market Order to be executed at the next available price(s), when actual wholesale market trades are observed to have been executed at or below the Order price. A Stop/Loss Order to buy foreign currency would cost more dollars at the Order price than at the current exchange price and becomes a market Order to be executed at the next available price(s), when actual wholesale market trades are observed to have been executed at or above the Order price. The fill price may be better than, equal to, or worse than the Order price. A Stop/Loss Order may also be filled at multiple prices. The Customer bears all market risk on a Stop/Loss Order.

c. Limited Liability. Bank will rely on market information that it deems adequate and appropriate to determine if, when, and how an Order should be executed. However, Order execution is on a best-efforts basis, and no assurance is given that Bank's traders or agents can or will have access to or even observe every bid, offer or trade available in the over-the-counter foreign exchange market. Except for manifest error, Bank's decisions, prices, execution or non-execution of Orders will be final and conclusive.

5. Foreign Currency Drafts. Bank may offer and agree to provide a service whereby Bank shall act as Customer's agent to arrange for the payment of foreign drafts issued by the Customer via USB FX Web ("Foreign Drafts"), which are drawn on the Bank's accounts at various banks with which Bank has a correspondent relationship (each a "Drawee Bank"). Foreign Drafts may not exceed the monetary draft limit communicated to Customer by Bank from time to time in writing. Customer shall draw Foreign Drafts only in accordance with the terms of this Agreement and any related procedures.

a. Stop Payment Orders. Upon receipt of a stop payment order, Bank shall make reasonable efforts to ascertain whether the Foreign Draft has been paid by the Drawee Bank. If such Foreign Draft has not been paid, Bank will send a stop payment notice to the Drawee Bank. Bank shall have no liability for the Drawee Bank's payment of a Foreign Draft over a stop payment order processed by Bank or if the stop payment order does not prevent a Foreign Draft from being legally enforceable for any reason.

b. Refund; Replacement Foreign Drafts. Customer may request Bank to refund the amount of a Foreign Draft or issue a replacement Foreign Draft (the "Replacement Foreign Draft") if the original Foreign Draft and duplicate, if any, are surrendered to Bank properly endorsed. If the original Foreign Draft is unavailable, Bank will refund the amount of the Foreign Draft or issue a Replacement Foreign Draft in accordance with the terms of the applicable Lost, Stolen or Destroyed Foreign Drafts Affidavit. Any refund shall be at the U.S. dollar equivalent of the amount of the Foreign Draft based upon Bank's buying rate on the date of the refund, and Bank shall deduct from such refund all expenses or fees incurred by Bank or the Drawee Bank in connection with the refund. If Bank determines that there is no ready market for the currency specified in the Foreign Draft, Bank may decline to make such refund unless and until Bank determines such a market exists. Any Replacement Foreign Draft issued shall be priced at the selling rate for the original Foreign Draft.

c. Liability. In addition to liability limitations elsewhere in this Agreement, Bank's liability for any loss or damage shall not exceed the total amount of the fee charged to Customer related to the particular Foreign Draft which gave rise to the loss or damage. Neither Bank nor the Drawee Bank shall be liable for any loss, cost or expenses resulting from the delay in presenting the Foreign Draft for payment or from the refusal or inability of the Drawee Bank to pay the Foreign Draft by reason of any law, decree, moratorium, regulation, compulsion or control of public authority or of domestic or foreign government, de jure or de facto, or any agency thereof, or resulting from declared or undeclared war, censorship, blockade, revolution, insurrection or civil commotion.

d. Drafts; Safekeeping. Bank may deliver to Customer from time to time blank draft forms. Customer shall hold all such draft forms and completed drafts in safekeeping until their use in an authorized transaction by authorized personnel. Customer must destroy all canceled or otherwise used forms and notify Bank in accordance with the procedures.

e. Fees. Customer agrees to pay any service charges incurred by Bank in connection with this service and charges for special services, such as stop payment orders or expenses incurred in attempting to recover the proceeds of erroneously paid Foreign Drafts.

f. Release. Except to the extent caused by Bank's gross negligence or willful misconduct, and except to the extent recovered from the Drawee Bank, the payee or its transferee, Customer agrees Bank shall have no liability to Customer which arises out of or relates to a Foreign Draft drawn by Customer, including without limitation, the unauthorized completion or use of a Foreign Draft, conversion of a Foreign Draft, regardless of whether the conversion occurs while the Foreign Draft is held by Customer in safekeeping or thereafter, the use of a Foreign Draft for any illegal purpose, the Drawee Bank's payment of a Foreign Draft to a party other than the payee or an authorized transferee, the placement of a stop payment order, the Drawee Bank's failure to honor a timely stop payment order, the Drawee Bank's failure or refusal to pay the Foreign Draft upon presentment, loss of use of funds while recovering a canceled Foreign Draft, errors in the payment of the Foreign Draft, conditions beyond the reasonable control of Bank, exchange rate fluctuations, the insolvency of the Drawee Bank, foreign exchange disruption or suspension caused by political or economic conditions in the Drawee Bank's country or the United States. In the event of any such loss, cost or expense where recovery may be made against persons in the Drawee Bank's country, Bank will make reasonable efforts to assist Customer in attempting to obtain a recovery from those persons; provided, however, that Customer agrees to pay the expense of such recovery efforts, including attorney's fees, and assumes the risk of loss if the recovery efforts do not succeed.

6. Funds Transfers. Customer authorizes Bank to execute and charge the designated Customer account(s) for wire transfer payment orders delivered to Bank via USB FX Web. Customer agrees that all such wire transfer payment orders will be governed by the relevant Sections of this Agreement.

7. Representations and Warranties. Customer represents and warrants to Bank as of the date of this Agreement and as of the date of each Trade that: (i) Customer is authorized to enter into this Agreement and any Trade, (ii) the persons entering into the Agreement (and each Trade) on Customer's behalf have been duly authorized to do so, (iii) the Agreement (and each Trade) is binding and enforceable against Customer in accordance with its terms, (iv) no Termination Event has occurred or is continuing, and (v) Customer is acting as principal with respect to each Trade.

8. Close-Out Events. Each of the following events shall constitute a close-out event under this Agreement (each a "Close-Out Event"): (i) failure by Customer to pay Bank for any amounts due under this Agreement or any Trade, (ii) any voluntary or involuntary insolvency proceeding (including without limitation any proceeding under any bankruptcy, insolvency or other similar laws governing the operations of Customer) shall have been commenced against Customer, (iii) Customer fails, or is otherwise unable, to pay its debts as they become due, (iv) Customer disaffirms, disclaims or repudiates any Trade, (v) any representation made by Customer under this Agreement shall prove to have been false or misleading in any material way at the time that it was made, or (vi) Customer shall be in default of any agreement between Customer and Bank or its subsidiaries or affiliates.

9. Rights Upon Close-Out Event. If a Close-Out Event has occurred, Bank shall have the right to terminate this Agreement and, upon notice to Customer, close out all outstanding Trades on a date specified by Bank (the "Close-Out Date"). In such event, Bank shall liquidate such Trades by calculating in good faith the gain or loss of all Trades as follows: (i) determine the close out amount of each Trade, which shall be equal to the sum of the face value of each Trade in a particular currency with a Settlement Date that is the same or later than the Close-Out Date and the face value of each Trade in the same currency with a Settlement Date prior to the Close-Out Date, plus interest at the overnight LIBOR rate from and including the Settlement Date, but excluding the Close-Out Date, (ii) convert the close out amount of each group of like currency Trades into U. S. Dollars at the rate of exchange at which, at the time of the calculation, Bank may buy U.S. dollars with or against currency of each closed out Trade, and (iii) determine for each Trade the sums that would have been

owed by Customer to Bank and the sums that would be owed by Bank to Customer (adjusted to present value by discounting the gain or loss at overnight LIBOR from and including the Settlement Date, but excluding the Close-Out Date). The preceding amounts shall be aggregated, so that all such amounts are netted into a single liquidated amount payable to or by Bank. Customer shall pay on demand any amounts owing to Bank pursuant to this Section and Bank's calculations shall be conclusively binding against Customer, absent manifest error.

B. FOREIGN CURRENCY ACCOUNTS

1. Introduction. If requested by Customer and agreed to by Bank, Customer may open a Foreign Currency Account ("FCA") at either U.S. Bank National Association ("Standard FCA") or U.S. Bank National Association, Cayman Branch ("Cayman FCA").

2. Permitted Deposits. Bank may accept the following for deposit into a FCA:

a. Proceeds of matured foreign exchange purchase contracts;

b. Proceeds of foreign currency denominated letters of credit or documentary collection;

c. Incoming international funds transfers;

d. Proceeds of loan disbursements; or

e. Foreign checks and other items subject to collection, which may not be available until funds are received by Bank.

Bank will not accept currency or coin for deposit into a FCA. Deposits not specifically enumerated above may be allowed if agreed to by Bank in writing. Only collected and verified funds can be deposited into a FCA, whereupon funds will be immediately available for withdrawal or transfer by Customer.

3. Withdrawals. Customer can make withdrawals out of a FCA in the following ways:

a. Settlement of a foreign currency exchange sale contract;

b. Negotiation of foreign currency denominated letters of credit or documentary collection;

c. Outgoing international funds transfers by wires initiated in accordance with Bank procedures;

d. Payment of a foreign currency loan; or

e. Payment via foreign draft.

Each of these methods of making a withdrawal will result in an immediate debit to the FCA for the entire amount Customer has elected to withdraw from such FCA.

4. Interest. Interest rates offered on Standard FCAs and Cayman FCAs are determined in Bank's discretion based on the applicable currency. Such interest rates may be set at zero or at a negative interest rate. Interest is calculated based on the average daily balance method. The average daily balance method is an annualized rate that reflects the relationship between the amount of interest each fiscal month and the average daily balance in the account for such fiscal month.

5. Denomination. Customer will elect the denomination of each FCA on a separate account opening document. Transfers of funds into and out of a FCA in the currency in which that particular FCA is denominated will be made without regard to the equivalent value of that sum of foreign currency in U.S. dollars or other foreign currencies. Transfers of funds into and out of a FCA in a currency other than the currency in which that particular FCA is denominated may be accommodated by the Bank in its discretion. Such transfers will be made at the prevailing exchange rate determined by Bank.

6. Non-Business Days. In addition to non-Business Days specified in the Agreement, there will occasionally be other days on which Bank cannot process or complete a transaction due to holidays in foreign countries (including, but not limited to, Cayman Island holidays with respect to Cayman FCAs).

7. Other Terms. Bank may refuse a deposit, limit the amount which Customer may deposit, return all or any part of a deposit or require that Customer close a FCA at any time. Bank may also close a FCA without prior notice and remit to Customer any balance remaining after taking into account all pending debits and charges against such FCA.

8. Foreign Currency Account Risks. Investing in any currency other than the base currency of the Customer carries risk. The value of the balances in such accounts may be significantly affected by changes in currency exchange rates. Some other risks of maintaining foreign currency balances include, but are not limited to: the effects of a different economic system in a foreign country, future political and economic developments, possible imposition of exchange controls or other government restrictions, and with respect to certain countries, the

possibility of expropriation or confiscatory taxation, political or social instability, or diplomatic developments which could adversely affect the value of the currency. Should Bank's balances in a foreign country become blocked or withdrawals by Bank become otherwise restricted, Customer's funds in the FCA will likewise be blocked or otherwise restricted.

WHILE DEPOSITS IN STANDARD FCAS MAY BE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ("FDIC") UP TO A MAXIMUM AMOUNT ALLOWED BY LAW, CUSTOMER IS NOT PROTECTED BY BANK AGAINST FOREIGN CURRENCY EXCHANGE RATE FLUCTUATIONS OR FROM INABILITY TO ACCESS FUNDS FROM FOREIGN REGULATIONS BY THE FDIC INSURANCE, OR ANY OTHER INSURANCE OR GUARANTY PROGRAM. CUSTOMER ASSUMES ALL RISK OF LOSS ARISING FROM ANY ACTION TAKEN WITH RESPECT TO THE CAYMAN FCAs BY THE GOVERNMENT OF THE CAYMAN ISLANDS OR ANY SOVEREIGN OR MILITARY POWER (DE FACTO OR DE JURE). IN THE UNLIKELY EVENT OF BANK FAILURE, THE BALANCES RESIDING IN CUSTOMER'S CAYMAN FCA WILL NOT BE DEEMED "DEPOSITS" UNDER RULES PROMULGATED BY THE FDIC AND WILL THEREFORE NOT BE INSURED BY THE FDIC. CUSTOMER'S CLAIM FOR FUNDS HELD IN THE CAYMAN FCA WILL BE TREATED AS UNSECURED GENERAL CREDITOR CLAIMS.

9. Limitations on Liability. In addition to other limitations on liability set forth in this Agreement, Customer expressly agrees that Bank, and its affiliates, agents and employees, shall not be responsible for any liability, loss, damage or claim related to currency exchange rates or fluctuations in value of the currency in which the applicable FCA is denominated with respect to the U.S. dollar and other currencies. Customer hereby assumes all risks related to currency exchange rates and fluctuations in currency values, including that the foreign currency in a FCA might be worth less, in U.S. dollars or other foreign currencies, than the U.S. dollar or other foreign currency equivalent of such funds at the time deposited into the FCA. Bank makes no warranty and no representation about the value of any FCA balance at any time.

VI. TERMS APPLICABLE TO SPECIFIC MONEY CENTER AND SAFEKEEPING SERVICES

The following are additional terms and conditions applicable to specific Money Center and Safekeeping Services offered by Bank. In the event of a conflict between this Section VI and any other provision of this Agreement, Section VI shall govern. Bank may change the number or type of Services offered at any time. Customer shall not be bound by the terms and conditions for the specific Services described in this Section VI to the extent Customer is not using such Service(s).

Municipal Advisor Rule Disclosure. This disclosure applies to Customer if Customer is classified as a municipality or an "obligated person" under the Municipal Advisor Rule. For purposes of Section 15B of the Securities Exchange Act of 1934 (the "Act") (SEC Rule 15Ba1-1 et seq.) (the "Rule"), Bank: (1) is not recommending and will not recommend an action to Customer; (2) is not providing and will not provide "advice" to Customer as defined in the Rule, and any information or communication from Bank in respect of Customer's accounts with the Money Center or the Safekeeping Departments of Bank or in respect of any securities transaction or potential securities transaction to be executed via such account(s) is not intended to be and should not be construed as "advice" as defined in the Rule; and (3) is not acting as an advisor to Customer and does not owe Customer any fiduciary duty pursuant to Section 15B of the Act or otherwise with respect to any such account(s), information, communication, transaction or potential transaction. Customer should discuss any information or material provided to Customer by Bank in connection with trading, investing or other activity in the such account(s) with any and all of Customer's internal or external advisors and experts that Customer deems appropriate before acting on any such information or material.

A. INVESTMENT, DEPOSITORY AND SAFEKEEPING SERVICES

From time to time, Customer may effect securities transactions or establish deposits with Bank's Money Center Department and/or request safekeeping services from Bank's Safekeeping Department. All such transactions shall be subject to the terms and conditions of this Agreement.

1. Definitions.

a. "Confirmation" means the confirmation statement from Bank as described in this Agreement.

b. "deposits" means interest-bearing deposit accounts, money market deposit accounts, time deposits and other deposit liabilities of Bank to Customer established under this Agreement.

c. "Safekept Securities" means securities that Bank has agreed to accept and hold for the account of Customer under the terms of this Agreement.

d. "securities" means all securities (as Defined in the Securities Exchange Act of 1934) and all investment securities or products from time to time offered by Bank to Customer, other than certificates of deposit issued by Bank and deposits made with Bank.

e. "Settlement Account" means any settlement account(s) designated by Customer or any replacement account identified by Customer in a written notice delivered to Bank.

2. Capacity of Bank; Compensation.

a. In General. In any securities transaction governed by this Section VI.A, Bank may be acting as principal, riskless principal, or agent. Bank's capacity in any securities transaction will be indicated on the Confirmation.

(i) As Principal. When acting as a principal in securities transactions, Bank will either buy securities for its own account or sell for its own account securities owned by Bank, whether such securities are bought before or after receiving Customer's order. Bank's compensation is reflected in the price at which Bank buys or sells the securities.

(ii) As Riskless Principal. When acting as a riskless principal in securities transactions, after receiving from Customer an order to buy or sell securities, Bank will buy or sell securities for its own account to offset the sale to or purchase from Customer. Bank's compensation is reflected in the price at which Bank buys and sells the securities.

(iii) As Agent. When acting as Customer's agent in securities transactions, Bank will buy or sell securities solely for Customer's account. Bank's compensation due from Customer is the amount of any agency service charge indicated on the Confirmation.

b. Service Fees. In addition to compensation received as a principal, riskless principal or agent, Bank may charge Customer service fees in relation to securities transaction as specified in the current fee schedule as provided to Customer, which may be amended from time to time upon notice to Customer.

c. Other Compensation; Bank Securities**.** Bank may be paid a fee or other compensation by any other party in connection with any securities transaction, and any such fee or compensation will be in addition to fees payable by Customer to Bank under this Agreement. Such additional compensation may include, without limitation, advisory, custodial, distribution and/or shareholder service fees (which may be paid as service fees pursuant to Rule 12b-1 under the Investment Company Act of 1940) that Bank or its affiliates may receive from various mutual funds and/or mutual fund service providers, based upon moneys invested in the funds. Customer acknowledges that those fees or other compensation may be paid to Bank for such services, and that such payments will not reduce or offset any fee or compensation due from Customer to Bank under this Agreement. Further, Customer acknowledges that securities Customer acquires through Bank may directly or indirectly (including through mutual or money market funds) represent an ownership interest in securities issued by Bank or its affiliates or by funds sponsored by Bank or its affiliates.

3. Pledges; Segregation.

a. Pledges. Upon request of Customer, Bank can provide a form of control agreement suitable for transactions where Customer wishes to grant to third parties a lien, pledge or other rights over its property held by or at the Money Center or Safekeeping Departments at Bank. Customer agrees that all costs of Bank, including reasonable fees and expenses of outside counsel if deemed necessary by Bank, will be at Customer's expense if such a control agreement is requested, whether or not a final agreement is entered into.

b. Segregated Assets. Where Customer wishes to effect transactions hereunder on behalf of its customers using the property of such customers, Customer will first notify Bank in writing of its intention to do so before effecting any such transactions. Customer acknowledges that Bank may require one or more additional agreements in order to accept such transactions. Once acceptance of such transactions has been approved by Bank, Customer agrees to include in its instructions to Bank an agreed identifier or designation as to the applicable securities, deposits and transactions.

4. Securities Transaction Requests.

a. Effecting Transactions. Each securities transaction will be effected pursuant to Customer's instructions made verbally, by fax or sent electronically via email or a trading system provided or approved by Bank. Emailed instructions must be directed to Bank's email address as designated from time to time by Bank, and fax instructions must be directed to Bank's fax number as designated from time to time by Bank. Securities transaction requests may be acted upon by Bank without acknowledgment by Bank that it has received such request.

b. Cut-Off Times. Bank establishes cut-off times for receipt of securities transaction requests depending on the type of security and the market in which it is traded. In addition, market holidays, procedural or operational matters, and actions taken by market operators may affect Bank's ability to process securities transaction requests. Customer instructions for same day settlement received before the applicable cut-off time will be submitted for processing that Business Day. Customer instructions for same day settlement received after the applicable cut-off time may be processed by Bank on a 'best efforts' basis that Business Day and otherwise will be submitted for processing the next Business Day.

c. Bank's Rights. Bank may reject, refuse to honor, or reverse all or any portion of any transaction request, with or without prior notice to Customer. If Customer fails to pay in full for any security purchased or fails to deliver security sold, in each case on or before the related settlement date, Bank is authorized in its discretion and without notice or demand to take any one or more of the following actions: cancel the transaction; sell the securities covered thereby; buy-in cover securities or other property required to make delivery; charge the Settlement Account for amounts due; hold Customer liable for any loss, cost or expense including but not limited to, breakage or pair-off fees and the capital charge and interest cost to carry any securities purchased; and/or impose fees.

5. Safekept Securities. Bank, acting through its Safekeeping Department, agrees to hold and keep as custodian hereunder all Safekept Securities, and to deliver such Safekept Securities in accordance with the instructions of Customer, all subject to the terms and conditions of this Agreement.

a. Acceptance and Withdrawal. Securities eligible to be Safekept Securities may be delivered to Bank, and any Safekept Securities may be withdrawn from Bank, in each case upon an instruction of Customer delivered in accordance with this Agreement. Withdrawal or delivery of Safekept Securities is subject to availability (e.g., among other reasons, securities involved in a corporate action or in frozen status, restricted securities or pledged securities may not be available for withdrawal or delivery). Bank shall not be liable or responsible for or on account of any act or omission of any broker or other agent designated by Customer or, in the absence of such designation, selected by Bank to receive or deliver securities for the account of Customer.

b. Registration; Depositories. Bank shall register Safekept Securities in nominee name and may from time to time change the registration of Safekept Securities from nominee name to Customer's name, or vice versa. Customer agrees that it will timely complete any necessary documentation provided by Bank to change the registration of Safekept Securities. Safekept Securities held in nominee name may be deposited with The Depository Trust Company or other third-party depository acceptable to Bank. Securities that are depository eligible will be held at the depository in the depository's nominee name.

c. Securityholder Information. Unless otherwise required by law or pursuant to instructions from Customer, in no event shall Bank be responsible to take any action concerning any puts, calls, conversions, exchanges, reorganizations, offers, tenders or other corporate actions or similar matters relating to Safekept Securities, other than (i) to forward to Customer in accordance with this Agreement the written information received by Bank relating to any such transaction, and (ii) follow Customer's lawful instructions with respect to such actions. Customer may directly vote any proxy or other corporate action, or if it instructs Bank to vote on its behalf, agrees that any instructions to Bank with respect to any such actions shall be delivered to Bank within sufficient time for Bank to act thereon if any action is required. Safekept Securities called for redemption prior to maturity will be presented by Bank for payment provided the trustee or other appropriate entity gives Bank adequate notice of redemption. Should any Safekept Security be called for partial redemption by the issuer of such security, Bank is authorized to accept the allocation applied by any central depository. In the event Bank has to allocate any redemption among its accounts, Bank shall allot the redemption proceeds in accordance with its standard procedures therefor, effected in such manner as it deems appropriate in its sole discretion.

d. Collection of Income and Principal. Bank shall collect and receive the interest, principal and other income payable in connection with the Safekept Securities, and shall pay to Customer or credit to the Settlement Account all such amounts. Bank shall not be obligated (i) to pay to Customer or credit to the Settlement Account any payment of interest, principal or other income until Bank receives such payment in immediately available funds or (ii) to institute or participate in any collection proceedings or other proceedings to enforce Customer's rights relative to any Safekept Securities or to pursue any remedies on behalf of Customer. Bank is hereby authorized to sign on behalf of Customer any declarations, affidavits, certificates of ownership or other documents relating to securities held by Bank in nominee name that may at any time be required with respect to all coupons, registered interest, dividends or other income. If any of Customer's deposits or securities the subject of this Agreement, including Safekept Securities, are subject to a variable or fixed rate of interest and such securities bear a negative interest rate, Customer agrees to pay Bank all amounts of the negative interest (which may also be debited from the Settlement Account by Bank), and Customer agrees that the principal amount of such Safekept Securities may be reduced to the extent necessary to cover the amount of the negative interest if available funds are not otherwise provided by Customer.

e. Return of Payments. Customer will repay Bank, or Bank may charge the Settlement Account, in the event that for any reason (i) Bank is required to return to the issuer or to a third party any payments in respect of Safekept Securities, (ii) Bank fails to receive from the issuer or appropriate other party a payment Bank paid to Customer in respect of Safekept Securities, or (iii) Bank must return to the issuer or appropriate other party a payment Bank paid to Customer in respect of Safekept Securities. Customer further agrees that the principal amount of any Safekept Securities may be reduced, and any remittances due from Bank to Customer (whether or not under this Agreement), and any other accounts of Customer with Bank, may be offset to the extent necessary to cover the amount of such returned payments to the extent that immediately available funds are not otherwise provided by Customer to Bank.

6. Confirmation Statements. Promptly after effecting any transaction pursuant to this Section VI.A, Bank will deliver to Customer a Confirmation which shall identify at least (i) Bank and Customer, (ii) the trade and settlement dates of the transaction, (iii) the issuer and par amount of the related securities (for securities transactions) and the principal amount of any deposit (for deposit transactions), (iv) the interest rate if applicable and/or any discount rate applicable to any securities transactions or deposit transactions, (v) the maturity date of the transaction, ifapplicable, (vi) the capacity of Bank as principal, riskless principal or agent (if the transaction is a securities transaction) and, if applicable, whether the securities will be Safekept Securities, (vii) any terms and information required by applicable law, and (viii) any other terms and information which Bank may include at its discretion. The information contained on the Confirmation shall be considered true and correct and conclusively binding upon Customer unless Customer notifies Bank of any error therein within three (3) business days after the date the Confirmation is deemed delivered to Customer in accordance with this Agreement. Customer may, by notice from an Authorized User in accordance with this Agreement, elect to receive Confirmations by mail, fax, email, or other electronic means including posting to a password-protected website), subject to the terms of this Agreement.

7. Settlement Account. Unless Bank is otherwise instructed in writing, Customer unconditionally authorizes, empowers, and directs Bank (and authorizes and directs Bank to communicate with any financial institution maintaining the Settlement Account as necessary) to: (i) debit the Settlement Account on the settlement date indicated on the Confirmation for the full amount of each transaction effected under this Section VI(A) (including all fees and charges payable hereunder), notwithstanding that such debit may cause the Settlement Account to be overdrawn; and (ii) credit the Settlement Account withinterest payments, principal payments, maturity payments or other payments received in respect of transactions effected under this Agreement. Customer hereby represents and warrants that instruction from any Authorized User is sufficient to authorize Bank to debit or credit the Settlement Account. If the Settlement Account is not held by Bank, Customer confirms to Bank that it has authorized the financial institution maintaining the Settlement Account to accept debit and credit entries to the Settlement Account and that no such authorization will be cancelled except with prior notice to Bank and in sufficient time and in such manner as to allow the financial institution maintaining the Settlement Account and Bank a reasonable opportunity to act on such termination without disruption of any transactions or services under this Agreement. Customer acknowledges that ACH payments to a Settlement Account not held by Bank are subject to ACH processing timelines, which may involve a delay in available funds.

8. Delivery. Through the instructions of an Authorized User, Customer shall specify the account to which any securities purchased hereunder are to be delivered. If such account is maintained by the Safekeeping Department of Bank, the securities will be held in accordance with this Agreement. If such account is maintained by an institution other than Bank, Bank's responsibility for ensuring delivery shall be limited to accurately conveying the instructions for the appropriate delivery account to the depository, agent or issuer of the securities, as applicable for the particular type of securities. Bank will issue no certificate, passbook, or any other evidence of any deposit except for the Confirmation.

9. Interest. All deposits opened under this Agreement, and all certificates of deposit purchased by Customer or held under this Agreement, will earn interest from the date of deposit or settlement date, as applicable, computed at the rate and in the manner established by Bank from time to time for the related product (which, for variable rate products including those whose underlying interest rate is not managed by Bank, may permit changes to the applicable rate at any time without notice to Customer, and which may permit zero or negative rates). Bank will notify Customer of the applicable interest rate and maturity terms, for deposits with Bank opened under this Agreement at the time that the request for such deposit is made.

10. Fixed Investment Periods. Customer acknowledges that certain investments held by Bank under this Agreement have fixed investments periods, and agrees that such investments will be held by Customer until their respective maturity date or through their respective commitment date. Customer agrees that if it withdraws part or all of such an investment before such date, Bank shall be entitled to impose a penalty (including by debiting the Settlement Account for such amounts) in accordance with the terms of such product or the fee schedule provided to Customer, as applicable, and that the principal amount of such investments may be reduced to the extent necessary to cover such penalty if available funds are not otherwise provided by Customer.

11. Repurchase Transactions. Customer shall not effect any securities transactions under this Agreement in the expectation of entering into a repurchase transaction with Bank as counterparty unless Customer shall first have executed and delivered to Bank a written master repurchase agreement, in form and substance satisfactory to Bank, governing such transactions. In any such transaction, where Bank is to hold securities as collateral or as the subject of a transaction, such securities will be held by the Safekeeping Department of Bank subject to the terms of this Agreement, unless Customer is otherwise notified. To the extent of any inconsistency between the terms of any such agreement and the terms of this Agreement, the terms of such other agreement shall control.

12. Fees and Expenses. Customer shall pay to Bank such fees in respect of the services provided under this Agreement, as disclosed to Customer on the current fee schedule. If the fee schedule is amended, the amended fees will apply to any Safekept Securities being held at that time, and to any securities transactions effected on the day such amendment becomes effective.0020

13. Termination. Subject to Section VI.A.10, Customer or Bank may terminate the Service(s) described in this Section VI at any time effective upon prior notice to the other party, and Bank may terminate the Service(s) described in this Section VI at any time if Customer's account is inactive for an extended period. If any Service described in this Section VI is terminated for any reason, Customer will continue to be responsible for any obligation incurred by Customer prior to termination and for the fees and costs, if any, payable under this Agreement with respect to delivery of Customer's securities (including Safekept Securities) or funds held by Bank to Customer or to another financial institution.

14. Notices. Except for oral instructions to Bank from Authorized Users or from Bank to Authorized Users, all notices, disclosures and communications (including Confirmations) under this Section VI shall be in writing and delivered by mail, fax, email or other electronic means as provided for in this Agreement. Notices, disclosures and communications (including Confirmations) shall be deemed delivered upon transmission of the same by mail, fax, email or other electronic means as provided for in this Agreement, or on the third (3rd) Business Day after deposit of the same in the United States mail, postage prepaid, and addressed to the mailing address provided by Customer. All written confirmations, notices, instructions, or other communications from Customer to Bank shall be sent

to following address (which may be amended from time to time by Bank upon notice to Customer):

For securities transactions:
U.S. Bank National Association
Money Center Department
800 Nicollet Mall, BC-MN-H18T
Minneapolis, MN 55402
Fax: (612) 303-1338
Email: Money.Center.Sales@usbank.com

For safekeeping services:
U.S. Bank National Association
Safekeeping Department
800 Nicollet Mall, BC-MN-H18R
Minneapolis, MN 55402
Fax: (612) 303-0202
Email: Safekeeping@usbank.com

15. Terms and Conditions of Electronic Delivery. All notices, disclosures and communications (including Confirmations and other account information) from Bank may be delivered to Customer by electronic means (including, without limitation posting to a password-protected website) to the extent Customer elects to receive such information through electronic means, subject to the Terms and Conditions of Electronic Delivery set forth in Section VI.B below. Customer agrees that sending information in this manner will constitute good and effective delivery of the information to Customer, regardless of whether Customer actually accesses the website or other electronic medium containing the information.

16. No Investment Advice. Customer acknowledges that Bank will not provide supervision, recommendations or advice to Customer in connection with the investment, purchase, sale, retention or other disposition of any securities or deposits, or the advisability or suitability of any product or transaction.

17. ERISA. If assets of an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), are intended to be deposited, invested or used by Customer in a transaction under this Section VI.A, Customer shall notify Bank prior to effecting such deposit, investment or transaction and will provide Bank with such additional information as Bank may reasonably request. Customer represents and warrants to Bank that any deposit, investment, or transaction pursuant to this Section VI.A shall not result in a "prohibited transaction" under ERISA or shall otherwise be exempt under ERISA.

18. No Representation or Warranty. Customer acknowledges and agrees that Bank makes no representation or warranty, express or implied, with respect to the validity, enforceability, collectability or investment quality of any securities bought or sold hereunder, or any deposits made or terminated hereunder.

19. Records; Taxes. Bank will maintain records of Customer's account and provide customer with a Confirmation for transactions in accordance with this Section VI.A and periodic account statements. Bank will also send to Customer such notices and reports as are required by law. Customer acknowledges and agrees that it is Customer's obligation to prepare and file all required tax returns and to pay all taxes due on any income that Bank collects for Customer.

B. TERMS AND CONDITIONS OF ELECTRONIC DELIVERY

The following sets forth the terms and conditions of use of Bank's electronic delivery and notification service (the "Electronic Delivery Service") in connection with account(s) with Bank's Money Center Department or Safekeeping Department.

The Electronic Delivery Service described in this Section VI.B shall constitute an Internet Service as defined in Section III of this Agreement and shall be subject to the terms set forth therein, as well as any other agreements between Customer and Bank and any applicable laws or regulations. If there is a conflict between the terms and conditions set forth in this Section VI.B and the terms and conditions of any other section of this Agreement or any other agreement between Customer and Bank as they relate to the Electronic Delivery Service, the terms and conditions set forth herein will control.

1. Electronic Delivery of Account Communications. Customer may elect to receive Account Communications (defined below) related to Customer's account(s) electronically. All Account Communications will be delivered electronically by posting to Bank's password-protected website designated for Customer's account(s) or, at Bank's election, delivered via electronic mail to the email address provided by Customer to Bank. "Account Communications" include, without limitation, all current and future account statements, Confirmations, security notices, maturity notices, prospectuses, offering and disclosure documents, shareholder communications (such as quarterly, semi-annual and annual reports, proxy statements, etc.), regulatory communications and other information, documents, data, notices and records regarding Customer's account(s) with Bank. Bank may, from time to time, designate additional Account Communications that are then eligible for electronic delivery through the Electronic Delivery Service, the delivery of which will then be subject to these terms and conditions. From time to time, Bank may add to, modify or delete any feature of the Electronic Delivery Service or Account Communications eligible for delivery through the Electronic Delivery Service at its sole discretion. Customer acknowledges and agrees that by being enrolled in the Electronic Delivery Service, Customer will no longer receive Account Communications by mail that is otherwise available for delivery as part of the Electronic Delivery Service.

2. Accessing Account Communications. Bank will notify Customer via email when Account Communications are posted. Bank may also provide, in its sole and absolute discretion, Account Communications directly via email. Customer may access all Account Communications for at least thirty (30) days from the date of initial posting. Customer acknowledges and agrees that all Account Communications will be deemed to constitute good and effective delivery to Customer upon posting, regardless of whether Customer actually or timely receives or accesses the Account Information, or if Account Communications are delivered directly to Customer via email, when so delivered.

3. Changes in Delivery Method. Customer must notify Bank if it wishes to discontinue use of the Electronic Delivery Service. Following Bank's receipt of such notice and after Bank has a reasonable opportunity to act on such notice, Customer will thereafter begin to receive Account Communications via U.S. mail beginning with Customer's next statement cycle and/or mailed Confirmation.

4. Reporting Unauthorized Transactions or Erroneous Statements. Customer agrees to promptly and carefully review all Account Communications as and when delivered and notify Bank in accordance with this Agreement if Customer objects to any of the information provided.

5. Third-Party Services. Customer acknowledges and agrees that Customer's access to the Electronic Delivery Service and Customer's receipt of email notifications when Account Communications are posted may be delayed or prevented by factors affecting Customer's or Bank's Internet or telephone service provider(s) or other similar entities ("Third-Party Service Providers"). Bank makes no representations or warranties whatsoever with regard to the products and services offered by such Third-Party Service Providers and shall not be liable for any loss caused, in whole or in part, by a Third-Party Service Provider.

6. International Use. Bank makes no representations or warranties that any content or use of the Electronic Delivery Service is appropriate, legal or available in locations outside the United States. Customer acknowledges and agrees that accessing the Electronic Delivery Services from territories where its contents or use is illegal and is prohibited by Bank. If Customer accesses the Electronic Delivery Service from locations

outside the United States, Customer does so at its own risk. Customer is responsible for compliance with local laws.

7. Proprietary Rights; Materials; Trademarks. All content included or available through the Electronic Delivery Service (other than Customer's account information), such as advertisements, tests, graphics, logos, button icons, images, audio clips and software, is the property of Bank and/or third parties and is protected by copyrights, trademarks or other intellectual property rights. The compilation (meaning the collection, arrangement and assembly) of all content on the Electronic Delivery Service is the exclusive property of Bank and/or its licensors and is protected by copyrights or other intellectual property rights. The trademarks, logos and service marks displayed on the Electronic Delivery Service (collectively, "Trademarks") are the registered and unregistered Trademarks of Bank or third parties. Under no circumstances may Customer use, copy, alter, modify or change these Trademarks. Nothing contained on the Electronic Delivery Service should be construed as granting by implication or otherwise any license or right to use any Trademark without the express written permission of Bank or the third party that has rights to such Trademark, as the case may be.

AMENDMENT TO U.S. BANK YOUR DEPOSIT ACCOUNT AGREEMENT FOR BATTELLE MEMORIAL INSTITUTE

This Amendment to the U.S. Bank Your Deposit Account Agreement (the "YDAA") is effective for Battelle Memorial institute – operating the Pacific Northwest National Laboratory for the U.S. Department of Energy (hereby referred to as "Customer").

NOW, THEREFORE, for and in consideration of the mutual covenants and promises set forth herein and in this Amendment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Applicable Law / Venue:

Notwithstanding anything to the contrary in the YDAA, the provisions of the YDAA shall be governed by the laws of the State of Washington. Jurisdiction for any disputes arising under the YDAA shall be in state or federal courts located in the State of Washington, and the parties agree to bring any litigation arising under the YDAA in such courts. Any provision in the YDAA which states "to the extent allowed by law," or similar language, shall be amended to state "to the extent allowed by Washington law," or similar language as is necessary for a natural reading of the provision.

2. Indemnification / Hold Harmless:

Any provision in the YDAA where either party indemnifies or agrees to hold the other harmless shall be read instead as, "except as otherwise provided by this contract, neither party shall be liable to the other for 1) any indirect, special, incidental, punitive or consequential damages; 2) loss of revenue; 3) loss of actual or anticipated profits; 4) loss of anticipated savings; 5) loss of business; 6) loss of opportunity; 7) loss of goodwill; 8) loss of reputation; 9) or loss or corruption of data", with regards to any claims that either party may bring where the YDAA, if not for this Amendment, would have required either party to indemnify or hold the other harmless.

3. Attorneys' Fees:

Notwithstanding anything to the contrary in the Banking Contracts, Customer shall not be contractually obligated to pay Bank's attorneys' fees.

4. Amended Language:

The following language shall be amended as follows:

Section Title	Pg.	Amendment
THIS IS AN AGREEMENT	3	The following paragraph is deleted in its entirety: "This Agreement represents the sole and exclusive agreement between you and us regarding the subject matter described herein and supersedes all previous and contemporaneous oral agreements and understandings. If any terms of your signature card, resolution, or certificate of authority are inconsistent with the terms of this Agreement, the terms of this Agreement will control. Any other variations to this Agreement must be acknowledged by us in writing."
INSUFFICIENT FUNDS AND OVERDRAFTS	8	The underlined sentence is added to the definition of "Overdraft" such that the definition reads as follows: "'Overdraft' means a transaction has caused the Available Balance on an account to become a negative number. An overdraft can happen, for example,

		• by writing a check without enough money in your checking account to pay the check, and we pay the item; • by making a withdrawal from your account that exceeds your Available Balance; • by using your U.S. Bank Debit Card for payment without enough money in your checking account to cover the amount authorized or the amount paid to the merchant. If any debit card transaction results in a negative Available Balance at the time it is presented for payment, even if your Available Balance was positive at the time the debit card transaction was authorized, you may be charged an Overdraft Paid Fee; • by making a deposit, withdrawing money based on the credit received from that deposit, and then having that deposit reversed because the deposited item is later returned to us unpaid; • by withdrawing money from your account and not having enough money left to pay any related charges posted to the account; • when funds are credited to your account in error and you use the funds, and the reversal of the credit results in an overdraft; or • when fees such as monthly maintenance fees are charged, and you do not have sufficient funds to cover. Notwithstanding the foregoing, you will not be charged an overdraft fee when an overdraft results from a Bank error."</u>
REQUIRED SIGNATURES	16	The underlined words are added to the following section: "Number of Signatures. You agree that if you 1. require the signatures of two or more persons to open an account; 2. have an account in which more than one signature is required to complete a transaction; 3. authorize someone to transact some but not all transactions on your account; 4. authorize someone to transact business on your account for limited purposes and no others; or 5. use checks that require two or more signatures, such arrangements are strictly between you and the other person(s) you authorize, whether we have notice of your arrangement (including in a form we provide you) or not. Except for Bank's gross negligence or willful misconduct, you cannot assert a claim against us for permitting a transaction so long as any one of the owners or authorized persons sign or initiate the transaction, even if a person exercises more authority than you have given.

CHANGES TO OUR AGREEMENT WITH YOU	16	This section is deleted in its entirety.
CLOSING YOUR ACCOUNT	16-17	The following sentence is deleted: "If we close your account, we will send you notice within ten days after closing and/or indicate the closure on your next account statement." It is replaced with the following sentence: "If we close your account, we will provided you with advanced written notice at least one-hundred and twenty (120) days prior to the closing date."
STATEMENTS AND NOTICES	17	The following sentence is deleted from the paragraph titled "Statements": "At our option, a statement will not be produced in any statement period in which service charges, fees, reversals, refunds or interest are the only transactions on the account."
LIMIT OF LIABILITY	19-20	The following sentence is deleted: "You agree – to the extent allowed by law – to waive any indirect, incidental, special, consequential and punitive damages for errors or mistakes we make in good faith. This includes damages that might otherwise be available in a tort or contract action, and whether the consequences are foreseeable or not."
RESOLVING ACCOUNT DISPUTES AND ADVERSE CLAIMS	20	The following sentence is deleted: "If we deposit your property with a court, you agree that we may charge your account for our costs, including attorney's fees and expenses."
RESOLUTION OF DISPUTES BY ARBITRATION	21-22	The following paragraph is deleted: "Arbitration Costs: Unless the applicable arbitration rules at the time of filing a Claim are more favorable to you, we will advance (i) all arbitration costs in an arbitration that we commence, and (ii) the first $2,500 in arbitration filing, administration, and arbitrator's fees in an arbitration that you commence. To the extent allowed by applicable law and our agreements, the arbitrator may award arbitration costs and attorneys' fees to the prevailing party."
ATTORNEY'S FEES	22	This section is deleted in its entirety.
INSUFFICIENT FUNDS AND OVERDRAFTS	29-30	This section is deleted in its entirety.

5. Counterparts:

This Amendment may be executed in counterparts, which together will constitute one and the same agreement. Each party will have the right to rely on a facsimile or electronic signature on this Amendment, and such signature shall be deemed an original signature for purposes of validity of this Amendment. The parties agree that signatures that are transmitted electronically, including both facsimile and manual signatures, shall be binding as of the date signed and to the same extent as original signatures.

6. Effect of Amendment:

All other terms of the YDAA shall remain in full force and effect to the extent such terms are applicable to services and account types used by Customer. Customer shall not be bound by terms and conditions for services or account types not used by Customer.

Your Deposit Account Agreement

&

General Terms & Conditions

Electronic Transfers

Funds Availability

Effective May 11, 2020

Member FDIC



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TERMS APPLICABLE TO ALL ACCOUNTS

THIS IS AN AGREEMENT

Welcome to U.S. Bank and thank you for opening an account with us. This Agreement provides the general rules that apply to the account(s) you have with **U.S. Bank ("us")** described herein. Additional rules will be provided in:

1. disclosures we give you when you open your account for example our *Consumer Pricing Information and Business Pricing Information* brochure(s) and other fee disclosures (Both brochures can be obtained by stopping in a U.S. Bank branch or for the *Consumer Pricing Information* only, call 800.872.2657 to request a copy);
2. disclosures that are applicable to additional products and services (for example the *Digital Services Agreement);*
3. periodic statements;
4. user guides;
5. *Consumer Privacy Pledge* brochure;
6. any appropriate means such as direct mail and notices on or with your statement, including any statements or notices delivered electronically; and
7. disclosures we give you about ATM and Debit Card Overdraft Coverage (applicable to certain consumer accounts, refer to the **Insufficient Funds and Overdrafts** section on page 8 for details).

These things, together, are an agreement between you and **U.S. Bank.**

Please read this carefully and retain it for future reference. This brochure is revised periodically, so it may include changes from earlier versions.

By providing a written or electronic signature on a signature card or other agreement or contract, opening, or continuing to hold an account with us, you agree to the most recent version of this Agreement, which is available to you at your local U.S. Bank branch, at www.usbank.com, or by calling U.S. Bank 24-Hour Banking at a number listed on the last page of this booklet.

This Agreement represents the sole and exclusive agreement between you and us regarding the subject matter described herein and supersedes all previous and contemporaneous oral agreements and understandings. If any terms of your signature card, resolution, or certificate of authority are inconsistent with the terms of this Agreement, the terms of this Agreement will control. Any other variations to this Agreement must be acknowledged by us in writing.

If you have any questions, please call us. Our most commonly used phone numbers are printed on the back of this booklet.

DEFINITIONS

The following definitions apply in this Agreement except to the extent any term is separately defined for purposes of a specific section.

- The words **"we," "our,"** and **"us"** mean **U.S. Bank National Association ("U.S. Bank")**. We are a national bank. We are owned by **U.S. Bancorp**.
- **U.S. Bancorp and U.S. Bank** own or control other companies, directly and indirectly. The members of this family of companies are our **"affiliates."** The words **"you"** and **"your"** mean each account owner and anyone else with authority to deposit, withdraw, or exercise control over an account. If there is more than one owner, then these words mean each account owner separately, and all account owners jointly.
- The term **"account"** means any savings, transaction (for example, checking, NOW Account), and time deposit (for example, certificate of deposit or CD) account or other type of account you have with us, wherever held or maintained.
- An **"owner"** is one who has the power to deal with an account in his, her or its own name. An **"agent,"** in contrast, is one whose power to withdraw from an account comes from, or is on behalf of, the owners. Authorized signers, designated corporate officers, trustees, attorneys-in-fact, and convenience signers are examples of agents.
- Entities such as corporations, limited liability companies, partnerships, estates, conservatorships, and trusts are not natural persons, and can only act through agents. In such cases, it is the **"entity"** that is the owner.
- **"Personal accounts"** are consumer accounts in the names of natural persons (individuals). They are to be distinguished from **"non-personal accounts"** which are accounts in the name of businesses, partnerships, trusts and other entities.
- An **"account cycle"** or **"statement cycle"** represents the period of time when your statement starts and ends. It's approximately 30 days long but doesn't necessarily align with the beginning and end of the month and won't end on a weekend or holiday.

Except where it is clearly inappropriate, words and phrases used in this document should be interpreted so the singular includes the plural and the plural includes the singular.

CELLULAR PHONE CONTACT POLICY

By providing us with a telephone number for a cellular phone or other wireless device, including a number that you later convert to a cellular number, you are expressly consenting to receiving communications—including but not limited to prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system—from us and our affiliates and agents at that number. This express consent applies to each such telephone number that you provide to us now or in the future and permits such calls for non-marketing purposes. Calls and messages may incur access fees from your cellular provider.

MONITORING AND RECORDING COMMUNICATIONS

You acknowledge and agree that we, or anyone acting on our behalf, may monitor and/or record any communication between you and us, or anyone acting on our behalf, for quality control and other purposes. You also acknowledge and agree that this monitoring or recording may be done without any further notice to you. The communication that may be monitored or recorded includes telephone calls, cellular or mobile phone calls, electronic mail messages, text messages, instant or live chat, or any other communications in any form.

WAIVERS AND PRECEDENTS

Our Agreement with you gives us rights and duties. If we don't take advantage of all our rights all the time that does not mean we lose them. For example:

- If we make funds available to you for withdrawal ahead of schedule, that does not mean we have to do it again.
- If we pay a check that is more than your account balance, that does not mean we have to do it again.

APPLICABLE LAW

Unless otherwise stated herein, your account and this Agreement will be governed by federal law and, unless superseded by federal law, by the law of the state in which your account is located. If you opened your account in person, it is located in the state in which you opened it. If you opened your account online or by

telephone and you reside in a state in which we have a branch at that time (or reside within 50 miles of a branch), it is located in the state in which the branch is located. If you reside anywhere else, then your Account is located in Minnesota.

CUSTOMER IDENTIFICATION PROGRAM NOTICE (USA PATRIOT ACT)

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you

When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see other identifying documents like a driver's license or documents showing your existence as a legal entity.

Existing customers

Even if you have been a customer of ours for many years, we may ask you to provide this kind of information and documentation because we may not have collected it from you in the past or we may need to update our records.

Failure to Provide Information

If, for any reason, any owner is unable to provide the information necessary to verify their identity, their account(s) may be blocked or closed, which may result in additional fees assessed to the account(s).

OWNER'S AUTHORITY

Each owner of a personal account, or an agent for a non-personal account, acting alone, has the power to perform all the transactions available to the account. For example, each owner or agent can:

1. make withdrawals by whatever means are available for the account;
2. make deposits by whatever means are allowed for the account;
3. obtain and release information about the account;
4. sign or authenticate any document in connection with the account (for example, an owner can endorse a check payable to a co-owner for deposit to a joint account);
5. give rights to others to access the account (for example, any owner could grant a power of attorney to have access to the account); and
6. close the account.

In addition, if you share ownership of an account with someone else (for example, you have a joint or multi-party account), then each of you can endorse items for deposit to the account on behalf of another owner. If there is shared ownership of an account, it is the intention of all owners that each of you has complete and separate access and withdrawal rights to all the funds in the account irrespective of who had deposited the funds in the account.

AUTHORIZED ACCESS AND POWER OF ATTORNEY

Each owner of your account is independently permitted to authorize someone else to access your account. For example, the following persons will have access to your account:

1. Any person listed on a signature card, resolution, or certificate of authority as being authorized to make withdrawals or transfers, by check or otherwise, from your account;
2. Any person that you authorize to make withdrawals or transfers from the account by whatever means the account allows (for example, pre-authorized withdrawals, wire transfers, ATM card, or debit card transactions);
3. Any person you give rights to act on your behalf, such as a power of attorney;
4. Any person to whom you make your checkbook or your checking account number available for purposes of transacting business on the account. We discourage this type of "authorization" because it is possible that we will detect such transactions and treat them as unauthorized. If you give any such person "authority," we are not responsible whether we honor the transactions or dishonor them; and
5. Any person to whom you make your ATM card or debit card personal identification number (PIN) available. Although we discourage this practice, by allowing this type of "authorization," the person to whom you make your personal identification number (PIN) available may be able to access all of your accounts held with us by using the telephone, ATM, online or other banking access channels. If you give any person such "authority," we are not responsible for actions they take with respect to your accounts.

We will use the word "agent" to mean any person who you authorize to act on your behalf, whether by following the process we require (for example, by designating an authorized signer on a signature card), or on your own (for example, by creating a power of attorney). If you name such an agent:

1. we may require that you use forms we approve and require each owner to sign the form to be effective;
2. the powers you give to your agent, and any limitations on those powers, are between you and your agent, even if we have express written notice of those powers. You understand and agree that we have no duty or responsibility to monitor the acts of your agent or ensure that the acts of your agent are for your benefit. For example, if you only give your agent authority to pay your bills and your agent exceeds that authority, we are not responsible for that breach of authority;
3. you agree not to hold us responsible for any loss or damage you incur as a result of us following instructions given to us by your agent;
4. the owners of the account are responsible to us for any actions of your agent, regardless of whether those actions exceed the authority given or whether the agent is appointed by all the owners or less than all the owners;
5. the agency will end if the owner dies **and** we get notice of that death, or if there is more than one owner, the agency will end after the death of the last owner and we get notice of that death and, in either case, once we've had reasonable opportunity to act on it;
6. the agency will end after the owner notifies us in writing to end the agency and we have had a reasonable opportunity to act on it; and
7. if you authorize any third person, such as a bookkeeping service, an employee, or agent of yours to retain possession of or prepare items, you agree to assume full responsibility for any errors or wrongdoing performed or caused by such third person or any of its agents or employees if we should pay any such item.

YOU CANNOT TRANSFER AN ACCOUNT

You may not transfer an account to someone else without our express written permission. This does not limit your right to access your account by any permissible means.

CHANGE IN AUTHORIZED SIGNERS

Any owner, including one of the owners of a joint account, may add owners or authorized signers to an account; however, we have the right to require the signature of all owners to make the change. Only under special circumstances and subject to prior approval by us may an owner remove another owner or authorized signer from an account.

No change in owners or authorized signers is effective until we have received written notice of the change and have had adequate time to approve and act on it.

ADJUSTMENTS

If we (or you, or you and us together) make an error on your account, we can fix the error without first notifying you. For example, if:

- the dollar amount of your check is paid for the incorrect amount;
- a deposit is added incorrectly;
- we apply a deposit to the wrong account;

we can fix the error without any special notice to you, though such a correction will normally appear on your statement if the error and the correction occur on different business days.

For accounts coded as Consumer and Business accounts, we may not adjust for insignificant errors unless you request it. For all other account types including Corporate and Commercial accounts, we may not adjust for deposit errors of $50.00 or less unless we have agreed with you to a lower adjustment amount.

RETENTION OF DOCUMENTS

You should retain your copy of deposit receipts and other documents associated with your deposit(s). Should you claim that a deposit was incorrectly credited, we may request a copy of your receipt or other documents associated with your deposits.

LIABILITY FOR CHARGES AND OVERDRAFTS

All account owner(s) are responsible to repay to us any overdraft amount **and** any overdraft fees charged to an account, no matter which owner caused it or why. That repayment is due immediately, and we will take it from your next deposit or whenever funds become available in your account. If there is more than one owner, each owner is separately, and all owners are jointly, responsible for an overdraft and any account fees. (This means we can collect the total from any owner(s), on any of the owner(s) accounts, but we won't collect it more than once). For more information on overdrafts please refer to the section titled **Insufficient Funds and Overdrafts.**

We list the charges that you may incur on your account in separate pricing information brochures or agreements for your account.

TRANSACTION POSTING ORDER

We reserve the right to decide the order of the items we will pay and which items will be returned (if any). Our posting order may not be the same as the order in which you conducted a transaction and could result in overdraft fees, if you do not have available funds at the time the item is paid. Generally, we post the following three transaction types after the close of each business day in the following order:

1. Deposits we receive before the daily cutoff time will be posted before any withdrawals. (Refer to our Cutoff Time and/or Funds Availability section for cutoff time description.)

2. Your non-check withdrawals will be posted in date/time order, based on the date and time associated with each transaction. A date and time (if one is available) will be assigned to each transaction based on one of the following: (1) when the transaction was preauthorized (for example a debit card or ATM transaction was approved); **or** (2) when the transaction was processed by U.S. Bank (for example an ACH, or bill pay transaction for which there is no pre-authorization). If a date and time is not available, these transactions are posted to your account after all transactions with a valid date and time or check number are complete, and posted to your account in order of amount, starting with the lowest transaction amount first (frequently referred to as low-to-high).

3. Your checks will be posted in check number order, starting with the lowest number. (For example: on Monday we may receive and post check # 107; on Tuesday we may receive check # 102 and # 105, and those would be posted on Tuesday in the order of lowest check number (i.e., # 102) posting first).

DEPOSITS

When you make a non-cash deposit to your account, we give you credit for that deposit, but that credit is provisional (temporary). If the deposit needs to be collected from another financial institution, we must be paid before the credit becomes final. After a credit is final it may still be reversed if the funds cannot be collected. See the sections titled **Returned Deposited and Cashed Items** and **Funds Availability.** All deposit receipts are issued subject to our count and verification of the items deposited. You should retain your copy of deposit receipts and other documents associated with your deposit(s). Should you claim that a deposit was incorrectly credited, we may request a copy of your receipt or other documents associated with your deposit.

Foreign Currency: Deposits received in a foreign currency, whether by check, wire-transfer, or otherwise, must be converted to U.S. dollars prior to being deposited into your account. U.S. Bank will convert your funds at an exchange rate established by U.S. Bank on the business day when such exchange is processed. Currency exchange rates are determined in our sole discretion based on factors such as market conditions and risk, economic and business factors. The exchange rate is an all-in rate which includes our profit, fees, costs, and charges. Currency exchange rates will be applied to these deposits without notice to you. You agree to this procedure and accept our determination of the currency exchange rates.

Foreign currency conversions can take time and exchange rates fluctuate at times significantly. You acknowledge and accept all risk that may result from such fluctuations. Your transaction is a retail transaction. Retail foreign exchange conversion rates are different from the wholesale exchange rates for large transactions between two banks as may be reported in *The Wall Street Journal* or elsewhere. Exchange rates offered by other banks or shown at other sources (including online sources) may be different from our exchange rates. The exchange rate you are offered may be different from, and likely inferior to, the rate paid by U.S. Bank to acquire the underlying currency. The exchange rate may also be different from a rate offered by U.S. Bank to a different customer, at a different time, for a different transaction amount, or in a different payment channel (checks, wire-transfers, etc.).

U.S. Bank sometimes relies on other financial institutions in the conversion process. In this event, the conversion will be in accordance with the policies and procedures of that bank and the funds will be converted at the exchange rate determined by that bank. Any fees or charges assessed by that bank will be passed on to you. Your final credit will be adjusted to reflect that final exchange rate less all fees or charges.

Foreign Checks: Checks and other items drawn off a foreign financial institution, whether negotiable in a foreign currency or in U.S. dollars may require special funds collection processing by us. As a result, funds availability may be delayed. If you deposit such an item, you agree that we may delay funds availability at our discretion until we are satisfied that we have received final payment of the item.

Deposits by Mail: If you make a deposit by mail, we have to receive it and have time to record it before it becomes effective. (See our **Funds Availability** section.)

Cutoff Time: A deposit made after our daily cutoff time on a business day, or on a day we are not open for all forms of business, will be considered deposited on the next full business day. (Refer to our **Funds Availability** section for cutoff time description.) The cutoff time applies to all accounts (savings, certificate of deposits, payments, etc.), not just checking accounts.

Endorsement: If you make a deposit to an account and you fail to endorse the item, we may add an endorsement on any item and you will be responsible for the item as if you endorsed it yourself.

We can refuse to accept any item or other type of deposit, for any reason, or no reason, or impose conditions on a deposit. For example, we can treat a deposit as an "inquiry" or take an item for "collection" instead of deposit. We may also decline to accept a large cash deposit or require you to make such a deposit at a location and time of our choosing.

RETURNED DEPOSITED AND CASHED ITEMS

The funds you deposit to your account are subject to normal collection processes even after we make the funds available to you for withdrawal (i.e., the check has "cleared"). If we do not collect the funds, or we need to return the funds, your deposit will be reversed and become your responsibility. **Returned items** are charged back to your account and a Return Item Advice notice is mailed to the primary account address on file.

For example:

- The deposit amount of the check is recorded incorrectly to your account. The person who wrote the check catches the error, and reports it to their bank, who in turn reports it to us. We would reverse the incorrect portion of the deposit and correct the mistake.
- A check you deposit has a forged endorsement. The person who wrote the check notices the forgery and reports it to their bank, who reports it to us. We would reverse the deposit and collection of the check would become your responsibility.
- This also applies to checks we might cash for you that you don't deposit. For example, if you bring a check to us and take cash back from a deposit, or we simply cash the check and if that check "bounces" (is returned to us unpaid), we can take the money from your account to reimburse us for the check and you will have to collect it through other channels.

There will be one fee posted for the sum of all Returned Deposited Item or Cashed Check fees returned within a single transaction as well as applicable overdraft fees if sufficient funds are not in your account to cover your items.

CHECK 21

Check processing is getting faster as banks begin to process checks "electronically." We are required by law to provide the notice in the following section **("SUBSTITUTE CHECKS AND YOUR RIGHTS"),** which explains the differences between your original check (which might not be returned) and a substitute check, and your rights in the event the substitute check causes a loss that would have been avoided if the original check was still available.

SUBSTITUTE CHECKS AND YOUR RIGHTS

What is a substitute check?

To make check processing faster, federal law permits banks to replace original checks with "substitute checks". These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of the substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use the substitute check as proof of payment just like the original check.

Some or all of the checks that are returned to you from us may be substitute checks. This notice describes your rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks, photocopies of original checks, or to electronic debits to your account. However, you have rights under other laws with respect to those transactions.

What are my rights regarding substitute checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, overdraft fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You are also entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to $2,500.00 of your refund (plus interest, if your account earns interest) within ten business days after we received your claim and the remainder of your refund (plus interest, if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How do I make a claim for a refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please call U.S. Bank 24-Hour Banking (see last page for phone numbers) or write to us at **U.S. Bank, 60 Livingston Ave, EP-MN-WS5D, St. Paul, MN 55107.** You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extenuating circumstances.

Your claim must include:

1. a description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
2. an estimate of the amount of your loss;
3. an explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
4. a copy of the substitute check or identifying information such as the check number and the name of the person to whom you wrote the check.

COPIES OF DOCUMENTS

We do not typically keep the original paper documents (like deposit slips) associated with your account for a long time. We image most of the documents that end up with us and destroy the paper originals. Electronic images is one type of media that is used, but as technology changes, there are and will be other imaging techniques. You agree that such images will be sufficient for all purposes.

See the section titled **CHECK 21.** To facilitate check imaging and electronic check collection, it is important that you take care with the transactions you create on paper. When completing a check, you must:

1. write clearly;
2. use black or dark blue ink in the date, pay to, amount, and signature fields; and

3. use only the space provided for your part of a transaction. (See the section on ENDORSEMENT STANDARDS.)

You agree to reimburse us for any losses and costs we incur as a result of a poor check image caused by a deficiency in the written check, whether due to your failure to follow these guidelines or otherwise. You also agree to reimburse us for any losses and costs we incur as a result of a poor check image caused by a deficiency in the written check that you accepted and deposited as the payee.

NIGHT DEPOSITORY

If you arrange for night depository services, you must comply with the following two rules and also comply with the rules in any separate night depository agreement.

1. **Use of Containers.** Each deposit placed in the depository must be contained in a sealed envelope, or in a bag or pouch that has been approved or supplied by us. Deposits are only processed to accounts held at U.S. Bank.
2. **Care.** You must take appropriate care when you put the container in our night depository or other facility to make sure the container is received by us.

   Our responsibility for the security of the container and the drawer or facility is to use reasonable care. This means we are not automatically liable for just any loss, only for losses that result from our own negligence, only to the extent we caused a loss, and reduced by your contribution to any loss. In legal terms, we are a "bailee" until the point:
   - when we open the container and inventory its contents (if that is what we are asked to do); or
   - when you sign the receipt for or take custody of the container (if we do not open the container).

CHECKS

Post-Dated Checks. We are not responsible to you if we pay a check before its date, even if we have noticed that it is post-dated. If we, at our option, refuse to pay a check because it is presented before its date, you will have to pay, if applicable, the fee we charge for an overdraft. If you want to be sure we do not cash it before its date, you must stop its payment by following our rules for stop payments in the **STOP PAYMENTS** section of this Agreement and follow our procedures for revoking a stop payment request.

Stale-Dated Checks. A "stale-dated" check is one that is brought to us for payment more than six months after its date. We may pay, or refuse to pay, a check brought to us ("presented") more than six months after its date. (The general rule is we will pay the check or may return the check for insufficient funds.) In addition, the check would be subject to an overdraft. If you do not want us to pay a stale-dated check, you must place a stop payment order on the check.

Check Legends. We are not required to honor any legends or memos you put on your checks, even if we are aware of them. By a "legend" or "memo" we mean a message, such as "not valid for more than $50.00" or "do not pay more than ten days after date" or "paid in full".

Check Forms. Checks are sorted and copied by high speed equipment. If you don't buy your checks through us, you must get them approved by us or we will not be responsible if your checks do not process correctly. See the section titled **COPIES OF DOCUMENTS** for additional information on inks and related issues.

Deposits of Checks at ATMs

We reserve the right to refuse to credit your account for ATM deposits of the following items. If an item is refused the item or a substitute check may be returned via mail to the primary account address.

1. All the check payees are not listed on the account;
2. Checks payable to a business and the business name is not listed on the account. (Checks payable to a business must be deposited into an account that includes the name of the business on the associated account);
3. Improperly endorsed (for example, different endorser than payee);
4. Restrictive wording (on the deposited item);
5. Post-dated (greater than one day after the ATM network business day);
6. No date or incomplete date;
7. Altered in any way;
8. Photocopy of item;
9. Not signed by maker;
10. Traveler's check with different counter signature;
11. Drawn on a foreign bank;
12. Missing the numeric amount and/or the written amount;
13. Numeric amount and written amount do not match;
14. No payee listed;
15. Federal tax refund checks not endorsed by payee or payees; and
16. Any other instrument which is not a check or negotiable instrument.

ENDORSEMENT STANDARDS

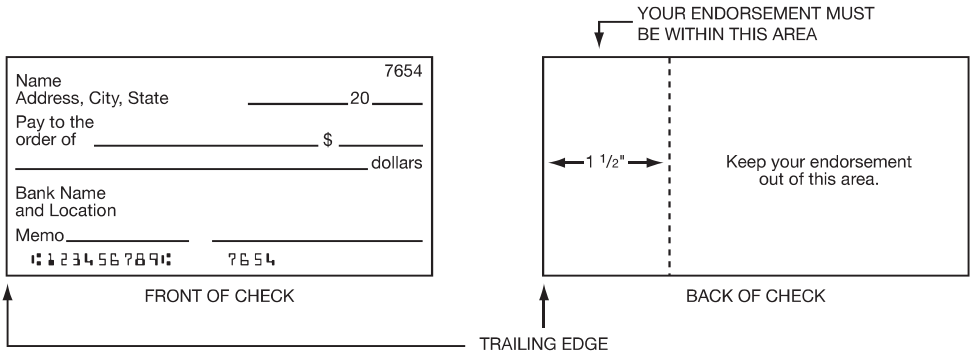
The payee of a check (the person to whom a check is payable) must sign (endorse) the check on the back in the space shown in the picture. If a check is transferred to someone else before it gets deposited or cashed, that person (the transferee) may also be required to sign the check.

Every bank that handles a check on its way to the bank that is asked to pay it also has to identify itself on the back of the check. The space for those banks is to the right of the space shown for the payee and other "holders" (see picture below).

When you endorse a check, you must:

1. clearly sign your name;
2. use black or dark blue ink if possible;
3. never use a faint color, like red, pink or any pastel, or a gel ink (these do not copy well);
4. sign near the top of the space provided, or just below any other signature in that space;
5. stay out of the area below the space for endorsers (most check forms have a line separating the endorsement area); and
6. keep any stamp within the area set aside for handwritten signatures.

The picture on this page shows you the correct endorsement area.



Why is this important?

If your endorsement of a check, or the endorsement of someone from whom you took the check, either:

1. causes a delay in a necessary notice to someone else, or
2. prevents someone from being identified quickly enough (and therefore cannot get notice or cannot get it in time).

You will be responsible for the check and the loss that occurs because it is not paid. It will then be up to you to try and recover from someone else who might be liable.

INSUFFICIENT FUNDS AND OVERDRAFTS

"Account Balance" means the funds in your account, including deposits and withdrawals made to date. Not all your transactions will be immediately reflected. As a result, only part of this balance may be available for withdrawal.

"Available Balance" means the amount of money that can be withdrawn at a point in time. **The Available Balance will be less than the Account Balance when there are pending transactions such as:**

- Funds held from deposits: These funds have been deposited, but are not yet fully available for withdrawal or transfer. Once these funds are available, they will be reflected in the Available Balance.
- Funds held for debit card authorizations: This reflects merchant-authorized requests for payment, when the final charge has not been submitted by the merchant. Debit card authorizations will be reflected as pending transactions from the time we receive the authorization until the merchant presents the item for payment, a completion message is received, or three business days, whichever occurs first. If the debit card transaction has not been presented for payment after three business days, it will be removed from your pending transactions and your Available Balance will no longer be reduced by the authorization amount. Once the final charges have been received and processed, they will be reflected in the Available Balance.
- Any other holds on funds in your account.

Note: The Available Balance does *not* reflect every transaction you have initiated or previously authorized. Items that may not be reflected in your Available Balance include, but are not limited to:

- Outstanding checks and authorized automatic withdrawals (such as recurring debit card transactions, transfers, and ACH transactions that we have not received for payment or processing).
- The final amount of a debit card purchase. For example, we may authorize a purchase amount from a restaurant or a gas station, but the authorized amount may be different from the final charge. Once a final charge has been received and processed, it will be reflected in the Available Balance. (Please refer to "Debit Card Transactions" subsection for more information about how these situations are handled.)
- Scheduled bill payments that have not yet been processed.
- Debit card transactions that have been previously authorized but not sent to us for payment from your account where we have released the transaction authorization hold and the transaction is sent for payment from your account at a later date.

"Insufficient funds" means you do not have enough available funds in your account to pay the withdrawals you are attempting from that account.

Having insufficient funds in your account could lead to returned items, which refers to any withdrawal or transfer that we return because it exceeds your Available Balance on a given day. Examples of withdrawals that could be returned may include any checks, ACH transactions, online bill payments, or any other debit from your account where we return it because it is for more than the Available Balance you have in your account at the time the transaction is presented to your account. We reserve the right to pay an insufficient funds withdrawal and overdraw your account, which may result in an Overdraft Paid Fee, or return the insufficient funds withdrawal, which may result in an Overdraft Returned Fee. Even if we've paid insufficient funds items before, we are not required to do it in the future.

"Overdraft" means a transaction has caused the Available Balance on an account to become a negative number. An overdraft can happen, for example,

- by writing a check without enough money in your checking account to pay the check, and we pay the item;
- by making a withdrawal from your account that exceeds your Available Balance;
- by using your U.S. Bank Debit Card for payment without enough money in your checking account to cover the amount authorized or the amount paid to the merchant. If any debit card transaction results in a negative Available Balance at the time it is presented for payment, even if your Available Balance was positive at the time the debit card transaction was authorized, you may be charged an Overdraft Paid Fee;
- by making a deposit, withdrawing money based on the credit received from that deposit, and then having that deposit reversed because the deposited item is later returned to us unpaid;
- by withdrawing money from your account and not having enough money left to pay any related charges posted to the account;
- when funds are credited to your account in error and you use the funds, and the reversal of the credit results in an overdraft; or
- when fees such as monthly maintenance fees are charged and you do not have sufficient funds to cover.

Our Options: You do not have the right to withdraw funds that exceed the Available Balance on your account. When an item of yours overdraws an account, we can either pay or return the item. You cannot choose which items we pay or return, except as identified in your selection of "Overdraft Handling" (as identified later).

If we get a **batch, or multiple batches,** of such items in a day (for example, checks, ATM purchase transactions, and debit card purchase transactions typically come in batches), and if one, some or all of them would overdraw the account if paid, we will post items in accordance with the **"Transaction Posting Order"** section listed within this Agreement. This may result in processing larger dollar items before smaller dollar items, even though this would have the effect of reducing your Available Balance more quickly.

Our Fees: We charge an Overdraft Returned Fee for each withdrawal (e.g., in-person, ATM, automatic payment, or other paper or electronic withdrawal transaction) we return because it exceeds your Available Balance on a given day. We charge an Overdraft Paid Fee for each item or transaction we pay that causes the Available Balance to become negative or occurs while the Available Balance is negative on the checking account. We may charge you an Extended Overdraft Fee if your Available Balance remains negative for an extended period of time. See the current pricing information brochure for information on fees and how fees will be assessed. Any Overdraft Returned or Overdraft Paid fees are deducted from your account on the next business day; additionally, the Extended Overdraft Fee assessed after seven consecutive calendar days with a negative balance is deducted from your account on the next business day. The Extended Overdraft Fee may be suspended during a fraud investigation or dispute. Once the investigation or dispute is resolved, an Extended Overdraft Fee may be assessed if the account remains negative. If you want to avoid the inconvenience and extra expense of overdraft fees, refer to the section titled "Overdraft Protection Plans" on page 10 for information.

There are some circumstances that can take your account into a negative balance where we will not charge a fee, for example:

- If certain fees such as your monthly maintenance fee are the only items that resulted in the negative balance.
- If the negative Available Balance is less than our threshold. See your *Consumer Pricing or Business Pricing Information* brochure for specific information. (Both brochures can be obtained by stopping in a U.S. Bank branch or for the *Consumer Pricing Information* only, call 800.872.2657 to request a copy.)

Your responsibilities for overdrafts: If you have an overdraft on your account, you must deposit enough money into your account to pay both the overdraft amount and the fees we charge, and you must do so immediately. If you share ownership of your account with someone else, you are responsible to us for the overdraft, whether or not you personally caused the overdraft or benefited from it.

OVERDRAFT HANDLING

Consumer Checking and Money Market Accounts:

Most U.S. Bank Consumer checking and money market accounts come with Standard Overdraft Coverage. Under Standard Overdraft Coverage we will authorize and pay overdrafts for these types of transactions at our discretion:

- Checks and other transactions using your checking account number
- Automatic bill payments
- Recurring debit card transactions, for example setting up your debit card to automatically pay a monthly gym membership. We rely on the merchant to inform us if a debit card transaction is a one-time or a recurring transaction.

If we pay these transactions into overdraft, we may charge an Overdraft Paid Fee. If we do not pay these transactions, we may charge an Overdraft Returned Fee.

In addition to Standard Overdraft Coverage, you have the following options outlined below.

ATM and Debit Card Overdraft Coverage:

Upon opening your U.S. Bank Consumer checking OR money market account, you will receive a notice advising you of your choice to say 'Yes' or 'No' to ATM and Debit Card Overdraft Coverage.

If you say 'Yes'

If you choose to say 'Yes', you allow U.S. Bank to authorize and pay ATM and everyday debit card transactions (purchases made with your debit card on a day-to-day basis) that may cause the Available Balance in your account to become negative. If this happens we may charge an Overdraft Paid Fee.

If you say 'No'

If you choose to say 'No', you do not allow U.S. Bank to authorize and pay ATM and everyday debit card transactions into a negative Available Balance. If we do not authorize and pay an overdraft your transaction will be declined and you will not be charged a fee.

In limited circumstances, your ATM or everyday debit card transaction may be processed, resulting in your Available Balance becoming negative. These situations may include, but are not limited to:

- A debit card transaction is processed for more than the preauthorized amount. For example, we may authorize a purchase amount from a restaurant or a gas station, but the authorized amount may differ from the final charge (Please refer to "Debit Card Transactions" subsection for more information about how these situations are handled.);
- A debit card transaction that obtained an authorization based on a sufficient Available Balance in your account, but is sent to us for payment later when your Available Balance is no longer sufficient to cover the item;

In these situations, if you have chosen 'No' you will not be charged an Overdraft Paid Fee.

If you wish to discuss your options or change your account election at any time, contact a local U.S. Bank branch, call U.S. Bank 24-Hour Banking or visit usbank.com. Please be aware it may take up to five business days to implement your request.

Requested Return:

You may ask us to place your account in *Requested Return* status. When you select this option, you are automatically choosing to say **'No'** to ATM and Debit Card Overdraft Coverage (refer to **If you say 'No'** for more details). In addition, we will attempt to return items which would result in an overdraft to your account such as checks and automatic bill pay transactions.

- Note that when you select *Requested Return,* **an Overdraft Returned Fee may be charged for returned items.** You may also be charged fees by the merchant or service provider.
- Please understand we will not be able to return all items. **If we pay an item, for any reason, you will be charged the applicable Overdraft Paid Fee** (with the exception of ATM and everyday debit card transactions). These situations include, but are not limited to: recurring debit card transactions when a merchant had obtained an authorization for the first instance, but did not obtain a new authorization for subsequent occurrences (for example, a monthly gym membership); or other transactions/adjustments that may be processed in accordance with our Transaction Posting Order resulting in an insufficient Available Balance (Refer to **"Transaction Posting Order"** section listed within this Agreement). We rely on the merchant to inform us if a debit card transaction is a one-time or a recurring transaction.

If you wish to select *Requested Return,* contact a local U.S. Bank branch or call U.S. Bank 24-Hour Banking (see last page for phone numbers). Please be aware it may take up to five business days to implement your request.

Business Options for Checking and Money Market Accounts

For Business Checking and Business Money Market accounts, we will authorize and pay overdrafts for all types of transactions at our discretion. If we pay these transactions into overdraft, we may charge an Overdraft Paid Fee. If we do not pay these transactions, we may charge an Overdraft Returned Fee.

Requested Return

You may ask us to place your account in *Requested Return* status. When choosing this option, we will attempt to return and/or decline items which would result in an overdraft to your account.

- Note that when you select *Requested Return,* an **Overdraft Returned Fee may be charged for returned items.** You may also be charged fees by the merchant or service provider.

- Please understand we will not be able to return all items. **If we pay an item, for any reason, you may be charged an Overdraft Paid Fee.**

If you wish to request *Requested Return,* contact a local U.S. Bank branch or call U.S. Bank 24-Hour Banking (see last page for phone numbers). Please be aware it may take up to five business days to implement your request.

Other sections: While many other sections of this Agreement relate to these issues, these sections are particularly appropriate:
- Setoff (page 21)
- Security Interest in Accounts (page 21)
- Funds Availability: Your Ability to Withdraw Funds **-** All Accounts (page 22)
- Electronic Banking Agreement for Consumer Customers (page 25)
- Limits on Transfers (page 26)
- Electronic Banking Agreement for Business Customers (page 29)

OVERDRAFT PROTECTION PLANS

Consumer Overdraft Protection

U.S. Bank offers Overdraft Protection Plans to help you avoid the inconvenience of having a check returned, and/or a debit card purchase rejected, resulting in the expense of overdraft fees. These Overdraft Protection Plans allow an eligible account to be linked to a U.S. Bank Personal Checking Account(s) ("checking account(s)") to cover overdraft situations when the Available Balance is insufficient to cover checks presented for payment **and/or** Available Balance has been reduced due to pending authorized debit card transactions, as specified in subsection "Debit Card Transactions".

U.S. Bank lets you choose which eligible accounts are linked to your checking account for Overdraft Protection, and the order in which those accounts are accessed to transfer funds to your checking account. Some eligible accounts (e.g. depository accounts) do not have Overdraft Protection Transfer fees, and if you have deposit and credit accounts linked for Overdraft Protection, the first Overdraft Protection Account determines whether a fee is charged (if any).

You can choose to link up to three eligible U.S. Bank accounts to your personal checking account for Overdraft Protection. Owner(s) who are signers on the checking account must also be signers on the account(s) linked for Overdraft Protection.

Eligible accounts include:
- U.S. Bank Savings Account or Money Market Account
- U.S. Bank Reserve Line of Credit
- U.S. Bank Credit Card
- A secondary U.S. Bank Personal Checking Account
- U.S. Bank Personal Line of Credit
- U.S. Bank Home Equity Line of Credit
- Other U.S. Bank Lines of Credit

If you have linked eligible accounts, and the Available Balance in your checking account is or would be overdrawn by $5.01 or more, the advance amount will transfer in multiples of $50.00 and an Overdraft Protection Transfer Fee may be charged (fee waived for transfers from a depository account). If, however, the Available Balance is or would be overdrawn by $5.00 or less, the amount advanced will be $5.00 **and** the Overdraft Protection Transfer Fee will be waived.

If the negative Available Balance in your checking account is caused by monthly fees, such as a maintenance fee or statement/image fee only, overdraft protection will not advance. (For example, the account is overdrawn due to a Monthly Maintenance Fee, overdraft protection will not advance. If additional transactions post, overdraft protection will advance to cover the negative Available Balance amount and an Overdraft Protection Transfer Fee may be charged.) If the account linked for Overdraft Protection does not have enough funds to cover the overdrawn amount, the current Available Balance will still be transferred to reduce the overdrawn amount.

If there is more than one account linked for Overdraft Protection and the Available Balance of the first linked account is not enough to cover the overdrawn balance, the next linked account will transfer funds in multiples of $50.00 to cover the remaining overdrawn balance. When multiple accounts are linked as Overdraft Protection, the first account funds are transferred from determines the amount of the Overdraft Protection Transfer Fee (if any).

For each day an Overdraft Protection transfer occurs, a Bank fee will be charged to the checking account that received the transfer. (Refer to the *Consumer Pricing Information* brochure – Overdraft Protection Transfer Fee for fee amount. This brochure can be obtained by contacting a U.S. Bank branch or calling 800.872.2657.) While no fee will be charged to your U.S. Bank savings account or secondary checking account, U.S. Bank Reserve Line of Credit, U.S. Bank Credit Card, U.S. Bank Personal Line of Credit, or U.S. Bank Home Equity Line of Credit, for any automated advance to cover an overdraft to your associated deposit account, you will incur an interest charge according to the terms of your agreement governing your credit account. Advances on a U.S. Bank Credit Card Overdraft Protection Plan account are subject to the standard cash advance interest rate, as well as the current cash advance fee. Please refer to your U.S. Bank Reserve Line of Credit, U.S. Bank Credit Card, U.S. Bank Personal Line of Credit or U.S. Bank Home Equity Line of Credit for information regarding interest charges.

When the Bank accesses funds from an eligible savings account(s) and money market account(s), these types of transfers are also subject to transaction limitations and the Excessive Withdrawal Fee noted in the *Consumer Pricing Information* brochure regarding Federal Regulation D governing savings and money market transaction limitations and also noted in subsection **"Savings Withdrawal Limitations"** of this agreement. (The *Consumer Pricing Information* brochure can be obtained by contacting a U.S. Bank branch or calling 800.872.2657.)

When the Bank accesses funds from an eligible line of credit or credit card, these types of transfers may be subject to additional charges such as annual fees. In addition, you may be subject to interest that will accrue on the amounts advanced in accordance with your line of credit or cardmember agreement.

Business Banking Overdraft Protection

U.S. Bank offers Overdraft Protection Plans to help you avoid the inconvenience of having a check returned, and/or a debit card purchase rejected, resulting in the expense of overdraft fees. These Overdraft Protection Plans allow an eligible account to be linked to a U.S. Bank Business Checking Account(s) ("checking account(s)") to cover overdraft situations when the Available Balance is insufficient to cover checks presented for payment and/or Available Balance has been reduced due to pending authorized debit card transactions, as specified in subsection "Debit Card Transactions".

U.S. Bank lets you choose which eligible accounts are linked to your checking account for overdraft protection. Only one deposit product and one credit product may link to a business checking account. If the checking account has both a credit product and a deposit product linked as overdraft protection, the system will always advance first from the credit product. Funds only draw from the deposit product if the credit product has insufficient available funds.

The name of the business on the business checking account must match the name of the business on the business credit overdraft protection plan account. The name(s) of the account signer(s) on the business checking account may also be required to match the account signer(s) on the business Overdraft Protection Plan account.

Eligible accounts include:
- U.S. Bank Business Savings or Money Market Account

- A secondary U.S. Bank Business Checking Account
- U.S. Bank Business Reserve Line of Credit
- U.S. Bank Business Credit Cards
- U.S. Bank Cash Flow Manager or Advantage Line
- If you have a U.S. Bank Business Savings, Business Money Market account, or secondary U.S. Bank Business Checking account linked as Overdraft Protection, any automatic advances will be in $200.00 increments made to cover the overdraft. Automated transfers from a U.S. Bank deposit account are not assessed Overdraft Protection Transfer Fees.
- When the Bank accesses funds from an eligible savings or money market account, these types of transfers are also subject to transaction limitations and the fee(s) noted in the *Business Pricing Information* brochure regarding Federal Regulation D governing savings and money market transaction limitations and also noted in subsection **"Savings Withdrawal Limitations"** of this agreement. (The *Business Pricing Information* brochure can be obtained by stopping in a U.S. Bank branch.)

If you have a U.S. Bank Business Reserve Line of Credit linked as overdraft protection, any automatic advances will be in $200.00 increments made to cover the overdraft. Please refer to your U.S. Bank Business Reserve Line Agreement for information regarding interest charges.

U.S. Bank Business Credit Card linked as overdraft protection, any automatic advances will be in $25.00 increments made to cover the overdraft. Advances on a U.S. Bank Business Credit Card Overdraft Protection Plan account are subject to the standard cash advance interest rate, as well as the current cash advance fee.

When the Bank accesses funds from an eligible line of credit or credit card, these types of transfers may be subject to additional charges such as annual fees. In addition, you may be subject to interest that will accrue on the amounts advanced in accordance with your line of credit or Cardmember Agreement. Please refer to your Cardmember Agreement for information regarding charges and fees.

Each time an overdraft protection transfer from a Business Reserve Line or a U.S. Bank Business Credit Card automatically transfers funds to the checking account, an Overdraft Protection Transfer Fee (daily fee) applies. The transfer fee amount posts as a separate transaction to the checking account.

Refer to the *Business Pricing Information* brochure for current fees. This brochure can be obtained by stopping in a U.S. Bank branch.

If you have a U.S. Bank Cash Flow Manager linked as overdraft protection, any automatic advances will be in $100.00 increments made to cover the overdraft. While no Overdraft Protection Transfer Fee is charged to the Cash Flow Manager account for any automated advance to cover an overdraft to your associated deposit account, you will incur an interest charge according to the terms of your agreement governing your credit account. Please refer to your U.S. Bank Cash Flow Manager agreement for information regarding interest charges.

If the negative Available Balance is caused by a monthly maintenance fee, service fee or statement/image fee only, overdraft protection will not advance. (For example, the account is overdrawn due to a Monthly Maintenance fee, overdraft protection will not advance. If additional transactions post, overdraft protection will advance to cover the negative Available Balance amount and an Overdraft Protection Transfer Fee may be charged.)

Business Overdraft Protection Agreements

U.S. Bank also offers certain business customers overdraft protection through separate written agreement. The terms of such agreement shall govern those Business Overdraft Protection Plans.

REFUSING PAYMENT ON YOUR CHECKS

You must fill in an amount (in words and numbers) correctly and clearly, and sign your name on checks you write. You should fill in the date and name a payee on your checks. If you don't name a payee, anyone can cash the check. If you fail to follow these rules, we may refuse to honor your checks.

When a check you write is presented to us by another bank for payment, we will generally accept the endorsements on the check, because if an endorsement is missing or forged, we have rights against the other bank that protect us. When a check of yours comes to us *other than through another bank,* we might not cash it if we are not comfortable with the endorsements on it or the identity of the person who presents it. This is especially true with an endorsement in the name of a business entity.

We may require anyone who presents a check for payment in person (other than an account owner presenting a check on his or her own account) to:

- pay a fee to cash the check if applicable; and
- give a fingerprint or thumbprint, and identification, as a condition of cashing a check.

If the presenter of the check refuses to comply with these requirements, or complies but later asserts that these requirements infringed on their legal rights, you understand and agree that imposing these requirements will not be considered a "wrongful dishonor" of your checks.

FUNDS TRANSFERS

Unless we have entered into a specific written agreement with you that provides otherwise, payment orders you give to us for the transfer of funds out of the account by wire transfer or otherwise, and payment orders we receive for the transfer of funds into the account, will be governed by this paragraph. In addition, your rights and obligations with respect to a payment order, and our rights and obligations, will be governed by (a) any separate written agreement with us; then (b) this section; and then, to the extent not specified in a separate written agreement or this Agreement; (c) by Article 4A of the Uniform Commercial Code ("UCC4A") as enacted in the state in which you have your account with us.

We reserve the right to refuse to accept any payment order. Payment orders are accepted when they are executed by us. We may process any payment order request (as well as any amendment or cancellation request concerning a payment order) that we believe is transmitted or authorized by you if we act in compliance with a security procedure agreed upon by you and us. Such payment orders will be deemed effective as if made by you, and you will be obligated to pay us in the amount of such orders, even though they are not transmitted or authorized by you. Unless we agree on another security procedure, you agree that we may confirm the authenticity and content of a payment order (among other ways) by placing a telephone call to you. If we cannot reach you, or if the payment order is not confirmed or approved in the manner we require, we may refuse to execute the payment order.

YOU AGREE THAT IF A PAYMENT ORDER OR CANCELLATION THEREOF IDENTIFIES THE BENEFICIARY BY BOTH NAME AND AN IDENTIFYING NUMBER, AND THE NAME AND NUMBER IDENTIFY DIFFERENT PERSONS OR ACCOUNT HOLDERS, EXECUTION AND PAYMENT TO THE BENEFICIARY OR CANCELLATION MAY BE MADE SOLELY ON THE BASIS OF THE IDENTIFYING NUMBER. YOU ALSO AGREE THAT IF A PAYMENT ORDER IDENTIFIES AN INTERMEDIARY BANK OR THE BENEFICIARY'S BANK BY BOTH NAME AND AN IDENTIFYING NUMBER AND THE NAME AND NUMBER IDENTIFY DIFFERENT PERSONS, EXECUTION OF THE PAYMENT ORDER BY ANY BANK MAY BE MADE SOLELY ON THE BASIS OF THE IDENTIFYING NUMBER.

If we receive a funds transfer into any account you have with us, we are not required to give you any notice of the receipt of the funds transfer. The funds transfer will appear on your next periodic statement. To confirm the completion of funds transfers, please contact us through U.S. Bank 24-Hour Banking (see last page for phone numbers), usbank.com or the U.S. Bank Mobile App. Prior to the acceptance of an outgoing payment order, the outgoing payment order may be cancelled, but may not be amended or modified, if the beneficiary's bank is located within the United States of America and the outgoing payment order is to be paid in U.S. dollars. Other outgoing payment orders may not be cancelled, amended or modified. We must receive your cancellation in a reasonable time prior to the time we execute the outgoing payment order. Payment orders sent by Fedwire will be subject to the Federal Reserve's Regulation J, and payment orders

sent via other payment systems will be subject to the rules of those systems. You agree that we may record all telephone conversations and data transmissions received from, made for or made on behalf of you pursuant to or in connection with a payment order.

YOU AGREE THAT IF A PAYMENT ORDER, OR ANY CANCELLATION OR AUTHORIZATION RELATING THERETO, BUT FOR THE APPLICABILITY OF THE ELECTRONIC FUND TRANSFERS ACT OF 1978 (AS IN EFFECT FROM TIME TO TIME), CONSTITUTES A PORTION OF A FUNDS TRANSFER AS DEFINED IN UCC4A, ALL ACTIONS AND DISPUTES CONCERNING SUCH PAYMENT ORDER, CANCELLATION OR AUTHORIZATION SHALL BE DETERMINED PURSUANT TO UCC4A AND THIS AGREEMENT TO THE FULL EXTENT PERMITTED BY LAW. If an outgoing payment order in a foreign currency cannot be completed, the exchange rate that will apply to any refund due you will be the exchange rate in effect at the time on the day the refund is made. Additional fees may be deducted from a payment order amount by other banks involved in the funds transfer process.

We may route payment at our own discretion for each outgoing wire transfer. A wire transfer is irrevocable once payment has been transmitted to the beneficiary's bank. At your request, we may request that the beneficiary's bank return funds previously transferred. However, you acknowledge that the beneficiary's bank is under no obligation to comply with this request.

WITHDRAWAL RIGHTS, OWNERSHIP OF ACCOUNT, AND BENEFICIARY DESIGNATION

The following rules govern the ownership and withdrawal rights of deposit accounts with the various titles given to them.

There are two primary issues that these rules control. The first is "withdrawal rights" and the second is "ownership."

By "withdrawal rights" we mean who has access to the funds in the account for all purposes. These withdrawal rights will control, for example, whose instructions we must follow, whose checks we must pay, and whose withdrawal requests we must honor. These withdrawal rights do not control who actually owns the funds, as between multiple parties to an account.

By "ownership" we generally mean who owns the funds in the account. In particular, by selecting a particular ownership, you are expressing your intention of how and to whom your interest in the funds in the account should pass in the event of your death.

If you create a type of account, you retain the right to change or close the account to the extent of the withdrawal rights you retain in your own name.

We make no representations as to the appropriateness or effectiveness of any particular ownership or beneficiary designations. Our only responsibility is to permit access to the account as provided by the withdrawal rights. You must consult with your own attorney or financial advisor as to whether and how to effect any change in actual ownership of funds in the account.

Individual Account. This is an account in the name of one person. Such an account is also referred to as a "single ownership" account.

Withdrawal Rights. The holder of such an account is the only person who has the right to withdraw from the account, unless we permit the holder to designate an agent or attorney-in-fact to the account.

Ownership. The holder of such an account is presumed to be the owner. Holding such an account, by itself, creates no additional ownership rights nor survivorship rights (nor does such type of ownership create or extinguish any community property rights). In almost all instances this type of account will pass, on the death of the owner, through the estate of the owner. (You must consult your own estate planner to be sure.)

Agents and "Attorneys-in-Fact." The owner of this type of account can nominate an authorized signer or attorney-in-fact.

Joint Account - With Survivorship. This is an account in the names of two or more natural persons, with the following features:

Withdrawal Rights. Each joint tenant has complete and separate access to the funds and withdrawal rights, and each authorizes the other(s) to endorse for deposit any item payable to the joint tenant. Upon the death of any joint tenant, any surviving joint tenant will have complete withdrawal rights to the balance of the account. If there is more than one surviving joint tenant, such survivors remain as joint tenants with right of survivorship with the same withdrawal rights provided in this section.

Each joint tenant reserves the right to change the ownership of the account to the extent of that owner's withdrawal rights.

Ownership. Each joint tenant is presumed to "own" the funds in proportion to that person's net contribution to the account. Each joint tenant intends upon his or her death that the funds owned by such person will be owned by the survivor. If there is more than one survivor, the "ownership" of the decedent's funds will be shared equally with such survivors.

Other Titles. In some states, it is advisable to add either "not as tenancy in common" or "not as a tenancy by the entirety" or both to insure the intention described above.

Agents and "Attorneys-in-Fact." Any joint tenant can nominate an authorized signer or attorney-in-fact who can hold all the same withdrawal and deposit rights as the authorizing owner, except the authorized signer or attorney-in-fact will not be an owner (a joint tenant).

Joint Account with Survivorship - Arizona. A Joint Account with Survivorship in Arizona has a unique feature that will change the "ownership" rights on the death of one of the joint owners if there is more than one surviving joint tenant and one of the surviving joint tenants is the surviving spouse of the deceased joint tenant.

Withdrawal Rights. This rule will not change the withdrawal rights to the account on the death of a joint tenant; it only affects the actual ownership of the account balance, which will only affect the survivors, and will not affect our responsibilities under the account.

Ownership. If two or more parties survive and one is the surviving spouse of the deceased party, the amount to which the deceased party, immediately before death, was beneficially entitled by law belongs to the surviving spouse. If two or more parties survive and none is the spouse of the decedent, the amount to which the deceased party, immediately before death, was beneficially entitled by law belongs to the surviving parties in equal shares, and augments the proportion to which each surviving party, immediately before the deceased party's death, was beneficially entitled under law, and the right of survivorship continues between the surviving parties.

Tenancy in Common Accounts. A Tenancy in Common account is another form of joint account without the survivorship feature. A Tenancy in Common account is also in the name of two or more individual owners.

Withdrawal Rights. Each joint tenant has complete and separate access to the funds and withdrawal rights, and each authorizes the other(s) to endorse for deposit any item payable to the joint tenant. Until we receive notice of the death of any joint tenant, any tenant in common will have complete withdrawal rights to the entire account balance.

If more than one tenant in common survives the death of another tenant in common, such survivors remain as tenants in common between them.

Each tenant in common reserves the right to change the ownership of the account to the extent of that owner's withdrawal rights.

Ownership. Each tenant in common is presumed to "own" the funds in proportion to that person's net contribution to the account. However, because of the extreme difficulty in determining such proportions over time, you agree that upon the death of one tenant in common, the balance in the account at the time immediately before the death of the tenant in common will be deemed to be owned in equal shares between all tenants in common. After death and our

receipt of notice of such death, the decedent's share will be set aside for the estate of the decedent, and the survivor's share in the account balance will be at the disposal of the surviving tenant in common.

Other Titles. In some states this account is referred to as Joint Tenancy WITHOUT Right of Survivorship.

Agents and "Attorneys-in-Fact." Any tenant in common can nominate an authorized signer or attorney-in-fact who can hold all the same withdrawal and deposit rights as the authorizing owner, except the authorized signer or attorney-in-fact will not be an owner (a tenant in common).

Marital Account (Wisconsin). This account is an account established by two persons in Wisconsin who claim to be husband and wife. This account is, for such persons, the same as the Tenancy in Common account described above.

Marital Account with P.O.D. Beneficiaries (Wisconsin). This account is, first, the same as a Wisconsin Marital Account (which is, in turn, the same as a Tenancy in Common account described above).

Withdrawal Rights. During the lives of both parties to the marriage, the withdrawal rights will be the same as for the Marital Account. The beneficiaries have no withdrawal rights until the death of one of the marriage partners.

Ownership. Upon the death of one of the spouses, the surviving spouse owns 50% of the funds on deposit, and the P.O.D. beneficiary named by the deceased party (if that beneficiary is then surviving) owns the other 50%. Each spouse can name his or her own beneficiary.

If there is more than one beneficiary who is named by a party who survives, the shares of those beneficiaries will be equal.

On the death of one of the marriage partners, the account will have to be retitled and beneficiary shares will have to be redeposited or withdrawn.

Pay-on-Death Account. This is an account where one or more persons create the account and name one or more living persons as beneficiaries. Frequently the account title is A.B. Pay-on-Death to C.D. beneficiary.

Withdrawal Rights. The person who creates this type of account retains complete withdrawal rights in such an account during his or her lifetime and for his or her own benefit. The named beneficiary has no withdrawal rights to the account during the lifetime of the creator of the account. The owner can change or close the account, and change beneficiaries at any time.

On the death of the creator of the account, the beneficiary (on proof of death of the creator and proof of the identity as the named beneficiary), can withdraw the entire account balance. If there is more than one beneficiary who is named and survives the creator, the surviving beneficiaries acquire and can withdraw an equal share with the other surviving beneficiaries, without survivorship rights between beneficiaries. If a beneficiary dies before the creator, neither the beneficiary's estate nor heirs acquire anything on the death of the owner.

If more than one person creates such an account, then such creators have complete and separate withdrawal rights between them during their joint lives, and the survivor of them will have complete withdrawal rights upon the death of the other creator. Named beneficiaries can withdraw a share of the account balance only upon the death of the last creator and only if such beneficiaries are then alive (and upon proof of the deaths of the creators and their own identity as the named beneficiaries). In effect, if more than one person creates this type of account, with one or more beneficiaries, the account has first all the incidents of a "Joint Account with Survivorship" and only after there is but one joint tenant does the account have the incidents of a "Pay-on-Death" account.

Ownership. The creator of this type of account is presumed to own the funds during his or her lifetime and intends that ownership to pass to the beneficiary only upon his or her death and only if the named beneficiary survives him or her. If there is more than one creator, the ownership between such creators is the same as that between joint tenants with right of survivorship, with the same incidents upon the death of a joint tenant.

If there is more than one beneficiary who is named and survives the creator(s), the creators intend his, her or their ownership rights to pass to the then surviving beneficiaries in equal shares, with no survivorship rights between them.

Other Titles. This type of account has other names such as "Tentative Trust," "Totten Trust," "In Trust For" and "Revocable Trust." In states where one of these trust accounts is recognized, the creators of such accounts will be referred to as a "settlor" or "grantor." Nevertheless, all the incidents of such an account, the rights of the grantor(s) and beneficiaries are exactly the same as described for "Pay-on-Death" accounts above. Only the names have been changed.

Revocable Trust or Pay-on-Death Account (not subject to the Nonprobate Transfers Law of Missouri)

In Missouri, a Revocable Trust or Pay-on-Death account may include an appendage to its title "not subject to the Nonprobate Transfers Law of Missouri." This appendage does not change the features of the account as described above for Pay-on-Death accounts.

Registration in Beneficiary Form - Missouri

Adding the acronym ***LDPS*** (which stands for lineal descendants, per stirpes) to a Revocable Trust or Pay-on-Death account in Missouri, changes the rights of beneficiaries of such accounts. LDPS designation means that if a named beneficiary of such an account dies before the account owner, then the unnamed lineal descendants of that deceased beneficiary will acquire the share of the deceased beneficiary on the death of the owner per stirpes.

UTMA (Uniform Transfers to Minors Act) Account

This is an account in the name of an adult custodian (or possibly a corporate custodian) for the benefit of a person who is a minor at the time the account is created.

Withdrawal Rights. During the minority of the child (as defined under applicable UTMA laws), the custodian has all withdrawal rights, but is required by law to exercise those rights solely for the benefit of the child. We, however, have no duty or agreement whatsoever to monitor or insure that the acts of the custodian are for the child's benefit.

The custodian is required to turn over the account balance when the child reaches the age of majority. The custodian authorizes us, at our discretion, to exercise the custodian's duty to transfer funds to the child at the child's request upon reaching the age of majority.

Ownership. The child/beneficiary is at all times the owner of the funds in the account.

UGMA (Uniform Gifts to Minors Act) Account

A few states have not adopted the Uniform Transfers to Minors Act. These few states have, for our purposes, an equivalent statute known as the Uniform Gifts to Minors Act, which has the same incidents as those described above for the UTMA account.

Fiduciary Account

A fiduciary account is an account opened by or taken over by an executor, administrator, personal representative, guardian, conservator, trustee, or other fiduciary in such capacity. Any fiduciary named as a signer on a fiduciary account shall be solely responsible for acting in accordance with the terms of the applicable laws, will, court order or trust instrument establishing and covering the fiduciary relationship, and we are not responsible for examining, or insuring compliance with the provisions of any such law or instrument.

Corporate, Partnership, Limited Liability Company and other Organizational Accounts

These are accounts opened by any business organization or association. We reserve the right to require the account holder(s) to furnish us with such resolutions, agreements or documents as we may reasonably request to evidence the authority of individuals to act on behalf of the account holder(s). We will honor such an

authorization until we receive written notice of change from the governing body of the organization. It is mutually agreed that the power and authority of each person named as authorized to take action with respect to the account shall continue in full force and effect until we receive actual written notice of revocation, whether the same be brought about by dissolution of the account holder or otherwise.

PLEDGES AND SECURITY INTERESTS IN FAVOR OF OTHERS

You cannot give a security interest or pledge your account to someone other than us without first getting our express written consent. We are not required to give consent to a security interest or pledge to someone else.

Unless we agree in a separate writing otherwise a security interest or pledge to someone else must be satisfied or released before any right to withdraw from the account can be exercised, including any right that arises by surviving the death of an owner (for example, a surviving joint tenant or beneficiary of a pay-on-death account).

ACCRUAL OF INTEREST

We will begin to accrue interest on deposits drawn from other banks at the time we get credit for the deposit in the collection process, which is not necessarily the same time as the time we make funds available for withdrawal.

If your account (for example a savings account) earns a variable rate of interest, we can change that rate at any time without notice to you, except as specifically provided in writing in the account disclosure or agreement. For business accounts, the variable rate of interest may be zero or a negative rate. If your business account bears a negative interest rate, we reserve the right to charge your account for the negative interest.

You can find out our current rates on accounts that earn interest in our branches, from U.S. Bank 24-Hour Banking, or at usbank.com. The telephone number is at the end of this booklet.

STOP PAYMENTS

Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts drawn on your account. Rules for stopping payment on other types of transfers of funds, such as consumer electronic fund transfers, are covered elsewhere in the **Electronic Banking Agreement For Consumer Customers** section.

Here is what you must do to stop a payment:

ACH Check Conversion

An ACH Check Conversion is a transaction that starts as a paper check that you give to a merchant. The merchant converts the check, using the information on the paper, to send an electronic message to a bank to immediately take the money from your account. The merchant is required to post a notice about ACH Check Conversion in a prominent and conspicuous location at the time of the transaction. You can stop payment on an ACH Check Conversion only if it has not yet been presented by the merchant.

Electronic Fund Transfers

You can stop payment of certain types of electronic transactions. Please refer to the Electronic Banking Agreement section for details.

Checks and drafts

If you want to stop payment of a check, you must stop by a U.S. Bank branch or call U.S. Bank 24-Hour Banking (see last page for phone numbers). Writing to us will take too much time and we will not have time to act on your request before the check is paid. We will need the following information:

1. the account number the check is written on;
2. the check number;
3. the dollar amount;
4. the date; and
5. the name of the person you wanted to pay.

This information must be exact and correct. If it is not, we will not be responsible if the item is paid.

Who can stop a payment and for how long?

1. Any owner can stop payment of any check on the account whether that owner wrote the check or not (and assuming the item can still be stopped).
2. A stop payment order is effective for 24 months or longer, as determined at the time the stop payment order is placed. You must renew it prior to the expiration of the stop payment effective period or the item could get paid. We will not notify you when the stop payment effective period ends. Fees may be assessed for placing a stop payment order.
3. Only the owner who made the stop payment order can release it.
4. You must give us sufficient notice so that we have a reasonable period of time to act upon your request and verify that the item has not been paid.

Effect of a stop payment

When you stop payment of a check, you may still be obligated to the payee, and the payee may still have the right to collect on the check or the underlying transaction. If we have to defend ourselves for letting you stop payment on a check, you have to protect us by paying our expenses, including our reasonable attorney's fees.

What if we don't stop payment?

We cannot stop payment of a check that has already been paid.

If you ask us to stop payment of a check and we pay it anyway, we gain whatever rights the payee has against you. This means, if the check should have been paid, or the payee has the right to collect from you anyway, we can collect from you. Therefore, if we pay an item that should have been stopped, before we recredit your account, you will have to prove to us that by our payment you have suffered a loss and the cause is our failure to stop the payment.

What kinds of checks does this NOT apply to?

This section does not apply to items not drawn on your account, such as teller's checks, official (cashier's) checks, and accepted checks (e.g., certified checks). We have no responsibility to honor your request to stop payment of items not drawn on your account. If we agree to stop payment on these items, we may require you to provide us with additional security (for example, a bond or collateral) and you agree to indemnify us for any damages and costs we incur as a result of stopping payment of such items.

Fee

To stop a payment you must pay our fee, the amount of which is disclosed in the pricing information brochure or agreement for your account.

DORMANT ACCOUNTS AND ESCHEAT

A **dormant account** is an account that has been inactive. Generally, subject to state law, "inactive" means there has been no deposit, withdrawal or other communication from you about the account for the period of time as follows:

1. after 11 months for a checking account;
2. after 23 months for a savings account including those that offer limited (no more than six per month) check writing options.

For security reasons, we may refuse a withdrawal or transfer from an account we internally classify as inactive if we cannot reach you in a timely fashion to confirm the transaction's authorization.

We charge a dormant account fee, unless excluded by account type or prohibited or restricted by state law. The dollar amount and frequency is disclosed in our pricing information brochure.

If your account has a zero balance, we reserve the right to close it. Any accounts linked as overdraft protection will be de-linked as part of the closure process. Refer to CLOSING YOUR ACCOUNT for additional information.

Escheat is the term that is used to describe the process of transferring an account balance to the state government after an account has been dormant and if our attempts to find you fail.

The time period after which funds must escheat to the state varies from state to state. Once the funds are transferred to the state, you may be able to recover the funds from the state itself, but not from us.

We may charge a fee to transfer funds to the state.

SPECIAL PROVISIONS FOR THIRD-PARTY ACCOUNTS

If you have opened a deposit account on behalf of the beneficial owner(s) of the funds in the account (for example as an agent, nominee, guardian, executor, custodian or funds held in some other capacity for the benefit of others), those beneficial owners may be eligible for "pass-through" insurance from the FDIC. This means the account could qualify for more than the standard maximum deposit insurance amount (currently $250,000 per depositor in the same ownership capacity). If the account has transactional features (such as check writing capabilities or the use of debit cards), as defined in 12 C.F.R. 370.2(j), you as the account holder must be able to provide a record of the interests of the beneficial owner(s) in accordance with 12 C.F.R. 370.5(a) and with the FDIC's requirements as specified below.

The FDIC has published a Deposit Broker's Processing Guide that describes the process to follow and the information you will need to provide in the event U.S. Bank fails. That information can be accessed on the FDIC's website at https://www.fdic.gov/deposit/deposits/brokers/ In addition, the FDIC published an Addendum to the Deposit Broker's Processing Guide, section VIII, which is a good resource to understand the FDIC's alternative recordkeeping requirements for pass-through insurance and is accessible at the website above. The Addendum sets forth the expectations of the FDIC for pass-through insurance coverage of any deposit accounts, including those with transactional features. The Addendum will provide information regarding the records you keep on the beneficial owners of the funds, identifying information for those owners, and the format in which to provide the records to the FDIC upon failure of U.S. Bank. You must be able to provide this information in a timely manner in order to receive payment for the insured amount of pass-through deposit insurance coverage as soon as possible. You have an opportunity to validate the capability to deliver the required information in the appropriate format so that a timely calculation of deposit insurance coverage can be made. Please contact your account representative for details on the validation process.

You agree to cooperate fully with us and the FDIC in connection with determining the insured status of funds in such accounts at any time. In the event of failure of U.S. Bank, you agree to provide the FDIC with the information described above in the required format within 24 hours of the failure of U.S. Bank. As soon as the FDIC is appointed, a hold may be placed on your account so that the FDIC can conduct the deposit insurance determination; that hold will not be released until the FDIC obtains the necessary data to enable the FDIC to calculate the deposit insurance. You understand and agree that your failure to provide the necessary data to the FDIC may result in a delay in receipt of insured funds and legal claims against you from the beneficial owners of the funds in the account. If you do not provide the required data, your account may be held or frozen until the information is received, which could delay when the beneficial owners could receive funds. Notwithstanding other provisions in this Agreement, this section survives after a receiver is appointed for us, and the FDIC is considered a third-party beneficiary of this section.

CONSUMER ELECTRONIC CHECK REPRESENTMENT

If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, the depositor of the check or the depositor's bank may resend ("represent") the check to us electronically. That is, the depositor or the depositor's bank may send us an electronic instruction ("electronic represented check") to charge your account in the amount of the check.

Our Handling of Electronic Represented Checks. If we receive an electronic represented check from the depositor or the depositor's bank, we will pay or return the electronic represented check as if the original paper check were being represented to us. The section titled **"Electronic Fund Transfers"** will not apply to any electronic represented check.

Ineligible or Unauthorized Electronic Represented Checks. For an electronic represented check to be charged to your account, all of the following must be true:

- the electronic represented check must relate to a paper check drawn on a personal account that we returned unpaid because of insufficient or uncollected funds;
- the paper check must not have contained an unauthorized signature or an alteration and must not have been a counterfeit;
- you must not have placed a stop payment on the paper check after we returned it unpaid but before it was collected electronically;
- the paper check must have been less than $2500.00 in amount;
- the paper check must have been dated 180 days or less before the date on which the electronic represented check is sent to us;
- the electronic represented check must be for the face amount of the paper check only and may not include any collection fee charged by the depositor, the depositor's bank, or a collection agency;
- the payee of the paper check must have given you notice that, if we returned the paper check unpaid because of insufficient or uncollected funds, the fee could be collected electronically; and
- the electronic represented check must have been sent to us no more than twice after the first time we returned the paper check, or no more than once after the second time we returned the paper check.

You may have the right to reverse any ineligible or unauthorized electronic represented check that we charged to your account. If you want to reverse an electronic represented check because you placed a stop payment on the paper check to which the electronic represented check relates after we returned the paper check unpaid but before it was collected electronically, you must notify us within 15 days after we send or make available to you the periodic statement that reflects payment of that electronic represented check. If you want to reverse an electronic represented check for any other reason, you must give us an ACH Claim Form within 15 days after we send or make available to you the periodic statement that reflects payment of that electronic represented check. An ACH Claim Form may be obtained by contacting U.S. Bank 24-Hour Banking or a local U.S. Bank branch. In your claim form, you must declare and swear under oath that the electronic represented check was ineligible or unauthorized. If we receive your notice or claim form within the 15-day period, we will recredit your account with the amount of the charge but will not be responsible for any other damages associated with the transaction.

Stop Payment. If you wish to stop payment of any electronic represented check, you must follow the procedures contained in the rules for stopping payment of checks, not the procedures contained in the rules for stopping payment on electronic loan or bill payments.

CHECKING ACCOUNTS AND "SUBACCOUNTS"

For regulatory accounting purposes we may designate two sub-accounts for a checking account; one sub-account is a savings (non-transaction) account and the other is a checking account. Checks and other third-party transfers are paid from the checking (transaction) account. As necessary, we transfer funds from the savings sub-account to the checking sub-account automatically. You cannot access the savings sub-account directly. This accounting device does not affect either the appearance or the operation of your checking account in any way.

TELEPHONE TRANSFERS

If you have more than one account with us, including a credit card or open-end loan account, you can transfer funds between your accounts by telephone. You will need to have a PIN, and enter your account numbers, and other qualifications, but if you meet them,

1. you can transfer funds between your accounts by calling our 24-hour phone banking (see last page of this booklet for phone numbers), and
2. telephone transfers may be made by the same account owners/signers and usually under the same conditions as generally applicable to withdrawals made in writing or by other means.

A transfer made by telephone is not immediately completed. It may take as long as one business day for us to verify the transaction and make the transfer. Consumer customers are assigned or can choose a PIN when requesting a ATM or Debit Card. Consumer customers without a debit card or ATM card can request a PIN by speaking to a 24-Hour Banking representative at 800.872.2657. A form is sent by 24-Hour Banking to the customer for completion and must be mailed back to the address on the form. A confirmation letter is mailed to the customer once the PIN has been established.

REAL-TIME PAYMENTS/PROHIBITION ON FOREIGN PAYMENTS

Real-Time Payments ("RTP") is an electronic payment system which permits payment senders to send funds in real-time to payment receivers for deposit into the payment receiver's account(s). This means that a payment receiver will have near immediate availability of funds sent using an RTP system. The RTP system is intended for domestic payments only. It prohibits payments which involve either a sender or receiver located outside the United States. You agree that to the extent you either send or receive payments through an RTP system, you will not use your accounts to do so on behalf of a person who is not a United States resident or otherwise domiciled in the United States and that you will comply with all regulations of the Office of Foreign Assets Control.

REQUIRED SIGNATURES

Signature Comparison. We process certain items mechanically, based on information encoded on checks and other transaction items, and we are not required to examine items and debits drawn on your account. We collect your signature to obtain your agreement to the rules we establish for your account, but this does not create any responsibility on our part to verify signatures on items and other charges to your account.

Number of Signatures. You agree that if you

1. require the signatures of two or more persons to open an account;
2. have an account in which more than one signature is required to complete a transaction;
3. authorize someone to transact some but not all transactions on your account;
4. authorize someone to transact business on your account for limited purposes and no others; or
5. use checks that require two or more signatures,

such arrangements are strictly between you and the other person(s) you authorize, whether we have notice of your arrangement (including in a form we provide you) or not. You cannot assert a claim against us for permitting a transaction so long as any one of the owners or authorized persons sign or initiate the transaction, even if a person exercises more authority than you have given.

CHANGES TO OUR AGREEMENT WITH YOU

We may change any term of this Agreement. We will give you reasonable notice in writing or by any other method permitted by law. You agree that in any event 30 days written notice is reasonable.

If we notify you that the terms of your account have changed, and you continue to have your account after the effective date of the change, you have agreed to the new terms. For consumer customers, rules governing changes in interest rates are provided for separately in the Truth-in-Savings disclosure(s) or in another document.

CLOSING YOUR ACCOUNT

This section does not apply to an active time deposit (or certificate of deposit) account.

If you intend to close your account: If you intend to close your account with us, you should tell us; simply transferring all the money in your account and reducing your account balance to $0.00 is insufficient notice and may result in additional fees charged to your account.

If you close your account,

1. you are still responsible for transactions you arranged for, including those that arrive after the account is closed;
2. you should pay special attention to pre-authorized electronic deposits to your account and payments from that account; you should reroute the deposits to another account and make other arrangements for the payments, with us and the other institutions involved;
3. you should not close your account until all the transactions you arranged for have been cleared, and you should leave enough funds to clear them and the fees that might be due; and
4. if it is an interest-bearing account, accrued interest will not be paid.

If your account is closed and you have a debit or ATM card associated with the account, you will need to either:

1. close the associated card; or
2. select a new account to be linked to your card.

If you do not designate a new account, the bank will automatically assign your ATM/debit card to a new account from any eligible account where you are an owner/joint owner. If there are no eligible accounts the card will be closed.

We can close your account:

We can close your account, ATM and debit card for any reason or for no reason at all. If we close your account, we will send you notice within ten days after closing and/or indicate the closure on your next account statement. We will send the collected account balance to you at your last known address as reflected in our account records. At our sole discretion we may, but are not required to, withhold a sufficient sum to cover any outstanding items and likely fees. If we withhold any money for such contingencies, we will refund that to you after we are satisfied that no further withholding is necessary.

If your account is closed for any reason, you authorize us to re-open your account to process any transactions authorized prior to account closure, or for other purposes consistent with applicable law.

As part of the account closure, any accounts linked to the Checking Account as overdraft protection will be de-linked. If a U.S. Bank Reserve Line of Credit is linked as overdraft protection to a Checking Account that is closed for any reason, the Reserve Line will also be closed, and you must repay any remaining balance according to the monthly payment coupon included in your future periodic statements.

STATEMENTS AND NOTICES

Statements. We will periodically make available to you a paper or eStatement of your checking or savings account. These statements show the transactions that occurred in the time period covered by the statement. If you elect **not** to receive or review your statement, you are still responsible for having access to the information provided in the statement. At our option, a statement will not be produced in any statement period in which service charges, fees, reversals, refunds or interest are the only transactions on the account. When other activity exists, such as a deposit or withdrawal, a statement will be available to you and will include all transactions which have occurred since the last statement (this includes any service charges, fees, reversals, refunds or interest that occurred since the last available statement). At a minimum, all accounts will receive an annual statement. Regardless of how frequently a statement is made available, monthly service charges and other account fees will continue to be deducted from the account. In addition, applicable interest will continue to accrue and be paid periodically as disclosed in the product pricing information brochure.

Combined Statements. If you have multiple accounts with us, we may at any time automatically combine your accounts on a single, easy-to-read monthly statement. We will only combine statements for accounts that have common ownership (meaning at least one owner is common across multiple accounts) and the same address and Social Security Number.

If you prefer to continue receiving separate statements, please contact U.S. Bank within 30 days of receiving your combined statement. You may reach us by calling one of the numbers listed on the back of this brochure, sending a letter to U.S. Bank, 60 Livingston Ave, EP-MN-WS5D, St. Paul, MN 55107, or sending a secured email by logging on to usbank.com and selecting "Contact Us". Please include the following information in your correspondence: your name, account number(s) and the reference code "CMBSTMN."

Your address. You must give us your correct address, and if you move or change your address, you must keep us advised. You are responsible for messages and statements we send to the most recent address you have given us. We may also update your address in our records without a request from you if we receive an address change notice from the U.S. Postal Service or if we receive updated address information from our mail services vendor.

If you agree to accept mail electronically, you must give us your accurate email address and keep us up to date with any changes to your address. You are responsible for keeping your email functioning properly, or advising us if it does not work.

Multiple owners. Periodic statements and notices that we make available to one owner or agent/signer of an account will be the same as providing statements and notices to all owners of an account. You agree to designate the primary address for purposes of receiving statements and other account correspondence. Each account owner agrees that we may send any legal notice or legal process affecting any owner or the account to the primary address designated on the account. Each account owner agrees to notify the other owners of any legal notice received at that address pertaining to such other account owner or to the account.

Your Duty to Examine Your Statement. As used in this section, the term "problem" means any error, alteration, counterfeit check, or unauthorized transaction (including, but not limited to, forged or missing signatures and excluding consumer electronic banking transactions) related to your account. Because you are in the best position to discover any problem, you agree to promptly examine your statement and report to us any problem on or related to your statement within 30 calendar days after we mail the statement (or make the statement available) to you. You agree that we will not be responsible for:

1. any problem that you do not report to us in writing within a reasonable time not to exceed 30 calendar days after we mail the statement (or make the statement available) to you;
2. subsequent problems or fraudulent items occurring after 30 days of the first occurrence; if you fail to report the problem within 30 days of the first occurrence reported on your statement;
3. results from a forgery, counterfeit or alteration so clever that a reasonable person cannot detect it (for example, unauthorized checks made with your facsimile or other mechanical signature device or that look to an average person as if they contain an authorized signature); or
4. as otherwise provided by law or regulation.

You agree to waive any rights to recovery you may have against us if you do not provide notice to us in the manner and within the time required by this Agreement. You may not start a legal action against us because of any problem unless: (a) you have given us the above notice and (b) the legal action begins within one year after we send or make your statement available to you. You agree that if the problem is the result of a series of events (for example, multiple forgeries over a period of time) then the date the first event occurred is the date from which the period to bring a legal action will begin to run. If you make a claim against us in connection with a problem, we reserve the right to conduct a reasonable investigation before re-crediting your account and you agree to fully cooperate in such investigation. Within 30 days of the date of mailing, you agree to complete and return an affidavit of unauthorized paper debit on the form we provide you along with any other information we may request. You further agree to file a police report if we request. If you refuse to sign such an affidavit or fail to return the affidavit and other requested documentation within 30 days of the date we mail it to you, you agree that we may consider the matter resolved and reverse any provisional credit provided. At our sole discretion, we may, but are not obligated to, provisionally credit your account during the investigation for all or a portion of the amount claimed. Any provisional credit to your account may be reversed if you fail to fully cooperate in our investigation or, if as a result of our investigation, we determine that the charge to your account was proper. You agree to pay any fees assessed or accrued against your account during the investigation or that may arise upon reversal of any provisional credit.

For problems involving an electronic banking transaction, please refer to the **"Electronic Banking Agreement"** sections of this brochure.

This time period for you to examine your statement and report problems to us are without regard to our level of care or the commercial reasonableness of our practices, and without regard to whether cancelled checks are supplied to you.

Contact us if you do not receive your regular statement. If this is a business account, you agree that you will have at least two people review your statements, notices, and returned checks, or in the alternative, the person who reviews these will be someone who does not have authority to transact business on the account.

RETURN OF CANCELLED CHECKS

For some specific consumer and business checking accounts we currently offer three plans, with respect to the return of cancelled checks:

1. Check Safekeeping: paid checks that are not returned - your statement will show the check number, the amount, and the date it is paid;
2. Image Checks on Statement: paid checks that are not returned - your statement will include a reduced image of the front of the check or front and back of a check in addition to the number, amount and date the check is paid as part of the statement; (See the **CHECK 21** section; the images sent with your statement are **not** substitute checks themselves, but some may be images of substitute checks.) and
3. Returned Checks in Statement: paid checks that are returned with the statement - at our option, the paid checks may be a full-size image of the front and back of the paid check in addition to the number, amount and date the check is paid as part of the statement. (See the **CHECK 21** section for more information about substitute checks.)

Option 1 is what you will get unless you specifically ask for option 2 or 3. The checking accounts for which these options are available vary. The products and our fee structures for each option are disclosed in the *Consumer Pricing Information* or *Business Pricing Information* brochure or agreement for your account. (Both brochures can be obtained by stopping in a U.S. Bank branch or for the *Consumer Pricing Information* only, call 800.872.2657 to request a copy.)

If you take option 1 or 2, and you have need for a specific paper check, we can provide a substitute copy to you upon request.

CHECKS, CHECKING ACCOUNTS AND SAVINGS ACCOUNTS WITH DRAFT ACCESS

NOW Accounts: Transaction accounts are NOW Accounts on which you can write negotiable orders of withdrawal. Negotiable orders of withdrawal look and function like checks, and the rules governing checks also apply to them. Depending on account features, NOW Accounts may or may not bear interest. Although we have no intention of exercising this right, federal regulations require that we reserve the right to require at least seven days' written notice prior to withdrawal or transfer of any funds on your NOW Account.

SAVINGS ACCOUNTS

By the term "savings" account we mean an account that earns interest but has no specific maturity date or required notice period. (A maturity date or a required notice period is a characteristic of a time deposit or certificate of deposit.)

We will provide you with a periodic (quarterly, monthly, annually based on your account type and account activity) statement for your savings account and you must examine your statement for errors or forgeries just as you should for your checking account.

Savings Account Transaction Policy

Unlimited Transactions

Withdrawals and transfers from your savings or money market account made in person or at an ATM are unlimited.

Transfer and/or Withdrawal Restrictions

You are limited to six of the following transactions from your savings or money market account each account cycle:

- Preauthorized or automatic withdrawals or transfers including, but not limited to:
  - Automatic transfers from your savings account to cover an overdraft.
  - Online or mobile banking transfer of funds from your savings or money market account to third parties or to other deposit accounts at U.S. Bank.
  - Payments using U.S. Bank or external bill pay services.
  - Preauthorized ACH or electronic transfers.
  - U.S. Bank telephone banking or any other arrangement to pay a third party from your savings or money market account.
- Point-of-sale transactions with an ATM or debit card.
- Checks or drafts payable to third parties.

Excessive Transfers and/or Withdrawals

Withdrawals and/or transfers exceeding the six per account cycle allowance will result in an excessive withdrawal fee per transaction. Refer to the *Consumer Pricing Information* or *Business Pricing Information* brochure for additional information. We will send you notice after the first and second account cycle of excessive withdrawals or transfers. After three instances within the last 12 account cycle periods, of exceeding the allowable number of withdrawals or transfers, your savings/money market account will be either converted to a checking account or closed and funds placed in a new checking account and priced accordingly.

We reserve the right to require seven days' notice before any withdrawal from any savings account, though it is very unlikely we will require such notice and, if we do, we will require it for all savings accounts.

S.T.A.R.T. PROGRAM AGREEMENT

(New enrollment discontinued as of November 15, 2015)

Savings Today And Rewards Tomorrow®

S.T.A.R.T. is a program offered by U.S. Bank to help you achieve and maintain your savings goals. The following information provides the terms of the S.T.A.R.T. Program (the "Program"), the details you need to know to enroll in and manage your savings plan, as well as the terms for earning rewards under the Program. We may change these terms at any time, in which case we will provide you notice of those changes. Please read these terms carefully and contact us if you have any questions. By enrolling in the Program, you agree to these terms.

Enrollment Process and Eligibility

To be eligible for the Program, you must meet, and continue to meet, the following three requirements:

1. Open and/or maintain an active U.S. Bank Package, including:
   - A Silver, Gold or Platinum Package Checking account AND
   - A Package Money Market Savings account

   Note: Account ownership must be identical for both the package checking and package money market savings accounts.
2. Enroll in the Program.
3. Schedule and maintain a qualifying transfer from your Package Checking account to your Package Money Market Savings account.

Qualifying Transfers Options

A qualifying transfer must occur at least once per month from your Package Checking account ("checking account") to your Package Money Market Savings account ("savings account"). Three transfer options are available for you to choose. You are required to set up at least one option but can utilize all three choices.

Note: Qualifying transfers may not be processed if your checking account has a negative Available Balance or if your balance would become negative as a result of the transfer.

1. Scheduled Transfer option: A recurring regularly scheduled transfer based on a specific amount transferred from the Package Checking to the Package Money Market Savings on a specific date(s) you select.

- Transfers can occur daily, weekly, every other week, or can be based on a specified date(s) or day(s) during the month. One-time or same-day transfers do not qualify.
- Example: Schedule a transfer of $10.00 from your checking account to your savings account on the 1st of each month.

2. Transfers Based on Debit Card Purchases: A recurring transfer from the Package Checking account to the Package Money Market Savings account based on each number of U.S. Bank Debit Card purchases you make, transferred on the business day after the transaction is posted.

- Select a dollar amount between $.25 and $5.00 to transfer for each purchase transaction.

- The total number of debit card purchase transactions posted to your checking account each day will be multiplied by the per transaction dollar amount selected. That amount will be transferred from your Package Checking account to your Package Money Market Savings account.
- The debit card must be associated with the enrolled checking account. For joint checking accounts, more than one debit card can be designated and a separate transfer will occur for the activity of each card.
- Example: You have selected a transfer amount of $.50. If five debit card purchases post on Tuesday, a transfer of $2.50 will occur on Wednesday (from your checking account to your savings account).

3. Transfers Based on Credit Card Purchases: A recurring transfer based on the number of U.S. Bank Credit Card purchases you make, transferred on the business day after the transaction is posted.

- Select a dollar amount between $.25 and $5.00 to transfer from the Package Checking account to the Package Money Market Savings account for each credit card purchase transaction.
- The total number of credit card purchase transactions posted to your credit card each day will be multiplied by the dollar amount selected. That amount will be transferred from your Package Checking account to your Package Money Market Savings account.
- The credit card owner's name must also be an owner on the enrolled S.T.A.R.T. checking account. For joint checking accounts, more than one credit card can be designated, and a separate transfer will occur for the activity of each card.
- All U.S. Bank-branded, co-branded or affinity credit cards are eligible.
- If more than one credit card is enrolled in S.T.A.R.T. for this transfer option, separate transfers will occur for the total purchases posted to each card.
- Example: You have selected a transfer amount of $3.00. If two credit card purchases post on Monday, a transfer of $6.00 will occur on Tuesday (from your checking account to your savings account).

S.T.A.R.T. Goals and Rewards

The Program offers two rewards that can be earned by achieving and maintaining a specific account balance – called your Goal Balance – in your savings account. Your Goal Balance is the account balance of your Package Money Market Savings account at time of enrollment, plus $1,000.00. You must reach Goal 1 before you become eligible for Goal 2.

S.T.A.R.T. Goal 1: When you reach the Goal 1 Balance in your Package Money Market Savings account AND a qualifying transfer occurs within 35 days of meeting the Goal 1 Balance, you will earn a $50.00 U.S. Bank Rewards Card.

S.T.A.R.T. Goal 2: When you maintain the Goal Balance in your Package Money Market Savings account for 12 consecutive months from the date of meeting Goal 1, you will earn a $50.00 U.S. Bank Rewards Card.

Note: Reward(s) will be sent to the primary savings accountholder within 30 days of goal verification. Rewards will be reported as interest earned on IRS Form 1099-INT. The accountholder is responsible for any applicable taxes. If your savings account is subject to State or Federal tax withholding, the amount of your U.S. Bank Rewards Card will have taxes withheld. A customer is eligible to earn only one of each goal type, for a maximum reward of $100.00.

The U.S. Bank Rewards Card cannot be reloaded with additional funds, nor can it be used at an ATM. No cash access. Terms and conditions, including fees, apply. Visit usbankrewardscard.com for current terms. This Rewards Card is issued by U.S. Bank National Association pursuant to a license from Visa U.S.A. Inc. © 2020 U.S. Bank. Lost or stolen cards can be replaced if the card number is available. Other conditions apply. See the cardholder agreement for complete details.

Monitor and Make Changes to your S.T.A.R.T. Selections

You can make changes to any transfer option, add or delete transfer selections, and monitor your goal progress: by accessing your account via online banking, speaking with a banker at a participating branch, or calling U.S. Bank 24-Hour Banking (see last page for phone numbers). Additionally, S.T.A.R.T. mobile or email alerts can be set-up through online banking, and your monthly statements will provide S.T.A.R.T. progress information.

Program Termination

Your participation in S.T.A.R.T. will end if:

- You notify your banker that you no longer wish to participate in the Program.
- Your Package Checking account or Package Money Market Savings account is closed, is transferred to another product, or the account ownership does not match on both the checking and savings accounts.
- A qualifying transfer is not scheduled for six consecutive months when working towards Goal 1 achievement.

TIME DEPOSITS

A time deposit is more commonly known as a certificate of deposit or CD. With a time deposit, you agree to keep your deposit with us for a specified period of time, or agree to give a required advance notice prior to withdrawal, and we agree to pay you interest at an agreed upon rate, or an agreed formula for a rate, for that period of time.

We are not required to permit an early withdrawal from a time deposit, and if we do, it will be on condition that you pay an early withdrawal fee and penalty. The amount of that penalty will be disclosed to you when you open such an account.

All the features of your time deposit will be disclosed to you when you open the account. You can call 24-Hour Banking, visit a local U.S. Bank branch, or go to usbank.com to find out what CD products and terms we offer.

If your time deposit, including single maturity, automatically renewable or Individual Retirement Account CDs, remains inactive for a pre-determined period of time, as required by state, and our attempts to find you fail we may transfer or escheat your funds to the state as required.

Escheat is the term that is used to describe the process of transferring an account balance to the state government after an account has been dormant for a pre-determined period of time, as required by state, and if our attempts to find you fail.

The time period after which funds must escheat to the state varies from state to state. Once the funds are transferred to the state, you may be able to recover the funds from the state itself, but not from us.

We may charge a fee to transfer funds to the state.

LIMIT OF LIABILITY

We process millions of transactions every day, with the help of complicated technology and other companies. If we make a mistake and charged you more than we should have, or failed to give you credit you were due, we will correct the error, so long as you give us sufficient and timely notice and an opportunity to fix it. See the section above titled **Statements and Notices,** for your duty to pay attention to your statement and report any errors.

You agree – to the extent allowed by law – to waive any indirect, incidental, special, consequential and punitive damages for errors or mistakes we make in good faith. This includes damages that might otherwise be available in a tort or contract action, and whether the consequences are foreseeable or not.

ELECTRONIC MESSAGES AND AGREEMENTS

Many customers use the Internet and email as their primary form of communication with us. If you provide us with an email address, you agree that we may communicate with you via email and you further agree to notify us of any changes to your email address.

You agree that we may make agreements with you by electronic means. Your authorization and consent to such an agreement, or your delivery of instructions, may be made by use of certain numbers, codes, marks, signs, personal identification numbers (PINs), public or private keys or other means, acceptable to you and to us, to establish your identity and acceptance of the electronic communications. All electronic communications that meet these requirements will be deemed to be valid and authentic and you intend and agree that those electronic communications will be given the same legal effect as written paper communications signed by you. You agree that electronic copies of communications are valid and you will not contest the validity of the originals or copies, absent proof of altered data or tampering.

You are not required to accept electronic communications; we want you to be aware that this is an option for you to accept. **We will never ask you for sensitive account information, such as, passwords, PINs, Social Security numbers or account numbers via email. If you receive an email that appears to be from U.S. Bank asking for this type of information, immediately forward the email in its entirety (not as an attachment) to fraud_help@usbank.com.**

LEVIES, GARNISHMENTS AND OTHER LEGAL PROCESS

We are a national bank with many locations. You agree that for purposes of this part, we may treat your funds as existing at any and all locations where legal process can be served upon us or on an appointed agent of ours on our behalf. You understand and agree that a creditor or governmental agency may attach your account by service of legal process on any of our locations, at any site designated by us for acceptance of service of process, on any appointed agent of ours, or any other method authorized by law, court rule, or regulation. We may accept and comply with legal process served by any means, whether in person, by mail, facsimile, electronic transmission, or other means. You agree that we may not contest such legal process.

If we are served with a garnishment, levy, execution, or other legal process of apparent validity (together referred to as "legal process"), you understand and agree that we will pay all amounts in the account, or release information about your account, in satisfaction of the legal process and in compliance with our understanding of applicable law. If your account is a joint account, for purposes of responding to legal process, we will consider each joint owner to have an undivided interest in the entire account. Therefore, you agree we may pay all amounts in the account in satisfaction of any legal process, even if it attaches to the interest of fewer than all the account owners. You agree that we may process a levy, garnishment, or other legal process served on us even if we do not process it on the same day it was received. If you believe your funds are exempt from legal process, or otherwise should not be subject to the legal process (for example, if you own funds and the legal process applies to another joint owner, you believe the court, garnishor, or levying authority lacks jurisdiction over you or the property, or you believe the garnishment or levy names the wrong party as garnishee), you agree that it is your responsibility to raise any defense to the legal process against the party who originated the legal process or seek reimbursement from a joint owner, and you agree that we have no obligation to do so.

If we are served with any legal process that tries to attach or in some way prevent you from freely using your funds, you give us the right, but we have no obligation, to hold any portion of the funds during any time necessary to determine to our satisfaction who has the legal right to the funds. If we are not able to determine whether the funds are subject to the legal process, you agree that we may deposit the funds with any court which we deem to have jurisdiction over us or the property in your account and ask that court to determine to whom the funds belong. You consent to the jurisdiction of such court to determine the legal right to the property in your account and agree to reimburse us for our expenses, including attorney's fees and expenses, arising out of the service of the legal process on us and our response to it.

If the legal process requires us to release information about one or more accounts for which combined statements are provided, we may release the entire combined statement even if other accounts on the statement are not covered by the legal process.

All legal process is subject to our rights of setoff and our security interest in your account. We will assess a service fee against your account for any legal process served on us regardless of whether the process is subsequently revoked, vacated, or released. Unless expressly prohibited by law, we will set off or enforce our security interest against your account for such fee prior to our honoring the legal process. We will not be liable to you if an attachment, a hold, or the payment of our fee from your account leaves insufficient funds to cover outstanding items. You agree to hold us harmless from any claim relating to or arising out of how we handle legal process pursuant to this part.

RESOLVING ACCOUNT DISPUTES AND ADVERSE CLAIMS

If a dispute arises concerning your account (including, for example, a dispute over who is an authorized signer or owner), or if we believe we have a claim against you or we have or receive a claim by a third party (including our affiliates) to all or a portion of the property (including money, certificates of deposit, securities and other investment property, financial assets, etc.) in your account, or if we have concerns regarding your account or the use of your account, we have the right to hold any portion of the property in your account until the dispute, claim, or concern is resolved to our satisfaction. We will not be liable to you if the hold we place on your account leaves insufficient funds to cover outstanding items. For purposes of this section, "account" includes any account you have with us or any of our affiliates (including, without limitation, agency, custody, safekeeping, brokerage, and revocable trust accounts). If the dispute, claim or concern remains unresolved, you agree that we may at our option deposit the property in your account with a court and ask the court to determine to whom the property belongs. If we deposit your property with a court, you agree that we may charge your account for our costs, including attorney's fees and expenses.

INCREASED COSTS TO MAINTAIN YOUR ACCOUNT

If your account becomes subject to a receivership, court order or bankruptcy, and we are required to implement changes as to your account that increase our costs to maintain your account (for example, a requirement for us to pledge property to secure your account above the amount of any deposit insurance on your account), you agree to reimburse us for the additional costs and any expenses incurred by us (including legal fees) to implement such required changes as to your account.

CONSUMER REPORT DISPUTES

We may report information about your deposit accounts to Consumer Reporting Agencies (CRA). As a result, this may prevent you from obtaining services at other financial institutions. If you believe we have inaccurately reported information to a CRA, you may submit a dispute by calling 844.624.8230 or by writing to:

U.S. Bank Attn: CBDH Management, P. O. Box 3447, Oshkosh, WI 54903-3447. In order for us to assist you with your dispute, you must provide: your name, address and phone number; the account number; the specific information you are disputing; the explanation of why it is incorrect; and any supporting documentation (e.g., affidavit of identity theft), if applicable.

ACCOUNT INFORMATION

Our Privacy Pledge discloses the information we share with other entities for marketing purposes. We also may be required to provide information about you and your account when and as required or permitted by law for other purposes, such as, for example:

1. reporting of interest you earn to federal and state tax authorities;
2. reporting of cash transactions that are at reportable limits;
3. investigating and reporting of transactions that we reasonably determine to be suspicious; and
4. responding to subpoenas, court orders, or government investigations.

SETOFF

We have the right under the law to set off amounts you owe us against your accounts with us. For purposes of this section, "account" includes any account you have with us or any of our divisions, departments, and affiliates (including, without limitation, agency, custody, safekeeping, securities, investment, brokerage, and revocable trust accounts) and "you" includes, without limitation, your revocable trust, any partnership in which you are a general partner, any prior or successor entity by way of an entity conversion, and any other series of your series limited liability company (as applicable). In addition to this legal right, you give us and our affiliates the contractual right to apply, without demand or prior notice, all or part of the property (including money, certificates of deposit, securities and other investment property, financial assets, etc.) in your accounts, against any debt any one or more of you owe us or our affiliates. If your account is a joint account, you agree we may consider each joint owner to have an undivided interest in the entire account, so we may exercise our contractual right of setoff against the entire account. This includes, for example, debts that now exist and debts that you may incur later, your obligations under a guaranty, and also includes all fees you owe us or our affiliates. We will not be liable to you if enforcing our rights of setoff against your account(s) leaves insufficient funds to cover outstanding items or other obligations. You agree to hold us harmless from any claim arising as the result of our enforcement of our rights of setoff in, or enforcement of our rights of setoff against, your account(s).

Our contractual right of setoff does not apply:

1. to an account that is an IRA or other tax-deferred retirement account;
2. to a debt that is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest); or
3. if our records demonstrate to our satisfaction that the right of withdrawal that a depositor/debtor has with us only arises in a representative capacity (for example, only as an authorized signer, attorney-in-fact or a fiduciary) for someone else.

This right of setoff is in addition to any security interest that we or an affiliate of ours might have in your deposit account.

SECURITY INTEREST IN ACCOUNTS

You grant to us and our affiliates, a security interest in all your accounts with us, and all property in your accounts (including money, certificates of deposit, securities and other investment property, financial assets, etc.), to secure any amount you owe us or our divisions, department, and affiliates, now or in the future. This includes, for example, debts that now exist and debts that you may incur later, your obligations under a guaranty, and also includes all fees you owe us or our affiliates. For purposes of this section, "account" includes any account you have with us or any of our affiliates (including, without limitation, agency, custody, safekeeping, securities, investment, brokerage, and revocable trust accounts) and "you" includes, without limitation, your revocable trust, any partnership in which you are a general partner, any prior or successor entity by way of an entity conversion, and any other series of your series limited liability company (as applicable). In order to provide us and our affiliates with control over your account and all property in your account for purposes of perfecting the security interest granted above, you agree that we shall comply with any and all order, notices, requests and instructions originated by us or any of our affiliates directing disposition of the funds in your account without any further consent from you, even if such instructions are contrary to your instructions or demands or result in our dishonoring items which are presented for payment.

If your account is a joint account, you agree we may consider each joint owner to have an undivided interest in the entire account, so we may exercise our security interest against the entire account. We may enforce our security interest without demand or prior notice to you. You agree, for purposes of this security interest, that our affiliates may comply with any instructions we give them regarding your accounts held with them, without further consent. You also agree that we may comply with any instructions regarding your accounts that we receive from our affiliates pursuant to a security interest they have in your accounts with us. We will not be liable to you if enforcing our security interest against your account(s) leaves insufficient funds to cover outstanding items or other obligations.

You agree to hold us harmless from any claim arising as the result of our security interest in, or enforcement of our security interest against, your account(s).

SECURITY

It is your responsibility to protect the account numbers, including card numbers and electronic access devices (e.g., an ATM card, debit card, username and password or PIN) we provide to you for your account(s). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give him or her full use of your money. An account number can be used by thieves to encode your number on a false demand draft which looks like and functions like an authorized check.

If you furnish your access device and grant actual authority to make transfers to another person (a family member, coworker or employee, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account. If you provide your account number in response to a telephone solicitation for the purpose of making a transfer (to purchase a service or merchandise, for example), payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

We reserve the right to place a hold on your account if we suspect irregular, fraudulent, unlawful or other unauthorized activity involved with your account. We may attempt to notify you of such a hold, but we are not required to provide notice prior to placing the hold. You agree that we may maintain such a hold until all claims against you or us to the funds held in your account, whether civil or criminal in nature, have been resolved fully in our sole satisfaction.

RESOLUTION OF DISPUTES BY ARBITRATION

PLEASE READ THIS PROVISION CAREFULLY. UNDER THIS PROVISION, YOU WAIVE YOUR RIGHTS TO TRY ANY COVERED CLAIM IN COURT BEFORE A JUDGE OR JURY AND TO BRING OR PARTICIPATE IN ANY CLASS OR OTHER REPRESENTATIVE ACTION.

The following provision applies to any claim, cause of action, proceeding, or any other dispute between you, on the one hand, and us, our respective parents, subsidiaries, affiliates, agents, employees, predecessors-in-interest, personal representatives, heirs and/or successors, and assigns, on the other hand (each a "Claim" as further defined under the heading "Claims Covered by Arbitration"), including all questions of law or fact related thereto.

Agreement to Arbitrate: Either you or we may elect in writing, and without the consent of the other, to arbitrate all Claims covered by this provision.

Claims Covered By Arbitration: Claims subject to our agreement to arbitrate shall include all of the following: (1) Claims related to or arising out of this account Agreement, or any prior or later versions of this account Agreement as well as any changes to the terms of this account Agreement; (2) Claims related to or arising out of any aspect of any relationship between us that is governed by this account Agreement, whether based in

contract, tort, statute, regulation, or any other legal theory; and (3) Claims that relate to the construction, scope, applicability, or enforceability of this arbitration provision. Claims include Claims that arose before we entered into this account Agreement (such as Claims related to advertising) and after termination of this account Agreement.

Claims Not Covered By Arbitration: Claims subject to our agreement to arbitrate shall not include any Claim you file in a small claims court, so long as the Claim remains in such court and advances only an individual claim for relief.

Commencing an Arbitration: The party initiating arbitration must choose one of the following arbitration forums to administer the arbitration:

- **The American Arbitration Association ("AAA") under AAA's Consumer Arbitration Rules, except as modified by this account Agreement. AAA's Rules may be obtained from www.adr.org or 1-800-778-7879 (toll-free).**
- **JAMS/Endispute ("JAMS") under JAMS' Comprehensive Arbitration Rules & Procedures or Streamlined Arbitration Rules & Procedures, including JAMS' Consumer Minimum Standards, except as modified by this account Agreement. JAMS' Class Action Procedures shall not apply. JAMS' rules may be obtained from www.jamsadr.com or 1-800-352-5267 (toll-free).**

If the chosen arbitration forum is for any reason unable to serve, then the parties may agree to a comparable substitute organization. If the parties are unable to agree, then a court of competent jurisdiction shall appoint a substitute organization.

Arbitration Procedure: The arbitration shall be decided by a single neutral arbitrator selected in accordance with AAA's or JAMS' rules, as applicable. The arbitrator will decide the dispute in accordance with the terms of our account Agreement and applicable substantive law, including the Federal Arbitration Act and applicable statutes of limitation. The arbitrator shall honor claims of privilege recognized at law. The arbitrator may award damages or other relief (including injunctive relief) available to the individual claimant under applicable law. The arbitrator will not have the authority to award relief to, or against, any person or entity who is not a party to the arbitration. The arbitrator will take reasonable steps to protect customer account information and other proprietary or confidential information. Any arbitration hearing shall take place in the federal judicial district that includes your home address, unless you and we agree in writing to a different location or the arbitrator so orders. If all Claims are for $10,000 or less, you may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing in accordance with AAA's or JAMS' rules.

At your or our request, the arbitrator will issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the award is based. The arbitrator's award shall be final and binding, subject to judicial review only to the extent allowed under the Federal Arbitration Act. You or we may seek to have the award vacated or confirmed and entered as a judgment in any court having jurisdiction.

No Class Action or Joinder of Parties: You and we agree that no class action, private attorney general, or other representative claims may be pursued in arbitration, nor may such action be pursued in court if either you or we elect arbitration. Unless mutually agreed to by you and us, Claims of two or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration (unless those persons are joint account owners or beneficiaries on your account and/or related accounts, or parties to a single transaction or related transaction). If this specific paragraph is determined by the arbitrator to be unenforceable, then this entire provision shall be null and void.

Arbitration Costs: Unless the applicable arbitration rules at the time of filing a Claim are more favorable to you, we will advance (i) all arbitration costs in an arbitration that we commence, and (ii) the first $2,500 in arbitration filing, administration, and arbitrator's fees in an arbitration that you commence. To the extent allowed by applicable law and our agreements, the arbitrator may award arbitration costs and attorneys' fees to the prevailing party.

Applicable Law: You and we agree that you and we are participating in transactions that involve interstate commerce and that this provision and any resulting arbitration are governed by the Federal Arbitration Act. To the extent state law applies, the laws of the state governing your account relationship apply. No state statute pertaining to arbitration shall apply.

Severability: Except as this provision otherwise provides, if any part of this provision is deemed to be invalid or unenforceable by the arbitrator, that part will be severed from the remainder of this provision and the remainder of this provision will be enforced.

ATTORNEY'S FEES

Where used, "attorney's fees" includes our attorney's fees, court costs, collection costs, and all related costs and expenses. Notwithstanding any provision in this Agreement to the contrary, any provision for attorney's fees in this Agreement shall not be enforceable in any dispute governed by the laws of California or Oregon.

FUNDS AVAILABILITY: YOUR ABILITY TO WITHDRAW FUNDS – ALL ACCOUNTS

This funds availability policy applies to deposits into a checking or savings account made at a branch or ATM. This policy may not apply to deposits made remotely through a mobile or other electronic device.

Some sections of this disclosure apply to all accounts and all customers. There are special sections for New Accounts, Commercial Accounts, Wealth Management Accounts and Retail Consumer and Business Accounts. We will make that clear in the section headings.

Funds "availability" means your ability to withdraw funds from your account, whether those withdrawals are to be in cash, by check, automatic payment, or any other method we offer you for access to your account. If deposited funds are not "available" to you on a given day, you may not withdraw the funds in cash and we may not use the funds to pay items that you have written or honor other withdrawals you request. If we pay items that you have written or honor other withdrawals before funds are available to you, we may charge a fee for this. Please review the product pricing information brochure for information regarding overdraft fees associated with your accounts.

Please remember that even after the item has "cleared," we have made funds available to you, and you have withdrawn the funds, you are still responsible for items you deposit that are returned to us unpaid and for any other problems involving your deposit. See our **Returned Deposited and Cashed Items** section.

DETERMINING THE AVAILABILITY OF A DEPOSIT – ALL ACCOUNTS

The day funds become available is determined by counting business days from the day of your deposit. Every day is a business day except Saturdays, Sundays, and federal holidays. If you make a deposit in person before our "cutoff time" on a business day we are open, we will consider that day to be the day of your deposit for purposes of calculating when your funds will become available. However, if you make a deposit after the cutoff time, or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Our cutoff times vary from branch to branch. The earliest cutoff time at any of our branches is 2:00 p.m. (local time at the branch).

If a deposit is made after 8:00 p.m. (local time at the ATM location) or on a day we are not open, we will consider the deposit to be made on the next business day we are open.

Deposits you send by mail are considered deposited on the business day it arrives if it arrives by the cutoff time at the branch of deposit. In all cases, availability of any deposit assumes that a requested withdrawal will not overdraw the account.

IMMEDIATE AVAILABILITY – ALL ACCOUNTS

The following types of deposits will usually be available for withdrawal immediately under normal circumstances:

- Cash (if deposited in person to an employee of ours);
- Electronic direct deposits;
- Wire transfers; and
- The first $225.00 from the total of all other deposits made on any given day.

Cash and wire transfer deposits are subject to the **Special Rules for New Accounts** and the $225.00 availability is subject to the rule in the section titled **Longer Delays May Apply.**

LONGER DELAYS MAY APPLY

Government Checks, Cashier's Checks, and Other Types of Special Checks. If you make a deposit of one of the following items in person to one of our employees, our policy is to make the funds from those deposits available no later than the first business day after the day of deposit:

- State and local government checks that are payable to you;
- Cashier's, certified, and teller's checks that are payable to you; and
- Federal Reserve Checks, Federal Home Loan Checks, and U.S. Postal Money orders that are payable to you.

If you do not make your deposit in person to an employee of the bank (for example, if you mail us the deposit), funds from these deposits may be available no later than the second business day after the day of deposit. However, we may delay funds for a longer period of time, see section titled **Longer Delays May Apply – Safeguard Exceptions.**

Case-by-Case Delays. In some cases, we will not make all of the funds that you deposit available to you as provided above. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first $225.00 of your deposit, however, will be available no later than the first business day after the day of deposit, and usually immediately.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees (including a deposit made at an ATM) or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

Safeguard Exceptions. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than $5,525.00 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

RETAIL CONSUMER, BUSINESS AND COMMERCIAL ACCOUNTS

Our general availability policy for these accounts is to make funds available to you on the first business day after the day of deposit. We generally make some portion of a day's deposits available for withdrawal immediately. See the previous section for the types and amounts of deposits that are available immediately.

WEALTH MANAGEMENT ACCOUNTS

Our general availability policy for **Private Client Accounts** is to make funds you deposit available to you immediately. This immediate availability policy includes all deposits at any ATM. The section above titled **Longer Delays May Apply** also applies to your accounts. If we impose a delay as provided in that section, then the sections titled **Cashing Checks** and **Other Accounts** may also apply.

DEPOSITS AT AUTOMATED TELLER MACHINES – RETAIL CONSUMER, BUSINESS AND COMMERCIAL ACCOUNTS

Our Machines. If you make a deposit at a deposit-accepting ATM identified as ours with the U.S. Bank name, your deposit will generally be available on the first business day after the day of deposit. However, in certain circumstances, and at U.S. Bank's discretion, the funds may not be available until the second business day after the day of deposit.

Partner ATMs. U.S. Bank has established alliances to expand ATM convenience. These partner ATMs display the U.S. Bank logo and are included in the definition of a U.S. Bank ATM. However, these ATMs generally do not accept deposits. If we permit a deposit at a partner ATM, your deposit will not be available until the fifth business day after the day of deposit.

Other Machines. Generally, deposits at an ATM that is not identified as ours with the U.S. Bank name are not permitted. If we permit a deposit at an ATM that is not identified as ours with the U.S. Bank name, your deposit will not be available until the fifth business day after the day of deposit.

SPECIAL RULES FOR NEW ACCOUNTS – RETAIL CONSUMER AND BUSINESS ACCOUNTS

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits and deposits of cash and wire transfers to your account will be available on the day we receive the deposit. The first $5,525.00 of a day's total deposits of cashier's, certified, teller's, traveler's, on-us checks (checks drawn on U.S. Bank), and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess amount over $5,525.00 will be available on the fifth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first $5,525.00 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will generally be available on the fifth business day after the day of your deposit. In certain instances, we may hold funds from other check deposits for longer than five business days. For example, if we receive a check that falls within the Safeguard Exception description above, we may delay funds for up to seven business days. If we do so, we will provide you with a hold notice at the time of deposit or when we learn that we will hold the funds from the deposit.

CASHING CHECKS
If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

OTHER ACCOUNTS
If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the day the deposited item would have been available, which will usually be the first business day after the day of deposit.

ADDITIONAL TERMS FOR BUSINESS ACCOUNTS
All other sections of this Agreement apply to consumer and business accounts alike, (except when a rule specifically says it will apply to consumers). The following sections apply to accounts used primarily for business purposes.

UNLAWFUL INTERNET GAMBLING AND OTHER ILLEGAL TRANSACTIONS
You agree that you, or anyone acting on your behalf, will not use your account, access device or banking relationship with us to facilitate illegal transactions such as those prohibited by the Unlawful Internet Gambling Act of 2006, or otherwise violate any law, rule or regulation applicable to you. If we identify a suspected illegal transaction, we may block such transactions, and further we may close your account or terminate our banking relationship with you.

DEPOSIT OF PRE-AUTHORIZED DRAFTS
A pre-authorized draft is an arrangement whereby you get authority from a person (a customer, usually) to access a deposit account owned by that person to pay a debt that person owes you. You deposit these "drafts" into a deposit account with us, and we collect them from your customers, who may have accounts with us or other banks. (These "drafts" are checks you create based on information your customer provides you, such as the customer's name and account number, and the express permission your customer gave you to draw on his account.)

When you deposit these pre-authorized drafts, you make the following agreements and warranties:

1. You have express, verifiable and binding authorization from your customer to access his, her or its account for the amount you ask us to collect;
2. You will keep the proof of your authorization in retrievable form for not less than two years from: (a) the date of the authorization of a one-time draft; or (b) from the date of revocation of the authorization of recurring drafts. You agree to provide us with such proof upon our request;
3. We may reverse any credit given to you for any draft deposited to your account and returned to us regardless of when it is returned or the reason for the return. We may take funds in your account to pay the amount you owe us, and if there are insufficient funds in your account, you will still owe us the remaining balance.

EARNINGS CREDIT
Fees for services used by you may be assessed in full to your accounts or may be offset through account analysis by applying earnings credit to your service charges to determine a single monthly net service charge. Your earnings credit rate is established by us and will change from time to time. Your net service charge could be zero if your earnings credit equals or exceeds your total charges in a given month. If your earnings credit is not sufficient to offset the amount due hereunder, you agree to pay such amounts to us upon demand.

WAIVER OF NOTIFICATION OF REDEPOSITED CHECKS
When you deposit checks to your account, you have a right to be notified whenever a check you deposit is returned unpaid. We offer a plan (to businesses who elect it) whereby we will automatically redeposit checks returned unpaid due to insufficient funds. To simplify collection of these items, you give up this right to notification for those items we redeposit. If these items are returned unpaid a second time, you will receive standard notification.

We may withhold the availability of funds represented by a redeposited check. We will notify you of such delay.

FACSIMILE SIGNATURES
You may wish to use a facsimile signature stamp or other mechanical signature device to sign checks or other orders relating to your accounts. If you do, we will, without contacting you, debit your account for items bearing an imprint that looks substantially like your authorized mechanical signature, whether or not such items bear the actual facsimile signature stamp. You agree to notify us and give us a sample imprint if you plan to use such a device. If you do not give us a sample, this section still applies to your use of the device. You are responsible for the security of any mechanical signature device. We will not be responsible for payment of unauthorized items bearing an imprint from, or similar to, your authorized mechanical signature.

DEPOSITS
Truncation, Substitute Checks, and Other Check Images: If you truncate an original check and create a substitute check or other replacement document, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check(s) you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with the time requirements as outlined in your remote deposit capture agreement with us. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

Deposit Preparation, Sorting, and Endorsements: You agree to properly prepare, sort, and endorse all deposits according to requirements specified in any applicable user guides and Federal Regulation CC. We require that you include the external processing code of "6" in Position 44 of the MICR line for all remotely created checks, and we reserve the right to dishonor any remotely created check that does not meet the requirement. You agree to indemnify us for any loss we incur that results from your failure to comply with these requirements.

Requalification: If you elect to have another bank or entity receive and process all of your returned checks, such other bank's endorsement may be obscured by our depository bank endorsement. You understand and agree that any other endorsement placed on your checks that identify another bank as the depository bank or the bank to which checks should be returned may result in illegible or double endorsements, which may delay the return of your checks. You agree we shall not be liable for any such delays.

FRAUD PREVENTION MEASURES.
We offer certain products and services, such as "positive pay," and account blocks and filters that are designed to detect or deter fraud. Failure to use such services could substantially increase the likelihood of fraud. If you fail to implement any of these products or services, or if you fail to follow these or other precautions reasonable for your type of account or circumstances, you agree that you will be precluded from asserting any claims against us for paying any

unauthorized, altered, counterfeit or other fraudulent item that such product, service or precaution was designed to detect or deter, and we will not be required to re-credit your account or otherwise have any liability for paying such items.

CUSTOMER SEGREGATED ACCOUNTS. Notwithstanding anything to the contrary in this Agreement or any other agreement, we will maintain all money designated as client money—by broker-dealers, future commission merchants, or derivatives clearing organizations—in customer segregated accounts in accordance with acknowledgement letters required by applicable SEC and CFTC rules and regulations.

ELECTRONIC BANKING AGREEMENT FOR CONSUMER CUSTOMERS

This section applies to payment orders and funds transfers governed by the Electronic Fund Transfer Act. When you enroll in online or mobile banking we will provide you with the U.S. Bank *Digital Services Agreement* that governs the use of all online and mobile services ("Digital Services").

If you have any questions regarding electronic banking transactions or believe that an unauthorized transaction has occurred, please call U.S. Bank 24-Hour Banking (see last page for phone numbers), visit a local U.S. Bank branch or write to:

U.S. Bank 24-Hour Banking
EP-MN-WS5D,
60 Livingston Ave.,
St. Paul, MN 55107

Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

TYPES OF TRANSACTIONS

These are the types of Electronic Fund Transfers that you can accomplish with us (assuming you make arrangements to do so).

Electronic Fund Transfers Initiated by Third Parties. You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. In all cases, these third-party transfers will require you to provide the third party with your account number and bank information. Thus, you should only provide your bank and account number information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

Direct Deposits. You can arrange for direct deposits to your checking or savings account(s).

Preauthorized Payments. You can arrange to pay certain recurring bills from your checking or savings account(s).

Electronic check conversion. You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.

Electronic returned check charge. You may authorize a merchant or other payee to initiate an electronic fund transfer to collect a charge in the event a check is returned for insufficient funds.

Expanded Account Access

What it is. Any card or PIN (personal identification number) can be used to access up to five checking, savings, line of credit and credit card account(s) held in the same name at U.S. Bank or any of its bank affiliates; and any account you open with us and our affiliates may be accessed by your card or PIN. "Access" means use of a card or account number and PIN to conduct a transaction or obtain information at ATMs, over the telephone, through personal computer banking, or any other available method. If the card or PIN is for a joint account, that card or PIN can be used to access all the accounts linked to the card or PIN account, whether joint or individual. Expanded Account Access is also applicable to your Digital Services.

The "cards" that can get Expanded Account Access. All U.S. Bank Debit Cards and ATM cards (excluding prepaid cards), and all U.S. Bank-issued Credit Cards (including, but not limited to, co-branded credit cards, and all credit lines issued through U.S. Bank and U.S. Bank affiliates).

Fees and Charges for Expanded Account Access. There are no additional fees or charges just for Expanded Account Access, but fees applicable to each applicable account will continue to apply in accordance with the terms of the applicable account agreements. The fees and terms for each of your accounts will be as disclosed in the *Consumer Pricing Information* brochure. (This document can be obtained by contacting a U.S. Bank branch or calling 800.872.2657.)

The fees and terms for your personal credit cards and lines of credit are disclosed in the applicable cardmember agreement.

How to Cancel. You can visit a branch or call the U.S. Bank 24-Hour Banking number at any time to cancel Expanded Account Access. If you cancel Expanded Account Access for any account, that account will not be accessible by any card or PIN other than the card or PIN specifically designated for that account.

Account Access at Automated Teller Machines

You can access up to five checking, five savings, and five line(s) of credit or credit card accounts at U.S. Bank ATMs through all your cards held in the same name (excluding prepaid cards).

You may perform the following transactions at ATMs:

- Make cash withdrawals from your checking and savings accounts associated with your card. Cash denominations vary by ATM.
- Get cash advances from your credit card or line of credit account using your U.S. Bank Debit Card or ATM card. (Refer to your cardmember agreement for any cash advance fees and finance charges that may apply.)
- Deposit funds to checking and savings accounts associated with your card. Deposit up to 30 checks and 50 bills in a single transaction. Instant availability for cash deposits if deposited before 6:00 p.m. local time in a non-envelope deposit ATM.
- Transfer funds from your account(s) associated with your card.
- Make payments to credit card or line of credit accounts from a deposit account associated with your card.
- Check the current balance of your checking, savings, credit card and line of credit accounts associated with your card.
- Request a statement showing your most recent deposit account transactions. (Refer to the *Consumer Pricing Information* brochure regarding any fees for purchasing statements at ATMs. This brochure can be obtained by contacting a U.S. Bank branch or calling 800.872.2657.)
- Change your ATM or debit card PIN.
- Make certain charitable contributions from a deposit account associated with your card.

Some of these transactions are not available at all ATMs.

Purchases at Merchants

You may use any of your U.S. Bank Debit Cards to make purchases at merchants that accept Visa® debit cards. You may use your U.S. Bank ATM Card and any of your U.S. Bank Debit Cards to make purchases by entering your PIN at participating merchants. You may also get cash from a merchant, if the merchant permits. Purchases made with your card will result in debits to your "primary" checking account. These transactions will be itemized on your monthly statement, including the merchant name, location, the date of purchase and the amount of the purchase.

Partial Debit Card Transactions

Some merchants may be enrolled in Visa's Partial Authorization service. This means that if you chose 'No' to ATM and Debit Card Overdraft Coverage, your transaction may be approved for only part of your total purchase amount. This occurs when you do not have a sufficient Available Balance, necessary to pay for the entire transaction, at the time of the purchase. Additionally, funds from your designated account(s) linked for Overdraft Protection (if applicable) may be considered when determining the amount that is authorized.

For example, if you attempt a $30.00 transaction when your account has an Available Balance of $20.00, your purchase may be approved for $20.00 instead of the entire transaction being declined.

Other Electronic Transactions

In addition to transactions initiated by using your U.S. Bank Debit Card, there are other electronic banking transactions that you may arrange through your account. These include:

- Telephone/personal computer activated transfers of funds from your accounts with us to other accounts with us or to third parties. These include but are not limited to transfers made by telephone, text, online and mobile banking.
- Automatic transfer of funds between checking and savings accounts.
- Automatic periodic payments to third parties or us from checking or savings accounts (for example, monthly mortgage payments, installment loan payments, insurance payments, utility payments).
- Direct deposit to checking or savings accounts (for example, payroll checks, social security payments).
- Electronic check conversions from your checking account using a blank, partial or fully completed personal check at merchant locations.
- Payments made to your account through your U.S. Bank Debit Card.
- You can also use any of your U.S. Bank Debit Cards to obtain a cash advance from your checking account at any Visa® member bank anywhere in the world.

LIMITS ON TRANSFERS

The terms of your deposit account may restrict the number of withdrawals you may make from your account each month. Restrictions described earlier in this brochure and in other disclosures and agreements you received at the time your account was opened or when additional products or services were accessed, will also apply to your electronic withdrawals and electronic payments unless specified otherwise.

New Accounts

Generally, you cannot make deposits at a non-U.S. Bank ATM. If we permit a deposit at an ATM that is not identified as ours with the U.S. Bank name, your deposit will not be available until the fifth business day after the day of deposit.

Security

For security reasons, there are limitations on the transactions that you may perform with any of your U.S. Bank Debit Cards or U.S. Bank ATM Cards per day. There are limitations on the number of transactions that can be performed per day and the limits may vary. For security reasons we do not disclose these limits. There are limitations on the dollar amount of cash withdrawals at ATMs and/or cash that you receive from merchants over the amount of your purchase. There are also limitations on the total dollar amount of purchases at merchants and/or cash advances at Visa® member banks you may perform during each 24-hour period beginning at 4:30 p.m. Central Time. Our standard transaction limits for ATM cards are $300.00 per day for cash withdrawals and $1,000.00 per day for purchases. Our standard transaction limits for debit cards are $500.00 per day for cash withdrawals and $1,000.00 per day for purchases and/or cash advances at banks. Our standard transaction limits for receiving money through your U.S. Bank Debit Card are $3,000.00 per transaction and $10,000.00 per day. We may change these limitations based on periodic risk assessments and we reserve the right to make such changes without notice to you. Transfer limits are also subject to temporary reductions to protect the security of customer accounts or transfer systems.

Debit Card Transactions

When you use your U.S. Bank Debit Card (Debit Card) for payment, the merchant requests U.S. Bank to authorize the transaction amount. We rely on the merchant to inform us if a debit card transaction is a one-time or a recurring transaction. At the time of the request, we authorize (promise to pay) or decline the merchant's request. If we authorize (promise to pay) we will reduce your Available Balance by the amount of the merchant's authorization request. Some merchants (e.g., hotels, restaurants, gas stations, car rental agencies) request an authorization that is an estimated amount of the anticipated purchase instead of the full purchase amount. As a result, the reduction of your Available Balance may be less or greater than the final debit card transaction amount presented for payment. It is important to note that your Available Balance may change between the time a debit card transaction is authorized and when the debit card transaction is presented for payment.

Debit card authorizations will be reflected as pending transactions from the time we receive the authorization until the merchant presents the item for payment, a completion message is received, or three business days, whichever occurs first. If the debit card authorization has not been presented for payment after three business days, it will be removed from your pending transactions and your Available Balance will no longer be reduced by the authorization amount. Due to prior authorization (promise to pay), if the debit card transaction is presented for payment at a later date we will pay the item regardless of your Available Balance.

If any debit card transaction results in a negative Available Balance at the time it is presented for payment—even if your Available Balance was positive at the time the debit card transaction was authorized—you may be charged an Overdraft Paid Fee. For more information on Available Balance please see the section titled **INSUFFICIENT FUNDS AND OVERDRAFTS.**

Please know, it is your responsibility to ensure your account has a sufficient Available Balance to cover all transactions you conduct. We recommend keeping a record of your balance and deducting every transaction at the time you initiate it.

FEES

We will charge you fees for electronic fund transfers in accordance with the information found in our *Consumer Pricing Information* brochure. (This brochure can be obtained by contacting a U.S. Bank branch or calling 800.872.2657.) The fees may be changed at any time, subject to our giving you any notice required by law.

ATM Surcharges. When you use an ATM that is not identified as ours with the U.S. Bank name, and the ATM does not participate in the MoneyPass® Network, you may be charged a fee by the ATM operator or any network used to complete the transfer. To find MoneyPass ATM locations, please visit www.moneypass.com.

USING YOUR CARD FOR INTERNATIONAL TRANSACTIONS

You may use your U.S. Bank Debit Card or ATM card for retail purchases with international merchants, for international cash advances and all transactions performed at international ATMs that bear any of the network logos found on your card. Refer to our *Consumer Pricing Information* brochure for fee information. (This brochure can be obtained by contacting a U.S. Bank branch or calling 800.872.2657.) We may block transactions in certain foreign countries. Call us at 800.872.2657 for more information. Some merchant and ATM transactions, even if you and/or the merchant or ATM are located in the United States, are considered international transactions under the applicable network rules, in which case we will add International Processing Fees to those transactions.

U.S. Bank does not control how these merchants, ATMs and transactions are classified for this purpose. If the transaction requires a currency conversion, the exchange rate in effect when processed may differ from the rate in effect on the date of the transaction or the date of the posting to your Account.

Transactions processed through the Visa® system will be converted according to the applicable rules established by Visa®. The foreign currency transaction will be converted to U.S. Dollars by multiplying the amount of the foreign currency times (a) a rate selected by Visa® from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa® itself receives, or (b) the government-mandated rate in effect for the applicable central processing date. For transactions processed through other networks, the international currency transaction will be converted by that network in accordance with their rules.

Additional fees may apply. If you need to contact us about your card while outside of the United States, call us collect at 503.401.9991.

ADVISORY AGAINST ILLEGAL USE

You agree not to use your card(s) for illegal gambling or any other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which you may be located; therefore, we reserve the right to decline all online (Internet) gambling transactions.

DOCUMENTATION

Terminal transfers. You can get a receipt at the time you make any transfer to or from your account using automated teller machines or point-of-sale terminals. However, you may not get a receipt if the amount of the transfer is $15.00 or less.

Pre-authorized credits. If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call U.S. Bank 24-Hour Banking or visit our online banking site at usbank.com to find out whether or not the deposit has been made.

Periodic statements. You will get a monthly account statement unless there are no transfers in a particular month. In any case, you will get the statement at least quarterly for an account to or from which you have arranged for electronic access. In the event your account has become inactive as defined in the section titled Dormant Accounts and Escheat (refer to page 14) and you have had no electronic activity, you will receive an annual statement.

PREAUTHORIZED PAYMENTS

If you have arranged for automatic periodic payments to be deducted from your checking or savings account and these payments vary in amount, you will be notified by the person you are going to pay ten calendar days prior to the payment date of the amount to be deducted. If the date upon which your payment is scheduled to be deducted changes, the person you are going to pay will notify you seven calendar days prior to the new scheduled date. To confirm the completion of automatic transfers, payments and/or direct deposits, please contact U.S. Bank 24-Hour Banking or visit our online banking site at usbank.com.

Right to Stop Payment of Preauthorized Transfers

To stop a preauthorized electronic payment or transfer, please call U.S. Bank 24-Hour Banking (see last page for phone numbers). You must call in time for us to receive your request and to be able to act upon it, which in the case of these electronic payments, is at least three business days before the transfer is scheduled to occur. We may also require you to put your request in writing and forward it to us within 14 days after you call.

If you order us to stop one of these payments at least 3 business days before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

OUR LIABILITY

Liability for failure to make transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. If you have an overdraft line and the transfer would go over the credit limit.
3. If the automated teller machine where you are making the transfer does not have enough cash.
4. If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
5. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
6. There may be other rules/limitations stated in our agreement(s) with you that excuse our failure to make a requested transfer (for example, the monthly limit on certain transfers out of non-transaction savings accounts; refer to Savings Accounts, Withdrawal section on page 18 for additional details).

Authorized Transactions

We assume that all transactions performed with your U.S. Bank ATM Card or any of your U.S. Bank Debit Cards and/or your personal identification number (PIN) are authorized unless you promptly notify us to the contrary. If you intentionally provide another person with the means to perform electronic banking transactions using your account, any resulting transactions will be treated as if they were performed and authorized by you. Such treatment will continue until you notify U.S. Bank Fraud Liaison Center (see page 31) that the other person is no longer authorized to use your card and/or PIN (in which case the card and PIN will have to be deactivated).

UNAUTHORIZED TRANSACTIONS AND LOST OR STOLEN CARDS

An unauthorized transaction is one that another person conducts without your permission and from which you receive no benefit.

In order to avoid unauthorized transactions, please observe the following basic precautions:

- Do not keep your U.S. Bank ATM Card or U.S. Bank Debit Card and personal identification number (PIN) together. Do not write your PIN on your card.
- Do not provide your card or reveal your PIN to another person. If you do so, you authorize that person to conduct transactions using your card or PIN. You are liable for that person's transactions until you notify U.S. Bank Fraud Liaison Center (see below) that the person is no longer authorized to use your card or PIN.
- Notify U.S. Bank Fraud Liaison Center or any U.S. Bank branch of the loss, theft or unauthorized use of your card or PIN.
- Notify U.S. Bank Fraud Liaison Center or any U.S. Bank branch if you think an electronic banking transaction is incorrectly reported on a receipt or statement. Failure to promptly notify U.S. Bank Fraud Liaison Center or any U.S. Bank branch of the loss, theft, or unauthorized use of your card or PIN will result in inconvenience to you and will hinder the efficient operation of your account.

U.S. Bank Fraud Liaison Center
877.595.6256

We reserve the right to cancel, block, and not renew your access device for any reason, with or without prior notice. Reasons for suspension of access may include, for example:

- Detection of suspicious or fraudulent activity;
- Lack of usage;
- Misuse; or

- Access devices returned as undeliverable by postal service.

CONSUMER LIABILITY FOR UNAUTHORIZED TRANSFERS

Zero Liability for All Transactions. Except as provided in the next paragraph, you are generally protected from all liability for unauthorized use of any of your U.S. Bank Debit Cards, the associated account numbers printed on them (including purchases made over the phone or online) and your ATM card or its associated personal identification number (PIN). You still need to report the loss or theft of these cards, PINs, and any unauthorized transactions to us as soon as you can. This is necessary so you can get any unauthorized transactions reversed, prevent further unauthorized transactions, and avoid liability for subsequent purchases we could have prevented had you given us notice. This policy also protects you from liability for other types of electronic fund transfers. Please follow the section entitled **Error Resolution Notice** to report any unauthorized activity on your account.

After 60 Days from Statement Notice. If you fail to give us notice of an unauthorized electronic fund transfer within 60 days of when we first deliver a statement to you that discloses that unauthorized transaction, you will be liable for all unauthorized electronic fund transfers that occur after that 60-day period expires if we could have prevented such transaction had you reported it to us within the 60-day period. This rule applies to all forms of electronic fund transfers (including but not limited to ATM transactions, preauthorized withdrawals, Online transactions, and purchases with any of your U.S. Bank Debit Cards, etc.) that occur after the 60-day period following the first statement notice.

If a good reason (such as a long trip or hospital stay) kept you from telling us, we may extend this time period.

MINNESOTA LIABILITY DISCLOSURE

If our records assign your account to a branch located in the State of Minnesota, you may bring a civil action against any person violating the consumer privacy and unauthorized withdrawal provisions of Minnesota Statutes § 47.69, and may recover, in addition to actual damages or $500.00, whichever is greater, punitive damages when applicable, and the court costs and reasonable attorney's fees incurred.

BUSINESS DAYS

Bank "business days" are Monday through Friday. Federal holidays are not included.

CONFIDENTIALITY

We will disclose information to third parties about your account as permitted by law or the transfers you make:

1. where it is necessary for completing transfers; or
2. in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. in order to comply with government agency or court orders; or
4. if you give us your written permission; or
5. according to our privacy pledge, which generally permits us to share information with companies that perform marketing or other services on our behalf.

ERROR RESOLUTION NOTICE

In case of errors or questions about your electronic transfers, call U.S. Bank 24-Hour Banking at a number on the last page, visit any U.S. Bank branch or write us at the address listed below, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your dispute or question in writing within ten business days. We will determine whether an error occurred within ten business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your dispute or question. If we decide to do this, we will credit your account within ten business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your dispute or question in writing and we do not receive it within ten business days, we might not provisionally credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your dispute or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation. Write to us at:

U.S. Bank
EP-MN-WS5D
60 Livingston Ave.
St. Paul, MN 55107

Error resolution and contact information with respect to online banking services is provided in our *Digital Services Agreement.* The online banking site may be accessed by going to the U.S. Bank web site at usbank.com and following the directions to log in to online and mobile banking. More detailed information is available on request.

NOTICE OF ATM/NIGHT DEPOSIT FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful:

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Do not leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements you receive.
4. Do not lend your ATM card to anyone.
5. Remember, do not leave your card at the ATM. Do not leave any documents at a night deposit facility.
6. Protect the secrecy of your Personal Identification Number (PIN). Protect your ATM card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your ATM card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been

modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.

7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. If you lose your ATM card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.
9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
10. Do not accept assistance from anyone you do not know when using an ATM or night deposit facility.
11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
12. Do not display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
13. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and local law enforcement officials immediately.

ELECTRONIC BANKING AGREEMENT FOR BUSINESS CUSTOMERS

This section governs transactions initiated by you or your employees using a U.S. Bank Business Debit Card or ATM Card, or other U.S. Bank card products offered to business customers from time to time by U.S. Bank ("Business Debit Card(s)"). Your use of business debit cards is subject to the fees and terms of your checking and savings accounts as set forth elsewhere in this Agreement and in related brochures and fee schedules, which are available at any branch in your state. Some ATM networks impose an additional transaction fee unrelated to our fees and charges and may be assessed to your account. Other electronic transactions against your account, whether or not initiated or authorized by you will be governed by the specific Agreement between us related to such transactions and/or all applicable rules and regulations governing such transactions, including without limitation, the rules of the National Automated Clearing House Association (NACHA) as may be amended from time to time.

Under NACHA rules we cannot return an unauthorized electronic transaction (ACH debit) unless you notify us no later than 5:00 p.m. Central Time on the business day following the settlement date of the transaction. Otherwise, your sole recourse is to the originator of the transaction.

ACCOUNT ACCESS

Any business debit card or personal identification number (PIN) issued to or selected by you, except sole proprietors who choose to have a sole proprietor business debit card, may access only related business checking or business savings accounts (for example, accounts with the same name or tax identification number). Sole proprietor business debit cards, however, can access up to five checking accounts, five savings accounts, and five line of credit or credit card accounts through Expanded Account Access. Sole proprietor cards may access business and personal accounts. For more information on Expanded Account Access, see the Consumer Electronic Banking Agreement.

Access methods will differ depending on the business debit card selected by you and approved by us. All business debit card services may not be available depending on the access method selected.

LIMITS ON TRANSFERS

The terms of your deposit account may restrict the number of withdrawals you may make from your account each month. Restrictions described on page 26 and in other disclosures and agreements you received at the time your account was opened or when additional products or services were accessed, will also apply to your electronic withdrawals and electronic payments unless specified otherwise.

New Accounts

Generally, you cannot make deposits at a non-U.S. Bank ATM. If we permit a deposit at an ATM that is not identified as ours with the U.S. Bank name, your deposit will not be available until the fifth business day after the day of deposit.

Security

For security reasons, there are limitations on the transactions that you may perform with any of your U.S. Bank Business Debit Cards or U.S. Bank Business ATM Cards, per day. There are limitations on the number of transactions that can be performed per day and the limits may vary. For security reasons we do not disclose these limits. There are limitations on the dollar amount of cash withdrawals at ATMs and/or cash that you receive from merchants over the amount of your purchase. There are also limitations on the total dollar amount of purchases at merchants and/or cash advances at Visa® member banks you may perform during each 24-hour period beginning at 4:30 p.m. Central Time. Our standard transaction limits for business ATM cards are $500.00 per day for cash withdrawals and $2,500.00 per day for purchases. Our standard transaction limits for business debit cards are $500.00 per day for cash withdrawals and $10,000.00 per day for purchases and/or cash advances at banks. Our standard transaction limits for receiving money through your U.S. Bank Debit Card are $3,000.00 per transaction and $10,000.00 per day. We may change these limitations based on periodic risk assessments and we reserve the right to make such changes without notice to you. Transfer limits are also subject to temporary reductions to protect the security of customer accounts or transfer systems.

Debit Card Transactions

When you use your U.S. Bank Business Debit Card (Debit Card) for payment, the merchant requests U.S. Bank to authorize the transaction amount. We rely on the merchant to inform us if a debit card transaction is a one-time or a recurring transaction. At the time of the request, we authorize (promise to pay) or decline the merchant's request. If we authorize (promise to pay) we will reduce your Available Balance by the amount of the merchant's authorization request. Some merchants (e.g., hotels, restaurants, gas stations, car rental agencies) request an authorization that is an estimated amount of the anticipated purchase instead of the full purchase amount. As a result, the reduction of your Available Balance may be less or greater than the final debit card transaction amount presented for payment. It is important to note that your Available Balance may change between the time a debit card transaction is authorized and when the debit card transaction is presented for payment.

Debit card authorizations will be reflected as pending transactions from the time we receive the authorization until the merchant presents the item for payment, a completion message is received, or three business days, whichever occurs first. If the debit card authorization has not been presented for payment after three business days, it will be removed from your pending transactions and your Available Balance will no longer be reduced by the authorization amount. Due to prior authorization (promise to pay), if the debit card transaction is presented for payment at a later date we will pay the item regardless of your Available Balance.

If any debit card transaction results in a negative Available Balance at the time it is presented for payment—even if your Available Balance was positive at the time the debit card transaction was authorized—you may be charged an Overdraft Paid Fee. For more information on Available Balance please see the section titled **INSUFFICIENT FUNDS AND OVERDRAFTS.**

Please know, it is your responsibility to ensure your account has a sufficient Available Balance to cover all transactions you conduct. We recommend keeping a record of your balance and deducting every transaction at the time you initiate it.

Account Access at Automated Teller Machines

You may use any of your Business Debit Cards (except as noted below in **Employee Debit Cards and ATM Cards**) to make the following transactions at ATMs:

- Make cash withdrawals from your checking and savings accounts. Cash denominations vary by ATM.
- Get cash advances from your credit card or line of credit account. (Refer to your cardmember agreement for any cash advance fees and finance charges that may apply.)
- Deposit funds to checking and savings accounts associated with your card. Deposit up to 30 checks and 50 bills in a single transaction. Instant availability for cash deposits if deposited before 6:00 p.m. local time in a non-envelope deposit ATM.
- Transfer funds from your account associated with your card.
- Make payments to credit card or line of credit accounts from a deposit account associated with your card.
- Check the current balance of your linked checking, savings, credit card and line of credit accounts.
- Request a statement showing your most recent deposit account transactions. (Refer to your account fee disclosures regarding any fees for purchasing statements at ATMs.)
- Change your ATM or debit card PIN.
- Make certain charitable contributions from a deposit account associated with your card.

Some of these transactions are not available at all ATMs.

Purchases at Merchants

You may use any of your Business Debit Cards (except as noted below in **Employee Debit Cards and ATM Cards**) to make purchases at Visa® merchants that accept debit cards. You may use any of your business debit cards to make purchases by entering your PIN at participating merchants. You may also get cash from a merchant, if the merchant permits. Purchases made with your card will result in debits to your "primary" checking account. These transactions will be itemized on your monthly statement, including the merchant name, location, the date of purchase and the amount of the purchase.

Employee Debit Cards and ATM Cards

Business debit cards issued to employees only allow ATM deposits at an automated teller machine. They do not allow ATM cash withdrawals. Employee ATM cards do not have purchase access at merchants.

Other Electronic Transactions

In addition to transactions initiated by using your business debit card, there are other electronic banking transactions that you may arrange through your account. These include:

- Telephone/personal computer activated transfers of funds from your accounts with us to other accounts with us or to third parties. These include but are not limited to transfers made by telephone, text, online and mobile banking.
- Automatic transfer of funds between checking and savings accounts.
- Automatic periodic payments to third parties or us from checking or savings accounts (for example, monthly mortgage payments, installment loan payments, insurance payments, utility payments).
- Direct deposit to checking or savings accounts (for example, payroll checks, social security payments).
- Electronic check conversions from your checking account using a blank, partial or fully completed personal check at merchant locations.
- Payments made to your account through your U.S. Bank Debit Card.
- You can also use any of your Business Debit Cards to obtain a cash advance from your checking account at any Visa® member bank anywhere in the world.

FEES

We will charge you fees for electronic fund transfers in accordance with the information found in our *Business Pricing Information* brochure. The fees may be changed at any time, subject to our giving you any notice required by law.

ATM Surcharges. When you use an ATM that is not identified as ours with the U.S. Bank name, and the ATM does not participate in the MoneyPass® Network, you may be charged a fee by the ATM operator or any network used to complete the transfer. To find MoneyPass ATM locations, please visit www.moneypass.com.

USING YOUR CARD FOR INTERNATIONAL TRANSACTIONS

You may use your business debit card for retail purchases with international merchants, for international cash advances and all transactions performed at international ATMs that bear any of the network logos found on your card. Refer to our *Business Pricing Information* brochure for fee information. (This brochure can be obtained by stopping into a U.S. Bank branch. We may block transactions in certain foreign countries. Call us at 800.673.3555 for more information.) Some merchant and ATM transactions, even if you and/or the merchant or ATM are located in the United States, are considered international transactions under the applicable network rules, in which case we will add International Processing Fees to those transactions. U.S. Bank does not control how these merchants, ATMs, and transactions are classified for this purpose. If the transaction requires a currency conversion, the exchange rate in effect when processed may differ from the rate in effect on the date of the transaction or the date of the posting to your Account.

Transactions processed through the Visa® system will be converted according to the applicable rules established by Visa®. The foreign currency transaction will be converted to U.S. Dollars by multiplying the amount of the foreign currency times (a) a rate selected by Visa® from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa® itself receives, or (b) the government-mandated rate in effect for the applicable central processing date. For transactions processed through other networks, the international currency transaction will be converted by that network in accordance with their rules.

Additional fees may apply. If you need to contact us about your card while outside of the United States, call us collect at 503.401.9991.

BALANCE REQUIREMENTS

Transactions using your business debit card will be completed only if sufficient funds are available in the applicable account balance, overdraft protection or other linked credit facility to fully perform the transaction.

UNAUTHORIZED TRANSACTIONS AND LOST OR STOLEN CARDS AND SECURITY

You are solely responsible for maintaining the security of your business debit cards and PINs and their use by you and your employees and other agents. You shall be liable for the acts of your employees and agents related to your business debit cards, including business debit card applications and other service requests. If you provide another person with the means to perform transactions related to your accounts using your business debit card or PIN, any resulting transactions will be treated as if they were performed and authorized by you.

You are generally protected from all liability for unauthorized use of your business debit card.

The U.S. Bank Zero Liability policy is subject to certain conditions. If we determine that the unauthorized transaction was caused by your gross negligence or fraud, the U.S. Bank Zero Liability policy will not apply. You still need to report the loss or theft of these cards, PINs, and any unauthorized transactions to us as soon as you can. This is necessary so you can get any unauthorized transactions reversed, prevent further unauthorized transactions, and avoid liability for subsequent purchases we could have prevented had you given us notice.

You must report an unauthorized debit card transaction to us within a reasonable time, not to exceed 60 days, from the day we send or make your account statement available to you on which an unauthorized transaction is first reported. If you fail to give us notice of an unauthorized debit card transaction within 60 days of when we first deliver a statement to you that discloses that unauthorized transaction, you will be liable for all debit card transactions that occur after that 60-day period expires if we could have prevented such transaction had you reported it to us within the 60-day period.

Please be aware that consumer rights governed by the Electronic Fund Transfer Act do not apply to business accounts and we are not liable to reimburse you for unauthorized or erroneous transactions that may occur on your business account via electronic fund transfer.

If you believe that an erroneous or unauthorized transaction has occurred using your business debit card, or if your card has been lost or stolen, or if you want to cancel a business debit card issued to you or your employee/agent, or if you want to change your PIN, you must immediately telephone us at:

U.S. Bank Fraud Liaison Center
877.595.6256

U.S. Bank 24-Hour Banking	
Cincinnati Metro Area:	513.632.4141
Denver Metro Area:	303.585.8585
Milwaukee Metro Area:	414.765.4636
St. Louis Metro Area:	**314.425.2000**
Minneapolis/St. Paul Metro Area:	**612.USBANKS (872.2657)**
Portland Metro Area:	**503.USBANKS (872.2657)**
All Other Areas:	**800.USBANKS**
Outside the U.S.:	503.401.9991 (call collect)

U.S. Bank Business Service Center	
Monday - Friday:	8:00 a.m. to 8:00 p.m. CT
Saturday:	8:00 a.m. to 6:30 p.m. CT
Minneapolis/St. Paul Metro Area:	651.244.7770
All Other Areas within the U.S.:	800.673.3555
Outside the United States:	503.401.9992

U.S. Bank Fraud Liaison Center
877.595.6256

U.S. Bank accepts relay calls.

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USB-AIB 5/11/20 Custom 201493587-020

ACCOUNT OWNER AUTHENTICATION AND ACCOUNT VERIFICATION SERVICE TERMS AND CONDITIONS SUPPLEMENT (AVS Basic)

This Supplement amends and forms a part of the U.S. Bank Master Services Agreement and the U.S. Bank Services Terms and Conditions (collectively, the "Agreement"). Customer agrees that Account Owner Authentication and Account Verification Service (the "Service") shall be governed by this Supplement and other relevant sections of the U.S. Bank Services Terms and Conditions. Unless otherwise defined, all capitalized terms shall have the meanings set forth in the Agreement.

1. Definitions.

a. "Account Owner Authentication" mean a "yes", "no" or "conditional" response along with an overall match score to an Inquiry as to whether the presented identity elements match the identity elements on the presented account number.

b. "Account Status" means a response of Open, Closed, or Not Located to an Inquiry to indicate whether a presented account number is open, closed, or not located in databased maintained by Early Warning Services, LLC ("Early Warning").

c. "Response Data" consists of either (i) Account Status only, or (ii) both Account Status and Account Owner Authentication.

2. Disclaimer. The Response Data received from use of the Service is not a consumer report as defined in 15 U.S.C. §1681a(d) of the Fair Credit Reporting Act ("FCRA") (15 U.S.C. 1681 *et seq.*) and is not provided to be used, and shall not be used, as a factor in determining a consumer's eligibility for any purpose covered by the FCRA.

3. Use of Service and Response Data.

a. Prior to implementation of the Service, Customer must complete an eligibility form which Bank will review and submit to Early Warning. The application must be approved by Bank and Early Warning in their sole discretion.

b. Customer may use the Service (i) as a standalone product where Customer submits inquiry data directly to Early Warning through Bank's systems, or (ii) as an enhancement to another product offered by Bank (such as, but not limited to, Payee Choice, E-Pay, or eBill). When used as an enhancement to another product, the inquiry data will typically be provided by Customer's customers and submitted by product interface to Early Warning on Customer's behalf.

c. The accuracy of the Response Data is dependent on accurate inquiry data being submitted to Early Warning and the accuracy of Early Warning's database. Bank is not responsible for the accuracy of inquiry data provided to Bank, either by Customer or Customer's customers, for submission to Early Warning, or for the accuracy or timeliness of Response Data received from Early Warning. Customer acknowledges and agrees that Early Warning is not an agent of Bank. Customer uses Response Data at its own risk and Customer agrees that Bank shall have no liability with respect to Response Data.

d. Customer shall not (a) distribute, transmit, disseminate, or disclose, in any form or by any means, any part of the Response Data to any person or entity other than to the individual that is the subject of the Response Data, (b) allow any third party to access the Response Data, (c) sell, resell, sublicense, or otherwise transfer any part of the Response Data to any other person or entity, or (d) merge, aggregate or compile Response Data into any other database for use in connection with future inquiries.

e. Customer shall not retain or store Response Data except to the extent necessary to comply with Applicable Laws. For as long as Response Data remains in Customer's possession, Customer shall be responsible for the continuing protection of such Response Data and for compliance with the requirements

of Section 4(d) of this Supplement, which survives termination of the Agreement or Customer's use of the Service. Customer shall not store Response Data outside of the United States without prior written approval from Bank and Early Warning.

f. Customer shall not knowingly permit any of its directors, officers, employees, contractors, subcontractors, attorneys, auditors and accountants, to access the Service if the person has been convicted of a crime in connection with: (a) a dishonest act, breach of trust, or money laundering, or has agreed to enter into a pretrial diversion or similar program in connection with a prosecution for such offense, as described in Section 19 of the Federal Deposit Insurance Act, 12 U.S.C. § 1829(a); or (b) a felony.

g. Customer shall transmit all inquiries for the Service to Bank in accordance with the formatting and specification requirements established by Bank.

h. Upon request of Bank, Customer shall provide reasonable documentation to establish its compliance with the terms of this Supplement.

4. Early Warning Terms of Use.

a. Upon request by Customer, Early Warning shall provide to Customer a copy of its most recent Annual Risk Report (ARR), as well as any updated ARRs upon request from Customer.

b. If Customer requires to conduct an on-site audit of Early Warning's information security program outside of Early Warning's regularly scheduled consolidated on-site audit periods (which are free to Customer), then a daily fee shall be assessed to Customer for the on-site audit. Any on-site audits outside of the regularly scheduled consolidated on-site audit periods shall not begin until the daily fee for each, as applicable, has been agreed upon by Customer and Early Warning. Fees related to these on-site audits will be billed to Customer separately from fees for the Service. However, any on-site audit that is triggered by a regulatory requirement or a court order will not result in a daily fee.

c. If Customer requires that Early Warning complete a questionnaire regarding Early Warning's information security program, then a fee shall be assessed to Customer for the questionnaire, as agreed upon by Customer and Early Warning. Any completion of a questionnaire in this instance shall not begin until the fee for each, if applicable, has been agreed upon. Fees related to the completion of questionnaires by Early Warning will be billed to Customer separately from fees for the Service.

d. In the event of a breach in security resulting in actual or suspected loss of or unauthorized access to Response Data, Customer shall: (a) immediately notify Early Warning by calling (877) 275-7774, Option 4 and notify Bank by contacting its relationship manager; (b) conduct a forensics examination to determine to what extent Response Data were compromised; (c) provide to Early Warning and Bank, in writing, details concerning the breach, including: (i) nature and impact of the breach, (ii) assessment of immediate risk due to the breach, (iii) corrective actions already taken, and (iv) corrective actions to be taken; (d) cooperate with Early Warning, Bank, regulators or law enforcement to assist in regaining possession of the Response Data and in preventing its further unauthorized use and to notify affected consumers if required by Applicable Law; and (e) take measures to restore and enhance its security policies and procedures to avoid further breaches.

e. Early Warning is a third-party beneficiary of this Supplement and Early Warning retains the right to enforce the terms of this Supplement against Customer.

f. Early Warning shall have no liability arising out this Supplement, including, without limitation, any duties or obligations (contractual, at law or otherwise) owed by Bank to Customer or by Customer to Bank.

g. If Customer receives notice, from any source that Customer, any individual or entity that holds a controlling interest in Customer, any member of Customer's board of directors or equivalent governing body, any officer or manager of Customer, or any other employee of Customer who has access to Response Data or has decision-making authority on how the Service is used or marketed, is the subject of an investigation or other action by any Federal, state or local governmental, administrative or regulatory body, Customer will immediately notify Bank and Early Warning of such investigation or other action. Upon such notification, Bank or Early Warning may, in their sole discretion, cease providing responses comprised in whole or in part of Response Data or providing the Service to Customer.

5. Authorized Uses for Non-Governmental Entities. Customers which are not governmental entities shall use the Service and Response Data solely for the purposes described below.

a. For Inquiries based upon Account Status data:

(i) To validate whether an account is open or closed in determining whether to accept or decline an item as payment for good or services;

(ii) To determine whether to allow an account or application to be enrolled for use in connection with future transactions by validating that the account is open or closed.

b. For Inquiries based upon Account Owner Elements data:

(i) To determine whether to accept or decline an item as payment for goods or services by validating that the consumer presenting such item is an authorized accountholder, user, or signatory of the account on which the item is drawn;

(ii) To determine whether to accept or decline an item as payment for goods or services by validating that the company name associated with such item is the company name of the account on which such item is drawn;

(iii) To determine whether to transfer funds by validating that the consumer is an authorized accountholder, user, or signatory of the account used or to be used in connection with the transfer of funds;

(iv) To determine whether to allow the account to be enrolled for use in the connection with future transactions by validating that: (a) the consumer is an authorized accountholder, user, or signatory of the account; or (b) the company name is associated with the account.

6. Authorized Uses for Governmental Entities. Customers which are governmental entities may only use Response Data as follows; provided, however, such Customer may not refuse or decline a consumer, or a company transaction or request based solely on such Response Data:

a. For Inquiries based upon Account Status Data:

(i) To determine if information provided by an individual or a company meets the National Institute of Standards and Technology (NIST) Level 2 and/or Level 3 identification and authentication requirements;

(ii) To validate the existence of an account and the associated Account Status data in determining whether to accept or decline an item as payment for goods or services or as otherwise related to a government program;

(iii) To validate the existence of an account in determining whether to issue a government disbursement.

(iv) To determine whether to allow the account or application to be enrolled for use in connection with future transactions by validating that the account exists and/or is in good standing.

b. For Inquiries based upon Account Owner Elements data:

(i) To direct requests for account verifications the financial services organization or entity which maintains the account;

(ii) To determine if information provided by an individual or a company meets the NIST Level 2 and/or Level 3 identification and authentication requirements;

(iii) To determine whether to transfer funds by validating that the consumer is an authorized accountholder, user, or signatory of the account used or to be used in connection with the transfer of funds; and

(iv) To determine whether to allow the account to be enrolled for use in connection with future transactions by validating that: (a) the consumer is an authorized accountholder, used or signatory of the account; or (b) the company name is associated with the account.

7. Restrictions on Use of Account Status Data. With regard to Account Status data, Customer shall not refuse or decline an Item based solely on the following Response Data: No Information; No Known Information; or Not Located.

8. Termination or Suspension of the Service. In addition to the termination and suspension rights provided to Bank in the Agreement, Early Warning or Bank may suspend or terminate the Service upon notice to Customer if Customer: (i) fails to comply with the requirements of this Supplement or to provide sufficient proof of compliance upon reasonable request, (ii) intentionally or unintentionally uses or discloses data contrary to this Supplement or in violation of Applicable Law, or (iii) experiences an incident that jeopardizes the security of any Response Data in its possession.

9. Sales Tax. To the extent the Service is subject to sales tax, Bank retains the right to collect taxes from Customer unless Customer provides an exemption certificate.

PART III – List of Documents, Exhibits and Other Attachments

Section J

Appendix C

Subcontracting Plan for Socioeconomic Programs

Pacific Northwest National Laboratory
Subcontracting Plan
Fiscal Year 2025

Socioeconomic Programs

Battelle's policy pledges a strong commitment to involving small and socioeconomically disadvantaged business concerns in the operation of the Pacific Northwest National Laboratory. Battelle supports the socioeconomic objectives of the U.S. Government and recognizes that diversity in subcontracting provides a vital link to the local community, strengthens the economy, and represents best business practices.

In keeping with the above policy, Battelle and the U.S. Department of Energy (DOE) have established the following Subcontracting Plan (this Plan). This Plan shall remain in effect from October 1, 2024, for the entire Contract period associated with this Contract.

I. Goals

A. Based on an estimated annual fiscal year budget of $1,804,000,000, an adjusted procurement volume of $500,000,000, and small business subcontracting base of $353,508,465, Battelle's goals for Fiscal Year 2025 are to –

1. Award 49 percent to Small Business concerns, estimated at $173,219,148.
2. Award 5 percent to Small Disadvantaged Business concerns, estimated at $$17,675,423.
3. Award 5 percent to Women-Owned Small Business concerns, estimated at $17,675,423.
4. Award 3 percent to HUBZone Small Business concerns, estimated at $10,605,254.
5. Award 5 percent to Veteran-Owned Small Business concerns, estimated at $17,675,423.
6. Award 5 percent to Service-Disabled Veteran-Owned Small Business concerns, estimated at $17,675,423.

B. Goals must be realistic to present the proper challenge to staff who are ultimately responsible for goal achievement. The percentage goals in A. above, based on past performance and future projections, will present such a challenge.

C. These goals are accumulated based on subcontracts and purchase orders placed and do not include other indirect costs. They will include all dollars awarded under Contract DE-AC05-76RL01830 with the exception of those dollars awarded to federal agencies (i.e. NASA, NOAA), other Battelle Inter-laboratory Authorizations or to other Battelle-owned entities, building leases, firms outside the U.S.A, colleges and universities, and transactions which use a purchasing card as the purchasing and payment method. Other minor exclusions apply including payment to GSA for vehicle leases, travel costs for non-PNNL staff and society memberships. Significant outliers in awards to other than small firms (e.g. construction) will be excluded as approved by the Contracting Officer.

D. The principal products and services to be obtained in support of this Plan are those generally associated with an extremely diverse research and development environment. The business concerns in this Plan will generally supply a major portion of the goods and services listed in Table A.

TABLE A

Subcontracted Effort	SB	SDB	WOSB	HUB Zone	VO	SDVO
Electrical material and supplies	x	x	x	x		
Pumps, gauges and valves	x			x		
Computer equipment and supplies	x	x	x	x	x	x
Tooling	x					
Aluminum and other metals	x					
Laboratory supplies	x	x	x			
Reproduction supplies	x	x	x			
Office supplies	x	x	x			
Chemicals	x	x	x			
Tools of all types	x					
Electrical equipment and parts	x					
Construction services and materials	x	x	x			
Custodial equipment and supplies	x					
Fuels and lubricants	x					
Plastic products	x	x		x		
Industrial hardware	x	x			x	x
Translating Services	x		x		x	x
Technical support	x		x			

II. Battelle Subcontracting Plan Administrator

Battelle's Small Business Program Manager, Talia Ochoa, is responsible to the PNNL Manager, Management & Operations Performance Management and will administer this Subcontracting Plan. Any change in the name of the Small Business Program Manager will be communicated without delay to the Contracting Officer. Responsibilities of the Small Business Program Manager include:

- Serve as Battelle's interface with small and socioeconomically-disadvantaged businesses.
- Maintain and keep current listings of small and socioeconomically-disadvantaged businesses.
- Participate as Battelle representative in small business trade fairs, specifically directed toward offering opportunities for participants to do business with Battelle.
- Attend DOE-sponsored Small Business Program Manager Meetings and participate in the annual DOE Small Business Conference.
- Participate in trade associations, business development organizations, and conferences to locate and identify small and socioeconomically-disadvantaged business sources.
- Counsel and discuss subcontracting opportunities with potential small and socioeconomically-disadvantaged business firms and arrange appropriate assistance to these firms as required and practicable.
- Provide statistics to Battelle management on progress toward established goals and recognition of significant Contract Specialist performance in this area.
- Hold periodic training and other meetings with the appropriate acquisition staff on the Socioeconomic Programs.
- Conduct periodic meetings and otherwise communicate with Battelle organizational components covering Battelle's Socioeconomic Programs.

- Support Small Business Administration (SBA) activities as requested.

III. Administration of Battelle's Subcontracting Plan

Battelle staff is committed to offering a fair and equitable opportunity for small and socioeconomically disadvantaged business concerns, to compete for the goods and services required to support our ongoing research.

Battelle responds either verbally or in writing to each request received from firms that desire an opportunity to compete for purchase order/subcontract business.

A computerized listing of small and socioeconomically-disadvantaged business concerns is maintained by the Small Business Program Manager.

The Small Business Program Manager may participate in the screening of purchase requisitions and may add suggested small and socioeconomically-disadvantaged businesses as potential sources for Contracts Specialist consideration.

Staff members are encouraged to use the Small Business Dynamic Search database established and maintained by the SBA for locating small and socioeconomically-disadvantaged businesses.

Battelle will, in good faith, make effort to acquire articles, equipment, supplies, services, or materials or obtain the performance of construction work from the small business concerns that it used in preparing the bid or proposal, in the same or greater scope, amount, or quality used in preparing and submitting the bid or proposal and will notify the Contracting Officer if failing to do so.

Battelle will not prohibit a subcontractor from discussing any matter pertaining to payment to or utilization of a subcontractor with the Contracting Officer.

Battelle will pay its small business subcontractors on time and in accordance with the terms and conditions of the underlying subcontract and notify the Contracting Officer when the prime contractor makes either a reduced or untimely payment to a small business subcontractor.

IV. Flow-Down Requirements to Battelle's Subcontractors

Each purchase order/subcontract action exceeding $250,000 placed in furtherance of Prime Contract DE-AC06-76RL01830 will include the clause: "Utilization of Small Business Concerns."

Lower-Tier Subcontracting Plans from large business concerns are each reviewed and approved by Battelle's Small Business Program Manager. Contact is established with the Lower-Tier Subcontractors Plan Administrator to offer assistance in identifying potential small and socioeconomically-disadvantaged sources and establish semi-annual reporting requirements.

Battelle's Procurement Policies Manual contains instructions to staff to include in all solicitations for negotiated procurements exceeding $750,000 ($1,500,000 for construction) and for contract modifications that cause the value or a contract without a subcontracting plan to exceed $750,000 ($1,500,000 for construction) which will offer subcontracting opportunities, the requirement to develop and adopt a Small Business Subcontracting Plan as required by Battelle's operating contract.

V. Periodic Reporting and Cooperating with DOE and SBA

Battelle will submit such periodic reports, as may be required by DOE or the SBA, in order to determine the extent of compliance with this Subcontracting Plan.

Battelle will cooperate in any studies or surveys conducted by DOE or SBA, by furnishing requested available statistical data.

Battelle will include subcontract data for each award when reporting subcontracting achievements for indefinite-delivery, indefinite-quantity contracts with individual subcontracting plans where the contract is intended for use by multiple agencies.

Battelle will submit the Individual Subcontracting Report (ISR) and Summary Subcontract Report (SSR) in accordance with the instructions provided by DOE and the Electronic Subcontracting Reporting System. Further, Battelle will ensure that its subcontractors agree to electronically submit their ISR and SSR.

VI. Maintaining Records

Computerized reports are used to track progress toward achievement of goals. These reports are used to prepare monthly reports (more frequent if requested) summarizing activity and progress related to compliance with the Subcontracting Plan.

In support of this Plan, Battelle will maintain the following records:

- Source lists (*e.g.*, Dynamic Small Business Search, VetBiz Search, etc.), guides and other data that identify small and socioeconomically-disadvantaged business concerns
- Organizations contacted to locate small and socioeconomically-disadvantaged business concerns.
- Records on each competitive, domestic solicitation resulting in an award of more than $250,000, indicating whether small and socioeconomically-disadvantaged businesses were solicited and, if not, why not, and, if applicable, the reason award was not made to a small business concern.
- Records of any outreach efforts and contacts with trade associations, business development organizations, and conferences, trade fairs to locate small and socioeconomically-disadvantaged sources, and veteran service organizations.
- Records of internal guidance and encouragement provided to buyers through (1) workshops, seminars, training, etc., and (2) monitoring performance to evaluate compliance with the program's requirements.
- On a contract-by-contract basis, records to support award data submitted by the offeror to Battelle, including the name, address, and business size of each subcontractor.

Printed Name: Brianna Yi

Signature: Brianna Yi Digitally signed by Brianna Yi Date: 2025.02.06 09:46:59 -08'00'

Title: Small Business Program Manager, Pacific Northwest National Laboratory

Date: February 6, 2025

Plan Accepted By:

Signature: Genice Madera Digitally signed by Genice Madera Date: 2025.02.06 11:11:37 -08'00'

Title: Contracting Officer, U.S. Department Of Energy SC, Pacific Northwest Site Office

Date:_____

PART III – List of Documents, Exhibits and Other Attachments

Section J

Appendix D

List of Applicable DOE Directives & External Requirements

REVISION 1

SECTION J - APPENDIX D

LIST OF APPLICABLE DOE DIRECTIVES & EXTERNAL REQUIREMENTS

In performing work under this contract, the Contractor shall comply with the requirements of those Department of Energy (DOE) directives, or parts thereof, identified in the List of Applicable Directives appended to this contract. The contractor is encouraged to continuously evaluate the works scope and contract requirements for opportunities to improve efficiency or creativity and propose alternative methods to those specified in the DOE directives. The contractor shall adhere to the existing DOE directives requirements that are the basis for establishing procedures and programs until authorized approvals are obtained to deviate from established requirements. The Contracting Officer may, from time to time and at any time, revise DOE Directives List by unilateral modification to the contract to add, modify, or delete specific requirements. Prior to revising DOE Directives, the Contracting Officer shall notify the Contractor in writing of the Department's intent to revise DOE Directives List and provide the Contractor with the opportunity to assess the effect of the Contractor's compliance with the revised list. In addition to the list of applicable directives list below, the contractor shall also comply with supplemental directives (e.g., manuals), which are invoked by a Contractor Requirements Document (CRD) attached to a directive. Electronic copies of these are available at the following DOE website:

https://www.energy.gov/management/active-directives-library

Table Appendix D. Directives, Regulation, Policies, Standards, and Documents

DIRECTIVE NO.	EFFECTIVE DATE	DIRECTIVE TITLE	MOD #	CONTRACT MODIFICATION DATE
CRD O 140.1A	6/17/2020	INTERFACE WITH THE DEFENSE NUCLEAR FACILITIES SAFETY BOARD	M1348	11/7/2022
CRD O 142.2A Admin Chg 1	6/27/2013	VOLUNTARY OFFER SAFEGUARDS AGREEMENT AND ADDITIONAL PROTOCOL WITH THE INTERNATIONAL ATOMIC ENERGY AGENCY	M962	12/5/2013
CRD M 142-2-1Admin Chg 1	6/27/2013	MANUAL FOR IMPLEMENTATION OF THE VOLUNTARY OFFER SAFEGUARDS AGREEMENT AND ADDITIONAL PROTOCOL WITH THE INTERNATIONAL ATOMIC ENERGY AGENCY	M1110	6/23/2017
CRD O 142.3C	3/31/2026	UNCLASSIFIED FOREIGN NATIONAL ACCESS PROGRAM	1665	5/28/2026
CRD O 144.1 Admin Chg 1	11/06/2009	DEPARTMENT OF ENERGY AMERICAN INDIAN TRIBAL GOVERNMENT INTERACTIONS AND POLICY	M1025	8/13/2015
CRD O 150.1C	8/5/2026	CONTINUITY PROGRAMS	1679	8/20/2026
CRD O 151.1F	8/5/2026	COMPREHENSIVE EMERGENCY MANAGEMENT SYSTEM	1679	8/20/2026
CRD O 200.1A Chg. 2 (LtdChg)	8/14/2023	INFORMATION TECHNOLOGY MANAGEMENT	1509	11/21/2023
CRD O 205.1D	5/6/2024	DEPARTMENT OF ENERGY CYBERSECURITY PROGRAM	1582	3/13/2025
CRD O 206.1A	2/5/2024	DEPARTMENT OF ENERGY PRIVACY PROGRAM	1582	3/13/2025
CRD O 206.2 Chg 1 (LtdChg)	11/06/2024	IDENTITY, CREDENTIAL, AND ACCESS MANAGEMENT (ICAM)	M1438	11/07/2022
CRD O 210.2B	8/5/2026	DOE CORPORATE OPERATING EXPERIENCE PROGRAM	1679	8/20/2026
CRD O 221.1B	9/30/2016	REPORTING FRAUD, WASTE, AND ABUSE TO THE OFFICE OF INSPECTOR GENERAL	M1100	4/17/2017

DIRECTIVE NO.	EFFECTIVE DATE	DIRECTIVE TITLE	MOD #	CONTRACT MODIFICATION DATE
CRD O 221.2A	2/25/2008	COOPERATION WITH THE OFFICE OF INSPECTOR GENERAL	M484	7/9/2008
CRD O 225.1B	3/4/2011	ACCIDENT INVESTIGATIONS	M779	7/15/2011
CRD O 227.1B	8/5/2026	INDEPENDENT OVERSIGHT PROGRAM	1679	8/20/2026
CRD O 241.1D	8/5/2026	SCIENTIFIC AND TECHNICAL INFORMATION MANAGEMENT	1679	8/20/2026
CRD O 243.1D	8/5/2026	RECORDS MANAGEMENT PROGRAM	1679	8/20/2026
CRD O 313.1	11/19/2009	MANAGEMENT AND FUNDING OF THE DEPARTMENT'S OVERSEAS PRESENCE	M779	7/15/2011
CRD O 341.1B	8/5/2026	FEDERAL EMPLOYEE HEALTH SERVICES	1679	8/20/2026
O 350.1A	8/5/2026	CONTRACTOR HUMAN RESOURCE MANAGEMENT PROGRAM	1679	8/20/2026
CRD O 410.2A	8/5/2026	MANAGEMENT OF NUCLEAR MATERIALS	1679	8/20/2026
CRD O 411.2A	8/5/2026	SCIENTIFIC INTEGRITY	1679	8/20/2026
CRD O 413.2D	8/5/2026	LABORATORY DIRECTED RESEARCH AND DEVELOPMENT	1679	8/20/2026
CRD O 413.3C	8/5/2026	PROGRAM AND PROJECT MANAGEMENT FOR THE ACQUISITION OF CAPITAL ASSETS	1679	8/20/2026
CRD O 414.1F	8/5/2026	QUALITY ASSURANCE	1679	8/20/2026
CRD O 415.1 Chg. 2 (MinChg)	1/18/2017	INFORMATION TECHNOLOGY PROJECT MANAGEMENT	M1291	2/24/2021
CRD O 420.1D	8/5/2026	FACILITY SAFETY	1679	8/20/2026
CRD O 420.2E	8/5/2026	SAFETY OF ACCELERATORS	1679	8/20/2026
CRD O 422.1A	8/5/2026	CONDUCT OF OPERATIONS **	1679	8/20/2026
CRD O 425.1F	8/5/2026	VERIFICATION OF READINESS TO STARTUP OR RESTART NUCLEAR FACILITIES	1679	8/20/2026
CRD O 426.2B	8/5/2026	PERSONNEL SELECTION, TRAINING, QUALIFICATION, AND CERTIFICATION REQUIREMENTS FOR DOE NUCLEAR FACILITIES	1679	8/20/2026
CRD O 433.1C	8/5/2026	MAINTENANCE MANAGEMENT PROGRAM FOR DOE NUCLEAR FACILITIES	1679	8/20/2026
CRD O 435.1 Chg 2 (AdminChg)	1/13/2021	RADIOACTIVE WASTE MANAGEMENT	M1328	3/15/2021
DOE M 435.1-1A Chg 3 (LtdChg)	1/12/2021	RADIOACTIVE WASTE MANAGEMENT MANUAL	M1328	3/15/2021
CRD O 440.2D	8/5/2026	AVIATION MANAGEMENT AND SAFETY	1679	8/20/2026
CRD M 441.1-1 Chg. 1 (AdminChg)	2/25/2016	NUCLEAR MATERIAL PACKAGING	M1339	05/04/2021
CRD O 442.1B	2/7/2019	DEPARTMENT OF ENERGY EMPLOYEE CONCERNS PROGRAM	M1221	5/31/2019
CRD O 443.1D	8/5/2026	PROTECTION OF HUMAN RESEARCH SUBJECTS	1679	8/20/2026
CRD O 452.7A	8/5/2026	PROTECTION OF USE CONTROL VULNERABILITIES AND DESIGNS	1679	8/20/2026
CRD O 452.8A	8/5/2026	CONTROL OF NUCLEAR WEAPON DATA	1679	8/20/2026

DIRECTIVE NO.	EFFECTIVE DATE	DIRECTIVE TITLE	MOD #	CONTRACT MODIFICATION DATE
CRD O 456.1B	8/5/2026	THE SAFE HANDLING OF UNBOUND ENGINEERED NANOPARTICLES	1679	8/20/2026
CRD O 457.1B	8/5/2026	NUCLEAR COUNTERTERRORISM (applies only to Facility Clearance 16501)	1679	8/20/2026
CRD O 458.1 Chg. 5 (Admin Chg)*	1/31/2025	RADIATION PROTECTION OF THE PUBLIC AND THE ENVIRONMENT	1679	8/20/2026
CRD O 460.1D Chg 1 (LtdChg)	6/13/2022	HAZARDOUS MATERIALS PACKAGING AND TRANSPORTATION SAFETY	M1421	8/12/2022
CRD O 460.2C	8/5/2026	DEPARTMENTAL MATERIALS TRANSPORTATION MANAGEMENT	1679	8/20/2026
CRD O 461.1D	8/5/2026	PACKAGING AND TRANSPORTATION FOR OFFSITE SHIPMENT OF MATERIALS OF NATIONAL SECURITY INTEREST	1679	8/20/2026
CRD O 470.7	8/5/2026	SAFEGUARDS AND SECURITY ORDER	1679	8/20/2026
CRD O 470.3C Chg 2 (LtdChg)	3/14/2024	DESIGN BASIS THREAT (DBT)	1665	5/28/2026
CRD O 470.5A	12/20/2024	INSIDER THREAT PROGRAM	1665	5/28/2026
CRD O 470.6 Chg. 1 (MinChg)	11/14/2017	TECHNICAL SECURITY PROGRAM	M1339	5/04/2021
CRD O 471.5	3/29/2011	SPECIAL ACCESS PROGRAMS	1672	7/21/2026
CRD O 472.2A Chg. 1 (LtdChg)	11/5/2024	PERSONNEL SECURITY	1665	5/28/2026
CRD O 475.1	12/10/2004	COUNTERINTELLIGENCE PROGRAM	M422	8/22/2005
CRD O 475.2B	10/15/2014	IDENTIFYING CLASSIFIED INFORMATION	M1048	2/5/2016
CRD O 481.2***	8/5/2026	STRATEGIC PARTNERSHIP PROJECTS [Formerly Known as Work for Others (Non-Department of Energy Funded Work)]	1679	8/20/2026
CRD O 481.2A	8/5/2026	STRATEGIC PARTNERSHIP PROJECTS (Federal)	1679	8/20/2026
CRD O 483.1C	8/5/2026	DOE COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS	1679	8/20/2026
CRD O 484.1A	8/5/2026	REIMBURSABLE WORK FOR THE DEPARTMENT OF HOMELAND SECURITY	1679	8/20/2026
CRD O 486.1A	9/9/2020	FOREIGN GOVERNMENT SPONSORED OR AFFILIATED ACTIVITIES	M1296	11/9/2020
CRD O 520.1C	8/5/2026	FINANCIAL MANAGEMENT AND CHIEF FINANCIAL OFFICER RESPONSIBILITIES	1679	8/20/2026
CRD O 522.1B	8/5/2026	PRICING OF DEPARTMENTAL MATERIALS AND SERVICES	1679	8/20/2026
CRD O 550.1A	8/5/2026	OFFICIAL TRAVEL	1679	8/20/2026
DOE O 5639.8A	7/23/1993	SECURITY OF FOREIGN INTELLIGENCE INFORMATION AND SENSITIVE COMPARTMENTED INFORMATION FACILITIES	M343	8/13/2001
DOE/RL-94-02, Rev. 9	10/07/2025	HANFORD EMERGENCY MANAGEMENT PLAN– APPLICABLE TO PNNL-MANAGED FACILITIES AND ACTIVITIES ON THE HANFORD SITE	1644	2/12/2026

DIRECTIVE NO.	EFFECTIVE DATE	DIRECTIVE TITLE	MOD #	CONTRACT MODIFICATION DATE
DOE/RL-2001-36	8/29/2017	HANFORD SITE TRANSPORTATION SAFETY DOCUMENT, REV. 2	M1328	3/15/2021

*** The Contractor's responsibility to implement CRD O 458.1, Chg. 5 "Radiation Protection of the Public and the Environment" is limited to paragraphs 2.d., 2.g., and 2.k.**

**** In addition to the PNNL Hazard Category 2 nuclear facility, this CRD is applicable to the Testing and Validation Area 2 of the Grid Storage Launchpad facility.**

***** The Contractor Requirements Document (CRD) for CRD O 481.2 is located in Attachment 1 of DOE O 481.1F, "Strategic Partnership Projects (Non-Federal).**

APPENDIX E

STANDARDS OF PERFORMANCE-BASED FEE

Fiscal Year 2026

BATTELLE PERFORMANCE EVALUATION AND MEASUREMENT PLAN

FOR

MANAGEMENT AND OPERATIONS OF THE

PACIFIC NORTHWEST NATIONAL LABORATORY

INTRODUCTION

This document, the Performance Evaluation and Measurement Plan (PEMP), primarily serves as DOE's Quality Assurance/Surveillance Plan (QASP) for the evaluation of Battelle Memorial Institute (hereafter referred to as "the Contractor") performance regarding the management and operations of the Pacific Northwest National Laboratory (hereafter referred to as "the Laboratory") (hereafter referred to as "the Laboratory") for the evaluation period from October 1, 2025, through September 30, 2026. The performance evaluation provides a standard by which to determine whether the Contractor is managerially and operationally in control of the Laboratory and is meeting the mission requirement and performance expectations/objectives of the Department as stipulated within this contract.

This document also describes the distribution of the total available performance-based fee and the methodology for determining the amount of fee earned by the Contractor as stipulated within the clauses entitled, "Conditional Payment of Fee, Profit, or Incentives," (DEAR 970.5215-3) and "Total Available Fee: Base Fee Amount and Performance Fee Amount" (DEAR 970.5215-1). In partnership with the Contractor and other key customers, the Department of Energy (DOE) Headquarters (HQ) and the Site Office have defined the measurement basis that serves as the Contractor's performance-based evaluation and fee determination.

The Performance Goals (hereafter referred to as Goals), Performance Objectives (hereafter referred to as Objectives) and set of notable outcomes discussed herein were developed in accordance with contract expectations set forth within the contract. The notable outcomes for meeting the Objectives set forth within this plan have been developed in coordination with HQ program offices as appropriate. Except as otherwise provided for within the contract, the evaluation and fee determination will rest solely on the Contractor's performance within the Performance Goals and Objectives set forth within this plan.

The overall performance against each Objective of this performance plan, to include the evaluation of notable outcomes, shall be evaluated jointly by the appropriate HQ office, major customer and/or the Site Office as appropriate. This cooperative review methodology will ensure that the overall evaluation of the Contractor results in a consolidated DOE position taking into account specific notable outcomes as well as all additional information available to the evaluating office. The Site Office shall work closely with each HQ program office or major customer throughout the year in evaluating the Contractor's performance and will provide observations regarding programs and projects as well as other management and operation activities conducted by the Contractor throughout the year.

Section I provides information on how the performance rating (grade) for the Contractor, as well as the performance-based incentives fee earned (if any), will be determined. As applicable, also provides information on the award term eligibility requirements.

Section II provides the detailed information concerning each Goal, its corresponding Objectives, and notable outcomes identified, along with the weightings assigned to each Goal and Objective and a table for calculating the final grade for each Goal.

I. DETERMINING THE CONTRACTOR'S PERFORMANCE RATING, PERFORMANCE-BASED FEE AND AWARD TERM ELIGIBILITY

The FY 2026 Contractor performance grade for each Goal will be determined based on the weighted sum of the individual scores earned for each of the Objectives described within this document for Contractor/Laboratory Leadership and for Management and Operations (M&O). For each Science and Technology (S&T) Goal, an initial weighted sum will be calculated analogously for each evaluating office, and a cost-based weighted sum of these initial sums will determine the Contractor performance grade. Each Goal is composed of two or more weighted Objectives. Additionally, a set of notable outcomes has been identified to highlight key aspects/areas of performance deserving special attention by the Contractor for the upcoming fiscal year. Each notable outcome is linked to one or more Objectives, and failure to meet expectations against any notable outcome will result in a grade less than B+ for that Objective(s). That is, if the Contractor fails to meet expectations against a notable outcome tied to an Objective under Goal 1.0, 2.0, or 3.0, the SC program office that assigned the notable outcome shall award a grade less than "B+" for

the Objective(s) to which the notable outcome is linked; and if the contractor fails to meet expectations against a notable outcome tied to an Objective under Goal 4.0, 5.0, 6.0, 7.0 or 8.0, SC shall award a grade less than "B+" for the Objective(s) to which the notable outcome is linked. Performance above expectations against a notable outcome will be considered in the context of the Contractor's entire performance with respect to the relevant Objective. The following section describes SC's methodology for determining the Contractor's grades at the Objective level.

Performance Evaluation Methodology:
The purpose of this section is to establish a methodology to develop grades at the Objective level. Each evaluating office shall provide a proposed grade and corresponding numerical score for each Objective (see Figure 1 for SC's scale). Each evaluation will measure the degree of effectiveness and performance of the Contractor in meeting the corresponding Objectives.

Final Grade	A+	A	A-	B+	B	B-	C+	C	C-	D	F
Total Score	**4.3-4.1**	**4.0-3.8**	**3.7-3.5**	**3.4-3.1**	**3.0-2.8**	**2.7-2.5**	**2.4-2.1**	**2.0-1.8**	**1.7-1.1**	**1.0-0.8**	**0.7-0**

Figure 1. FY 2026 Contractor Letter Grade Scale

For the three S&T Goals (1.0 – 3.0) the Contractor shall be evaluated against the defined levels of performance provided for each Objective under the S&T Goals. The Contractor performance under Goal 4.0 will also be evaluated using the defined levels of performance described for the four Objectives under Goal 4.0. The descriptions for these defined levels of performance are included in Section II.

It is the DOE's expectation that the Contractor provides for and maintains management and operational (M&O) systems that efficiently and effectively support the current mission(s) of the Laboratory and assure the Laboratory's ability to deliver against DOE's future needs. In evaluating the Contractor's performance DOE shall assess the degree of effectiveness and performance in meeting each of the Objectives provided under each of the Goals. For the four M&O Goals (5.0 – 8.0) DOE will rely on a combination of the information through the Contractor's own assurance systems, the ability of the Contractor to demonstrate the validity of this information, and DOE's own independent assessment of the Contractor's performance across the spectrum of its responsibilities. The latter might include, but is not limited to operational awareness (daily oversight) activities; formal assessments conducted; "For Cause" reviews (if any); and other outside agency reviews (OIG, GAO, DCAA, etc.).

The mission of the Laboratory is to deliver the science and technology needed to support Departmental missions and other sponsors' needs. Operational performance at the Laboratory meets DOE's expectations (defined as the grade of B+) for each Objective if the Contractor is performing at a level that fully supports the Laboratory's current and future science and technology mission(s). Performance that does, or has the potential to, 1) adversely impact the delivery of the current and/or future DOE/Laboratory mission(s), 2) adversely impact the DOE and or the Laboratory's reputation, or 3) fail to provide the competent people, necessary facilities and robust systems necessary to ensure sustainable performance, shall be graded below expectations as defined in Figure I-1, below.

The Department sets our expectations high, and expects performance at that level to optimize the efficient and effective operation of the Laboratory. Thus, the Department does not expect routine Contractor performance above expectations against the M&O Goals (5.0 – 8.0). Performance that might merit grades above B+ would need to reflect a Contractor's significant contributions to the management and operations at the system of Laboratories, or recognition by external, independent entities as exemplary performance.

Definitions for the grading scale for the Goal 5.0 – 8.0 Objectives are provided in Figure I-1, below:

Letter Grade	Numerical Grade	Definition
A+	4.3-4.1	Significantly exceeds expectations of performance against all aspects of the Objective in question. The Contractor's systems function at a level that fully supports the Laboratory's current and future science and technology mission(s). Performance is notable for its significant contributions to the management

Letter Grade	Numerical Grade	Definition
		and operations across the SC system of laboratories, and/or has been recognized by external, independent entities as exemplary.
A	4.0-3.8	Notably exceeds expectations of performance against all aspects of the Objective in question. The Contractor's systems function at a level that fully supports the Laboratory's current and future science and technology mission(s). Performance is notable for its contributions to the management and operations across the SC system of laboratories, and/or as been recognized by external, independent entities as exemplary.
A-	3.7-3.5	Exceeds expectations of performance against all aspects of the Objective in question. The Contractor's systems function at a level that fully supports the Laboratory's current and future science and technology mission(s).
B+	3.4-3.1	Meets expectations of performance against all aspects of the Objective in question. The Contractor's systems function at a level that fully supports the Laboratory's current and future science and technology mission(s). No performance has, or has the potential to, adversely impact 1) the delivery of the current and/or future DOE/Laboratory mission(s), 2) the DOE and/or the Laboratory's reputation, or does not 3) provide a sustainable performance platform.
B	3.0 -2.8	Just misses meeting expectations of performance against a few aspects of the Objective in question. In a few minor instances, the Contractor's systems function at a level that does not fully support the Laboratory's current and future science and technology mission, or provide a sustainable performance platform.
B-	2.7-2.5	Misses meeting expectations of performance against several aspects of the Objective in question. In several areas, the Contractor's systems function at a level that does not fully support the Laboratory's current and future science and technology mission, or provide a sustainable performance platform.
C+	2.4-2.1	Misses meeting expectations of performance against many aspects of the Objective in question. In several notable areas, the Contractor's systems function at a level that does not fully support the Laboratory's current and future science and technology mission or provide a sustainable performance platform, and/or have affected the reputation of the Laboratory or DOE.
C	2.0-1.8	Significantly misses meeting expectations of performance against many aspects of the Objective in question. In many notable areas, the Contractor's systems do not support the Laboratory's current and future science and technology mission, nor provide a sustainable performance platform and may affect the reputation of the Laboratory or DOE.
C-	1.7- 1.1	Significantly misses meeting expectations of performance against most aspects of the Objective in question. In many notable areas, the Contractor's systems demonstrably hinder the Laboratory's ability to deliver on current and future science and technology mission, and have harmed the reputation of the Laboratory or DOE.
D	1.0-0.8	Most or all expectations of performance against the Objective in question are missed. Performance failures in this area have affected all parts of the Laboratory; DOE leadership engagement is required to deal with the situation and help the Contractor.
F	0.7-0	All expectations of performance against the Objective in question are missed. Performance failures in this area are not recoverable by the Contractor or DOE.

Figure I-1. Letter Grade and Numerical Grade Definitions for Objectives under M&O Goals

Calculating Individual Goal Scores and Letter Grades:
Each Objective is assigned the earned numerical score by each evaluating office as stated above. For an evaluating office, the Goal score is then computed by multiplying each Objective numerical score under that Goal by the weight assigned to that Objective by that office, and then adding these values together. For Goals 4.0-8.0, this determines the overall Goal score. For Goals 1.0-3.0, the overall Goal score is calculated by multiplying each evaluating office's Goal score by the office's cost-based weight, and then adding them. For the purpose of determining the eight Goal grades, the unrounded raw overall numerical score for each Goal will be rounded to the nearest tenth of a point using the standard rounding convention discussed below following Figure 2, and then will be compared to Figure 1. A set of tables is provided at the end of each Performance Goal section of this document to assist in the calculation from Objective numerical scores to the Goal grade. No overall rollup grade shall be provided.

The eight Performance Goal grades shall be used to create a report card for the laboratory (see Figure 2, below).

Performance Goal	Grade
1.0 Mission Accomplishment	
2.0 Design, Fabrication, Construction and Operations of Research Facilities	
3.0 Science and Technology Program Management	
4.0 Sound and Competent Leadership and Stewardship of the Laboratory	
5.0 Integrated Safety, Health, and Environmental Protection	
6.0 Business Systems	
7.0 Operating, Maintaining, and Renewing Facility and Infrastructure Portfolio	
8.0 Integrated Safeguards and Security Management and Emergency Management Systems	

Figure 2. Laboratory Report Card

Although rounded to convert to letter grades, the unrounded raw numerical score from each calculation shall be carried through to the next stage of the calculation process. The unrounded raw numerical score for weighted final S&T and weighted final M&O will be rounded to the nearest tenth of a point for purposes of determining fee. A standard rounding convention of x.44 and less rounds down to the nearest tenth (here, x.4), while x.45 and greater rounds up to the nearest tenth (here, x.5).

Determining the Amount of Performance-Based Fee Earned:
SC uses the following process to determine the amount of performance-based fee earned by the contractor. The overall Goal scores for each S&T Performance Goal shall be used to determine an initial numerical score for S&T (see Table A, below), and the overall Goal scores for each M&O Performance Goal shall be used to determine an initial numerical M&O score (see Table B, below).

S&T Performance Goal	Numerical Score	Weight[1]		
1.0 Mission Accomplishment		≥30%		
2.0 Design, Fabrication, Construction and Operation of Research Facilities		TBD		
3.0 Science and Technology Program Management		25%		
			Initial S&T Score	

Table A: Fiscal Year Contractor Evaluation Initial S&T Score Calculation

M&O Performance Goal	Numerical Score	Weight		
5.0 Integrated Safety, Health, and Environmental Protection		25%		
6.0 Business Systems		25%		
7.0 Operating, Maintaining, and Renewing Facility and Infrastructure Portfolio		25%		
8.0 Integrated Safeguards and Security Management and Emergency Management Systems		25%		
			Initial M&O Score	

Table B. Fiscal Year Contractor Evaluation Initial M&O Score Calculation

These initial scores will then be adjusted based on the numerical score for Goal 4.0 (see Table C, below).

	Numerical Score	Weight		
Initial S&T Score		0.75		
Goal 4.0		0.25		
			Final S&T Score	
Initial M&O Score		0.75		
Goal 4.0		0.25		
			Final M&O Score	

[1] For Goals 1.0 and 2.0, the weights are based on total fiscal year costs for all evaluating programs distributed between Goals 1.0 and 2.0; however, a minimum weight of 30% for Goal 1.0 is required regardless of cost distribution. For Goal 3.0, the weight is set as a fixed percentage for all laboratories.

Table C. Fiscal Year Final S&T and M&O Score Calculation

The percentage of the available performance-based fee that may be earned by the Contractor shall be determined based on the final score for S&T (see Table C) and then compared to Figure 3, below. The final score for M&O from Table C shall then be utilized to determine the final fee multiplier (see Figure 3), which shall be utilized to determine the overall amount of performance-based fee earned for FY 2026 as calculated within Table D.

Overall Final Score for either S&T or M&O from Table C.	Percent S&T Fee Earned	M&O Fee Multiplier
4.3	100%	100%
4.2		
4.1		
4.0	97%	100%
3.9		
3.8		
3.7	94%	100%
3.6		
3.5		
3.4	91%	100%
3.3		
3.2		
3.1		
3.0	88%	95%
2.9		
2.8		
2.7	85%	90%
2.6		
2.5		
2.4	75%	85%
2.3		
2.2		
2.1		
2.0	50%	75%
1.9		
1.8		
1.7	0%	60%
1.6		
1.5		
1.4		
1.3		
1.2		
1.1		
1.0 to 0.8	0%	0%
0.7 to 0.0	0%	0%

Figure 3. Performance-Based Fee Earned Scale

Overall Fee Determination	
Percent S&T Fee Earned	
M&O Fee Multiplier	x
Overall Earned Performance-Based Fee	

Table D. Final Percentage of Performance-Based Fee Earned Determination

The Federal Acquisition Regulations (FAR) requirements for using and administering cost-plus-award-fee contracts were modified to provide for a five-level adjectival grading system with associated levels of available fee.[2] SC has addressed the FAR Part 16 language by mapping its standard numerical scores and associated fee determinations to the FAR Adjectival Rating System, as noted in Figure 4.

Range of Overall Final Score for S&T from Figure 3.	FAR Adjectival Rating	Maximum Performance-Fee Pool Available to be Earned
3.1 to 4.3	Excellent	100%
2.5 to 3.0	Very Good	88%
2.1 to 2.4	Good	75%
1.8 to 2.0	Satisfactory	50%
0.0 to 1.7	Unsatisfactory	0%

Figure 4. Crosswalk of SC Numerical Scores and the FAR Part 16 Adjectival Rating System

Adjustment to the Letter Grade and/or Performance-Based Fee Determination:
The lack of performance objectives and notable outcomes in this plan does not diminish the need to comply with minimum contractual requirements. Although the performance-based Goals and their corresponding Objectives shall be the primary means utilized in determining the Contractor's performance grade and/or amount of performance-based fee earned, the Contracting Officer may unilaterally adjust the rating and/or reduce the otherwise earned fee based on the Contractor's performance against all contract requirements as set forth in the Prime Contract. While reductions may be based on performance against any contract requirement, specific note should be made to contract clauses which address reduction of fee including, Standards of Contractor Performance Evaluation, DEAR 970.5215-1 – Total Available Fee: Base Fee Amount and Performance Fee Amount, and DEAR 970.5215-3 - Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts. Data to support rating and/or fee adjustments may be derived from other sources to include, but not limited to, operational awareness (daily oversight) activities; "For Cause" reviews (if any); and other outside agency reviews (OIG, GAO, DCAA, etc.), as needed.

The adjustment of a grade and/or reduction of otherwise earned fee will be determined by the severity of the performance failure and consideration of mitigating factors. DEAR 970.5215-3 Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts is the mechanism used for reduction of fee as it relates to performance failures related to safeguarding of classified information and to adequate protection of environment, health and safety. Its guidance can also serve as an example for reduction of fee in other areas.

The final Contractor performance-based grades for each Goal and fee earned determination will be contained within a year-end report, documenting the results from the DOE review. The report will identify areas where performance improvement is necessary and, if required, provide the basis for any performance-based rating and/or fee adjustments made from the otherwise earned rating/fee based on Performance Goal achievements.

[2] See Policy Flash 2010-05, *Federal Acquisition Circular 2005-37*.

II. PERFORMANCE GOALS, OBJECTIVES & NOTABLE OUTCOMES

Background
The current performance-based management approach to oversight within DOE has established a new culture within the Department with emphasis on the customer-supplier partnership between DOE and the laboratory contractors. It has also placed a greater focus on mission performance, best business practices, cost management, and improved contractor accountability. Under the performance-based management system the DOE provides clear direction to the laboratories and develops annual performance plans (such as this one) to assess the contractors' performance in meeting that direction in accordance with contract requirements. The DOE policy for implementing performance-based management includes the following guiding principles:

- Performance objectives are established in partnership with affected organizations and are directly aligned to the DOE strategic goals;
- Resource decisions and budget requests are tied to results; and
- Results are used for management information, establishing accountability, and driving long-term improvements.

The performance-based approach focuses the evaluation of the Contractor's performance against these Performance Goals. Progress against these Goals is measured through the use of a set of Objectives. The success of each Objective will be measured based on demonstrated performance by the laboratory, and on a set of notable outcomes that focus laboratory leadership on the specific items that are the most important initiatives and highest risk issues the laboratory must address during the fiscal year. These notable outcomes should be objective, measurable, and results-oriented to allow for a definitive determination of whether or not the specific outcome was achieved at the end of the year.

Performance Goals, Objectives, and Notable Outcomes

The following sections describe the Performance Goals, their supporting Objectives, and associated notable outcomes for FY 2026.

GOAL 1.0 Provide for Efficient and Effective Mission Accomplishment

The science and technology programs at the Laboratory produce high-quality, original, and creative results that advance science and technology; demonstrate sustained scientific progress and impact; receive appropriate external recognition of accomplishments; and contribute to overall research and development goals of the Department and its customers.

The weight of this Goal is TBD%.

The Provide for Efficient and Effective Mission Accomplishment Goal measures the overall effectiveness and performance of the Contractor in delivering science and technology results which contribute to and enhance the DOE's (or other relevant supporting agencies') mission of protecting our national and economic security by providing world-class scientific research capacity and advancing scientific knowledge by supporting world-class, peer-reviewed scientific results, which are recognized by others.

Each Objective within this Goal is to be assigned the appropriate numerical score by the Office of Science Program Offices, other cognizant HQ Program Offices, and other customers as identified below. The Goal score from each HQ Program Office and/or customer is computed by multiplying each Objective numerical score by the associated weight assigned by that Office/customer, and summing them (see Table 1.1).

- Office of Advanced Scientific Computing Research (ASCR)
- Office of Basic Energy Sciences (BES)
- Office of Biological and Environmental Research (BER)

- Office of High Energy Physics (HEP)
- Office of Isotope R&D Production (IP)
- Office of Workforce Development for Teachers and Scientists (WDTS)
- Office of National Nuclear Security Administration (NNSA)
- Office of Advanced Research Projects Agency–Energy (ARPA-E)
- Office of Cybersecurity, Energy Security, and Emergency Response (CESER)
- Office of Electricity (OE)
- Office of Energy Efficiency and Renewable Energy (EERE)
- Office of Environmental Management (EM)
- Office of Fossil Energy and Carbon Management (FECM)
- Grid Deployment Office (GDO)
- Office of Intelligence (IN)
- Office of Nuclear Energy (NE)
- Department of Homeland Security (DHS)
- National Institutes of Health (NIH)
- Nuclear Regulatory Commission (NRC)

The overall Performance Goal score and grade will be determined by multiplying the Goal score assigned by each of the offices identified above by the cost-based weightings identified for each and then summing them (see Table 1.2, below). The cost-based weights to be utilized for determining the overall score will be determined following the end of the performance period and will be based on actual cost for FY 2026. The overall score earned is then compared to Table 1.3 to determine the overall letter grade for this Goal. The Contractor's success in meeting each Objective shall be determined based on the Contractor's performance as viewed by the Office of Science Program Offices, other cognizant HQ Program Offices, and other customers for which the Laboratory conducts work. Should one or more of the HQ Program Offices choose not to provide an evaluation for this Goal and its corresponding Objectives, the weighting for the remaining HQ Program Offices shall be recalculated based on their percentage of cost for FY 2026 as compared to the total cost for those remaining HQ Program Offices.

Objectives

1.1 Provide Science and Technology Results with Meaningful Impact on the Field

In assessing the performance of the Laboratory against this Objective, the following assessment elements should be considered:

- Performance of the Laboratory with respect to proposed research plans;
- Performance of the Laboratory with respect to community impact and peer review; and
- Performance of the Laboratory with respect to impact to DOE (or other customer) mission needs.

The following is a sampling of factors to be considered in determining the level of performance for the Laboratory against this Objective. The evaluator(s) may consider the following as measured through progress reports, peer reviews, Field Work Proposals (FWPs), Program Office reviews/oversight, etc.

- Impact of publications on the field, as measured primarily by peer review;
- Impact of S&T results on the field, as measured primarily by peer review;
- Impact of S&T results outside the field indicating broader interest;
- Impact of S&T results on DOE or other customer mission(s);
- Successful stewardship of mission-relevant research areas;
- Delivery on proposed S&T plans;
- Significant awards (Nobel Prizes, R&D 100, FLC, etc.);
- Invited talks, citations, making high-quality data available to the scientific community; and

- Development of tools and techniques that become standards or widely-used in the scientific community.

Letter Grade	Definition
A+	In addition to satisfying the conditions for B+ • There are *significant research areas for which* the Laboratory *has exceeded the expectations* of the proposed research plans *in significant ways through creative, new, or unconventional methods that allow greater scientific reach than expected*. • S&T conducted at the Laboratory *has resolved one of the most critical questions in the field, or has changed the way the research community thinks about a particular field through paradigm shifting discoveries that would be considered the most influential discovery of the decade for that field*. • S&T conducted at the Laboratory *provided major advances that significantly accelerate* DOE or other customer mission(s).
A	In addition to satisfying the conditions for B+ • There are *important examples* where the Laboratory *exceeded the expectations* of the proposed research plans *in significant ways through creative, new, or unconventional methods that allow greater scientific reach than expected*. • *All area*s of S&T conducted at the Laboratory are of *exceptional or outstanding* merit and quality. • S&T conducted at the Laboratory has *significant positive impact* to DOE or other customer missions.
A-	In addition to satisfying the conditions for B+ • There are *important examples* where the Laboratory *exceeded the expectations* of the proposed research plans. • *Significant areas* of S&T conducted at the Laboratory are of *exceptional or outstanding* merit and quality. • S&T conducted at the Laboratory *significantly impact* DOE or other customer missions.
B+	The Laboratory has achieved each of the following objectives: • The Laboratory has successfully executed proposed research plans. • S&T conducted at the Laboratory are of *high* scientific merit and quality. • S&T conducted at the Laboratory *advance* DOE or other customer missions.
B	• The Laboratory has successfully executed proposed research plans. • S&T conducted at the Laboratory *advance* DOE or other customer missions. BUT the Laboratory fails to meet the conditions for B+ for *at least one* of the following reasons: • S&T conducted at the Laboratory are *not uniformly of high* merit and quality OR *some areas of research, previously supported, have become uncompetitive* OR *the Laboratory does not produce sufficiently competitive proposals to receive program support at a level commensurate with its unique capabilities*.
B-	The Laboratory fails to meet the conditions for B+ for *at least one* of the following reasons: • The Laboratory has *failed to successfully execute* proposed research plans, *but contingencies were in place such that no funding was or will be terminated*. OR S&T conducted at the Laboratory *does little to advance* DOE or other customer missions. • *Significant areas of* S&T conducted at the Laboratory are *not of high* merit and quality OR *some areas of research, previously supported, have become uncompetitive* OR *the Laboratory do not produce sufficiently competitive proposals to receive program support at a level commensurate with its unique capabilities.*
C	The Laboratory fails to meet the conditions for B+ for *at least one* of the following reasons: • *In several significant aspects*, the Laboratory *failed to deliver* on proposed research plans *using available resources such that some funding was or will be terminated* OR S&T conducted at the Laboratory *failed to contribute to* DOE or other customer missions. • *Significant areas of* S&T conducted at the Laboratory are *of poor* merit and quality OR *some areas of research, previously supported, have become uncompetitive* AND *the Laboratory does not produce sufficiently competitive proposals to receive program support at a level commensurate with its unique capabilities*.
D	The Laboratory fails to meet the conditions for B+ for *at least one* of the following reasons: • *Multiple program elements at* the Laboratory *failed to deliver* on proposed research plans *using available resources such that significant funding was or will be terminated*. • *Multiple significant areas of* S&T conducted at the Laboratory are *of poor* merit and quality OR *some areas of research, previously supported, have become uncompetitive* AND *the Laboratory does not produce sufficiently competitive proposals to receive program support at a level commensurate with its unique capabilities*. • S&T conducted at the Laboratory *failed to contribute to* DOE or other customer missions.

Letter Grade	Definition
F	The Laboratory fails to meet the conditions for B+ for *at least one* of the following reasons: • *Multiple program elements at* the Laboratory *failed to deliver* on proposed research plans *using available resources resulting in total termination of funding*. • *Multiple significant areas of* S&T conducted at the Laboratory are *of poor* merit and quality OR *some areas of research, previously supported, have become uncompetitive* AND *the Laboratory does not produce sufficiently competitive proposals to receive program support at a level commensurate with its unique capabilities OR the Laboratory has been found to have engaged in gross scientific incompetence and/or scientific fraud*. • S&T conducted at the Laboratory *failed to contribute to* DOE or other customer missions.

1.2 Provide Quality Leadership in Science and Technology that Advances Community Goals and DOE Mission Goals.

In assessing the performance of the Laboratory against this Objective, the following assessment elements should be considered:

- Innovativeness / Novelty of research ideas put forward by the Laboratory;
- Extent to which Laboratory staff members take on substantive or formal leadership roles in their community;
- Extent to which Laboratory staff members take on formal leadership roles in DOE, SC and/or other customer activities;
- Extent to which Laboratory staff members contribute thoughtful and thorough peer reviews and other research assessments as requested by DOE, SC or other supporting customers; and
- Extent to which Laboratory staff members champion Laboratory and Community goals to foster an effective work environment in the S&T field.

The following is a sampling of factors to be considered in determining the level of performance for the Laboratory against this Objective. The evaluator(s) may consider the following as measured through progress reports, peer reviews, Field Work Proposals (FWPs), Program Office reviews/oversight, etc.:

- Willingness to pursue novel approaches and/or demonstration of innovative solutions to problems;
- Willingness to take on high-risk/high payoff/long-term research problems, evidence that previous risky decisions by the PI/research staff have proved to be correct and are paying off;
- The uniqueness and challenge of science pursued recognition for doing the best work in the field;
- Extent and quality of collaborative efforts;
- Staff members visible in leadership positions in the scientific community;
- Involvement in professional organizations, National Academies panels and workshops;
- Effectiveness in driving the direction and setting the priorities of the community in a research field;
- Success in competition for resources; and
- Extent and quality of efforts to create new opportunities for the support and mentoring of project personnel (students, postdocs, and/or research staff).

Letter Grade	Definition
A+	In addition to satisfying the conditions for B+, the following conditions hold for ALL Laboratory staff: • Laboratory staff members have *leadership positions* in professional organizations AND *in National Academy or equivalent panels to discuss and determine further research directions*; • Laboratory staff members have *leadership positions* in DOE (or in other supporting agencies) sponsored workshops and strategic planning activities, for example, Laboratory staff members chair or co-chair DOE-sponsored or other supporting agency-sponsored workshops and strategic planning activities. • The Laboratory program consistently produces and submits competitive proposals that challenge convention and open *significant new fields* for research that are well aligned with DOE and/or other supporting agencies mission needs, and *the Laboratory has a strong recognized role in setting priorities and driving the direction in key research areas and are internationally recognized leaders in the field*. • Laboratory staff hold *leadership positions* in multi-institutional research collaborations.

Letter Grade	Definition
A	In addition to satisfying the conditions for B+ • Laboratory staff members have *leadership positions* in professional organizations AND *staff has contributing role in National Academy or equivalent panels to discuss further research directions*; • Laboratory staff members have *leadership positions* in DOE and/or in other supporting agencies sponsored workshops and strategic planning activities. • The Laboratory program consistently produces and submits competitive proposals that challenge convention and open *significant new fields* for research that are well aligned with DOE or other supporting agency mission needs and *the Laboratory has a strong recognized role in setting priorities and driving the direction in key research areas*. • Laboratory staff hold *leadership positions* in multi-institutional research collaborations.
A-	In addition to satisfying the conditions for B+ • Laboratory staff members have *leadership positions* in professional organizations OR *staff has contributing role in National Academy or equivalent panels to discuss further research directions*; • Laboratory staff members have *leadership positions* in DOE and/or other supporting agency-sponsored workshops and strategic planning activities. • The Laboratory program consistently submits competitive proposals that challenge convention and open *significant* new avenues for research that are well aligned with DOE or other supporting agencies mission needs. • Laboratory staff hold *leadership positions* in multi-institutional research collaborations.
B^+	The Laboratory has achieved each of the following objectives: • Laboratory staff members are *active participants* in professional organizations, committees, and activities, and take on leadership responsibilities commensurate with experience and expertise. • Laboratory staff members are *active participants* in DOE and/or or other supporting agencies-sponsored workshops and strategic planning activities. • Laboratory staff members contribute thoughtful and thorough peer review in a timely manner, when requested by DOE or other supporting agencies. • The Laboratory program consistently provides competitive proposals that challenge convention and open new avenues for research that are well aligned with DOE or other supporting agencies mission needs. • Laboratory staff are *active participants* in multi-institutional research collaborations
B	• Laboratory staff members contribute thoughtful and thorough peer review in a timely manner, when requested by DOE and/or other supporting agencies. • The Laboratory program consistently provides competitive proposals that challenge convention and open new avenues for research that are well aligned with DOE and/or other supporting agencies mission needs. BUT the Laboratory fails to meet the conditions for B+ for *at least one* of the following reasons: • Although *regular participants* in professional organizations, committees, and activities, *the extent to which staff take on leadership roles falls short of what would be expected, given the level of experience and expertise of the staff*. • Although *regular participants* in DOE and/or other supported agencies sponsored workshops and strategic planning activities, *the extent to which staff take on leadership roles falls short of what would be expected, given the level of experience and expertise of the staff*. • Although *active members of* multi-institutional research collaborations, *the extent to which staff take on leadership roles falls short of what would be expected, given the level of experience and expertise of the staff*.

Letter Grade	Definition
B-	• Laboratory staff members contribute thoughtful and thorough peer review in a timely manner, when requested by DOE or other supporting agencies. BUT the Laboratory fails to meet the conditions for B+ for *at least one* of the following reasons: • The Laboratory program submits competitive proposals *but these either lack innovation or are not well aligned with DOE or other supporting agencies mission needs*. • Laboratory staff are *infrequent participants* in professional organizations, committees, and activities, and *the extent to which staff take on leadership roles falls short of what would be expected, given the level of experience and expertise of the staff*. • Laboratory staff are *infrequent participants* in DOE or other supported agencies sponsored workshops and strategic planning activities, and *the extent to which staff take on leadership roles falls short of what would be expected, given the level of experience and expertise of the staff*. • Although *active members of* multi-institutional research collaborations, *the extent to which staff take on leadership roles falls short of what would be expected, given the level of experience and expertise of the staff*.
C	The Laboratory fails to meet the conditions for B+ for *at least one* of the following reasons: • Laboratory staff members *do not reliably* contribute thoughtful and thorough peer review in a timely manner, when requested by DOE or other supporting agencies. • *Some areas of research, previously supported, are no longer competitive*. • Laboratory staff members are *infrequent participants* in professional organizations, committees, and activities, AND *the extent to which staff take on leadership roles falls short of what would be expected, given the level of experience and expertise of the staff*. • Laboratory staff members are *infrequent participants* in DOE or other supported agencies sponsored workshops and strategic planning activities, and *the extent to which staff take on leadership roles falls short of what would be expected, given the level of experience and expertise of the staff*. • Although Laboratory staff members are *active members of* multi-institutional research collaborations, *the extent to which staff take on leadership roles falls short of what would be expected, given the level of experience and expertise of the staff*.
D	The Laboratory fails to meet the conditions for B+ because *the Laboratory staff are working on problems that are no longer at the forefront of science and are considered mundane*.
F	Review has found the Laboratory staff to be *guilty of gross scientific incompetence and/or scientific fraud*.

Notable Outcome:

- **BER**: Demonstrate measurable progress in operationalizing the BER Biology Data Lakehouse through coordinated efforts with LBNL, JGI, and KBase on the LBNL BERIL and BERTron projects, and the PNNL-led "Deep Phenotyping on Automated Platforms" and LAMBDA efforts. EMSL will focus on integrating EMSL-specific phenomics datasets and associated metadata into the lakehouse architecture, delivering standardized and AI-ready data pipelines, and validating their utility for biological research aligned to these projects' milestones. In addition, EMSL will provide other relevant -omics datasets, and associated metadata from user projects that start October 1, 2025 into the lakehouse each quarter, beginning April 1, 2026. (Objective 1.2)
- **IRP**: Complete a production campaign of ultra-enriched material using TDIS #1 to prove feasibility of demonstrated computational modeling. (Objective 1.1)

Program Office	Letter Grade	Numerical Score	Weight	Overall Score
Office of Advanced Scientific Computing Research (ASCR)				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall ASCR Total	
Office of Basic Energy Sciences (BES)				
1.1 Impact			50%	

1.2 Leadership			50%	
			Overall BES Total	
Office of Biological and Environmental Research (BER)				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall BER Total	
Office of High Energy Physics (HEP)				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall HEP Total	
Office of Isotope R&D Production (IP)				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall IP Total	
Office of Workforce Development for Teachers and Scientists (WDTS)				
1.1 Impact			60%	
1.2 Leadership			40%	
			Overall WDTS Total	
Office of National Nuclear Security Administration (NNSA)				
1.1 Impact			61%	
1.2 Leadership			39%	
			Overall NNSA Total	
Office of Advanced Research Projects Agency–Energy (ARPA-E)				
1.1 Impact			65%	
1.2 Leadership			35%	
			Overall ARPA-E Total	
Office of Cybersecurity, Energy Security, and Emergency Response (CESER)				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall CESAR Total	
Office of Electricity (OE)				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall OE Total	
Office of Energy Efficiency and Renewable Energy (EERE)				
1.1 Impact			60%	
1.2 Leadership			40%	
			Overall EERE Total	
Office of Environmental Management (EM)				
1.1 Impact			40%	
1.2 Leadership			60%	
			Overall EM Total	
Office of Fossil Energy and Carbon Management (FECM)				
1.1 Impact			50%	

1.2 Leadership			50%	
			Overall FECM Total	
Grid Deployment Office (GDO)				
1.1 Impact			60%	
1.2 Leadership			40%	
			Overall GDO Total	
Office of Intelligence (IN)				
1.1 Impact			65%	
1.2 Leadership			35%	
			Overall IN Total	
Office of Nuclear Energy (NE)				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall NE Total	
Department of Homeland Security (DHS)				
1.1 Impact			70%	
1.2 Leadership			30%	
			Overall DHS Total	
National Institutes of Health (NIH)				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall NIH Total	
Nuclear Regulatory Commission (NRC)				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall NRC Total	

Table 1.1 – Program Performance Goal 1.0 Score Development

Program Office	Letter Grade	Numerical Score	Funding Weight	Overall Weighted Score
Office of Advanced Scientific Computing Research (ASCR)				
Office of Basic Energy Sciences (BES)				
Office of Biological and Environmental Research (BER)				
Office of High Energy Physics (HEP)				
Office of Isotope R&D Production (IP)				
Office of Workforce Development for Teachers and Scientists (WDTS)				
Office of National Nuclear Security Administration (NNSA)				
Office of Advanced Research Projects Agency–Energy (ARPA-E)				
Office of Cybersecurity, Energy Security, and Emergency Response (CESAR)				
Office of Electricity (OE)				
Office of Energy Efficiency and Renewable Energy (EERE)				

Office of Environmental Management (EM)				
Office of Fossil Energy and Carbon Management (FECM)				
Grid Deployment Office (GDO)				
Office of Intelligence (IN)				
Office of Nuclear Energy (NE)				
Department of Homeland Security (DHS)				
National Institutes of Health (NIH)				
Nuclear Regulatory Commission (NRC)				

Table 1.2 – Overall Performance Goal 1.0 Score Development[3]

Total Score	**4.3-4.1**	**4.0-3.8**	**3.7-3.5**	**3.4-3.1**	**3.0-2.8**	**2.7-2.5**	**2.4-2.1**	**2.0-1.8**	**1.7-1.1**	**1.0-0.8**	**0.7-0**
Final Grade	A+	A	A-	B+	B	B-	C+	C	C-	D	F

Table 1.3 – Goal 1.0 Final Letter Grade

[3] The final weights to be utilized for determining weighted scores will be determined following the end of the performance period and will be based on actual cost for FY 2025.

GOAL 2.0 Provide for Efficient and Effective Design, Fabrication, Construction and Operations of Research Facilities

The Laboratory provides effective and efficient strategic planning; fabrication, construction and/or operations of Laboratory research facilities; and are responsive to the user community.

The weight of this Goal is TBD%.

The Provide for Efficient and Effective Design, Fabrication, Construction and Operations of Research Facilities Goal shall measure the overall effectiveness and performance of the Contractor in planning for and delivering leading-edge specialty research and/or user facilities to ensure that the required capabilities are present to meet complex challenges of today and tomorrow. It also measures the Contractor's innovative operational and programmatic means for implementation of systems that ensures the availability, reliability, and efficiency of these facilities, and the appropriate balance between R&D and user support.

Each Objective within this Goal is to be assigned the appropriate numerical score by the Office of Science Program Office as identified below. The Goal score from each Program Office is computed by multiplying each Objective numerical score by the associated weight assigned by that Office, and summing them (see Table 2.1).

- Office of Biological and Environmental Research (BER)
- Office of Isotope R&D and Production (IP)

The overall Performance Goal score and grade will be determined by multiplying the Goal score assigned by each of the offices identified above by the cost-based weightings identified for each and then summing them (see Table 2.2 below). The cost-based weights to be utilized for determining the overall score will be determined following the end of the performance period and will be based on actual cost for FY 2025. The overall score earned is then compared to Table 2.3 to determine the overall letter grade for this Goal. The Contractor's success in meeting each Objective shall be determined based on the Contractor's performance as viewed by DOE HQ Office of Science's (SC) Program Offices for which the Laboratory conducts work. Should one or more of the HQ Program Offices choose not to provide an evaluation for this Goal and its corresponding Objectives, the weighting for the remaining HQ Program Offices shall be recalculated based on their percentage of cost for FY 2026 as compared to the total cost for those remaining HQ Program Offices.

Objectives

2.1 Provide Effective Facility Design(s) as Required to Support Laboratory Programs (i.e., activities leading up to CD-2)

In assessing the performance of the Laboratory against this Objective, the following assessment elements should be considered:

- The Laboratory's delivery of accurate and timely information required to carry out the critical decision and budget formulation process;
- The Laboratory's ability to meet the intent of DOE Order 413.3, Program and Project Management for the Acquisition of Capital Assets;
- The extent to which the Laboratory appropriately assesses risks and contingency needs; and
- The extent to which the Laboratory is effective in its unique management role and partnership with HQ.

The following is a sampling of factors to be considered in determining the level of performance for the Laboratory against this Objective. The evaluator(s) may consider the following as measured through progress reports, peer reviews, Field Work Proposals (FWPs), Program Office reviews/oversight, etc.

- The quality of the scientific justification for proposed facilities resulting from preconceptual R&D;
- The technical quality of conceptual and preliminary designs and the credibility of the associated cost estimates;
- The credibility of plans for the full life cycle of proposed facilities including financing options;
- The leveraging of existing facilities and capabilities of the DOE Laboratory complex in plans for proposed facilities; and
- The novelty and potential impact of new technologies embodied in proposed facilities.

Letter Grade	Definition
A+	In addition to satisfying all conditions for B+; the Laboratory *exceeds expectations* in *all* of these categories: • The Laboratory is recognized by the research community as the leader for making the science case for the acquisition; • The Laboratory takes the initiative to demonstrate and thoroughly document the potential for transformational scientific advancement. • Approaches proposed by the Laboratory are widely regarded as innovative, novel, comprehensive, and potentially cost-effective. • Reviews repeatedly confirm strong potential for scientific discovery in areas that support the Department's mission, and potential to change a discipline or research area's direction. • The Laboratory identifies, analyzes and champions novel approaches for acquiring the new capability, including leveraging or extending the capability of existing facilities and financing and these efforts result in significant cost estimate and/or risk reductions without loss or, or while enhancing capability.
A	In addition to satisfying all conditions for B+, *all* of the following conditions are also met: • The Laboratory is recognized by the research community as a leader for making the science case for the acquisition; • The Laboratory takes the initiative to demonstrate the potential for revolutionary scientific advancement working in partnership with HQ • The Laboratory identifies, analyzes, and champions, to HQ and Site office, novel approaches for acquiring the new capability, including leveraging or extending the capability of existing facilities and financing.
A-	In addition to satisfying all conditions for B+, *all* of the following conditions are also met: • The approaches proposed by the Laboratory are widely regarded as innovative, novel, comprehensive, and potentially cost-effective • Reviews repeatedly confirm potential for scientific discovery in areas that support the Department's mission, and potential to change a discipline or research area's direction.
B+	The Laboratory has achieved each of the following objectives: • The Laboratory displays leadership and commitment in the development of quality analyses, preliminary designs, and related documentation to support the approval of the mission need (CD-0), the alternative selection and cost range (CD-1) and the performance baseline (CD-2). • Documentation requested by the programs is provided in a timely and thorough manner. • The Laboratory keeps DOE appraised of the status, near-term plans and the resolution of problems on a regular basis; anticipates emerging issues that could impact plans and takes the initiative to inform DOE of possible consequences. • The Laboratory solves problems and addresses issues to avoid adverse impacts to the project.
B	The Laboratory fails to meet expectations in one of the areas listed under B+.
B-	The Laboratory fails to meet expectations in several of the areas listed under B+
C	The Laboratory fails to meet the expectations in several of the areas listed under B+ AND the required analyses and documentation developed by the Laboratory are EITHER not innovative, OR reflect a lack of commitment and leadership.
D	The Laboratory fails to meet the expectations in several of the areas listed under B+ AND the Laboratory fails to provide a compelling justification for the acquisition.
F	The Laboratory fails to meet the expectations in several of the areas listed under B+ AND the approaches proposed by the Laboratory are based on fraudulent assumptions; the science case is weak to non-existent, and the business case is seriously flawed.

2.2 Provide for the Effective and Efficient Construction of Facilities and/or Fabrication of Components (execution phase, post CD-2 to CD-4)

In assessing the performance of the Laboratory against this Objective, the following assessment elements should be considered:

- The Laboratory's adherence to DOE Order 413.3B Program and Project Management for the Acquisition of Capital Assets;
- Successful fabrication of facility components by the Laboratory;
- The Laboratory's effectiveness in meeting construction schedule and budget;
- The quality of key Laboratory staff overseeing the project(s); and
- The extent to which the Laboratory maintains open, effective, and timely communication with HQ regarding issues and risks.

Letter Grade	Definition
A+	In addition to satisfying all conditions for A, • There is high confidence throughout the execution phase that the project will be completed *significantly* under budget and/or ahead of schedule while meeting or exceeding all performance baselines;
A	In addition to satisfying all conditions for B+, • The Laboratory has identified and implemented practices that would allow the project scope to be *significantly expanded* if such were desirable, without impact on baseline cost or schedule; • The Laboratory *always* provides *exemplary* project status reports on time to DOE and takes the initiative to communicate emerging problems or issues. • Reviews identify environment, safety and health practices to be *exemplary*. • There is high confidence throughout the execution phase that the project will meet its cost/schedule performance baseline;
A-	In addition to satisfying all conditions for B+, • The Laboratory has identified practices that would allow for the project scope to be expanded if such were desirable, without impact on baseline cost or schedule; • Problems are identified and corrected by the Laboratory promptly, with no impact on scope, cost or schedule • The Laboratory provides *particularly useful* project status reports on time to DOE and regularly takes the initiative to communicate emerging problems or issues. • Reviews identify environment, safety and health practices to *exceed expectations*. • There is high confidence throughout the execution phase that the project will meet its cost/schedule performance baseline;
B+	The Laboratory has achieved each of the following objectives • The project meets CD-2 performance measures; • The Laboratory provides sustained leadership and commitment to environment, safety and health; • Reviews regularly recognize the Laboratory for being proactive in the management of the execution phase of the project; • To a large extent, problems are identified and corrected by the Laboratory with little, or no impact on scope, cost or schedule; • DOE is kept informed of project status on a regular basis; reviews regularly indicate project is expected to meet its cost/schedule performance baseline.
B	The Laboratory provides sustained leadership and commitment to environment, safety and health BUT • The project fails to meet expectations in *one* of the remaining areas listed under B+.
B-	The Laboratory provides sustained leadership and commitment to environment, safety and health BUT • The project fails to meet expectations in *several* of the areas listed under B+
C	The Laboratory provides sustained leadership and commitment to environment, safety and health BUT The project fails to meet expectations in *several* of the areas listed under B+ AND • Reviews indicate project remains at risk of breaching its cost/schedule performance baseline; • Reports to DOE can vary in degree of completeness

Letter Grade	Definition
D	The project fails to meet conditions for B+ in at least one of the following areas: • Reviews indicate project is likely to breach its cost/schedule performance baseline; • Laboratory commitment to environment, safety and health issues is inadequate; • Reports to DOE are largely incomplete; Laboratory commitment to the project has subsided.
F	The project fails to meet conditions for B+ in at least one of the following areas: • Laboratory falsifies data during project execution phase; • Shows disdain for executing the project within minimal standards for environment, safety or health, • Fails to keep DOE informed of project status; • Recent reviews indicate that the project is expected to breach its cost/schedule performance baseline.

2.3 Provide Efficient and Effective Operation of Facilities

In assessing the performance of the Laboratory against this Objective, the following assessment elements should be considered:

- The availability, reliability, performance, and efficiency of Laboratory facility(ies);
- The degree to which the facility is optimally arranged to support the user community;
- The extent to which Laboratory R&D is conducted to develop/expand the capabilities of the facility(ies);
- The Laboratory's effectiveness in balancing resources between facility R&D and user support;
- The quality of the process used to allocate facility time to users; and
- The extent to which the facility's process for allocating facility time provides access to new users.

Letter Grade	Definition
A+	In addition to satisfying all conditions for B+; all of the following conditions are also met. • Performance of the facility *exceeds* expectations as defined before the start of the year in all of these categories: cost of operations, users served, availability, and capability; • The schedule and the costs associated with the ramp-up to steady state operations are *significantly less* than planned and are acknowledged to be 'leadership caliber' by reviews; • Data on environment, safety, and health continues to be exemplary and widely regarded as among the 'best in class' • The Laboratory took extraordinary means to deliver an extraordinary result for the users and the program in the performance/ review period.
A	In addition to satisfying all conditions for B+; *all* of the following conditions are also met • Performance of the facility *exceeds* expectations as defined before the start of the year in most of these categories: cost of operations, users served, availability, and capability; • The schedule and the costs associated with the ramp-up to steady state operations are *less* than planned and are acknowledged to be 'leadership caliber' by reviews; • Data on environment, safety, and health continues to be *exemplary* and widely regarded as among the 'best in class.'
A-	In addition to satisfying all conditions for B+, *one* of the following conditions is met: • Performance of the facility *exceeds* expectations as defined before the start of the year in any of these categories: cost of operations, users served, availability, and capability; • The schedule and the costs associated with the ramp-up to steady state operations are *less* than planned and are acknowledged to be among the best by reviews;

Letter Grade	Definition
B+	The Laboratory has achieved each of the following objectives: • Performance of the facility *meets* expectations as defined before the start of the year in all of these categories: cost of operations, users served, availability, capability (for example, beam delivery, luminosity, peak performance, etc.), • The schedule and the costs associated with the ramp-up to steady state operations occur as planned; • Data on environment, safety, and health continues to be very good as compared with other projects in the DOE. • User surveys meet program expectations and reflect that the Laboratory is responsive to user needs.
B	The project fails to meet expectations in *one* of the areas listed under B+.
B-	The project fails to meet expectations in *more than one* of the areas listed under B+.
C	Performance of the facility fails to meet expectations in *many* of the areas listed under B+; for example, • The cost of operations is unexpectedly high, and availability of the facility is unexpectedly low, the number of users is unexpectedly low, capability is well below expectations. • The facility operates at steady state, on cost and on schedule, but the reliability of performance is somewhat below planned values, **or** the facility operates at steady state, but the associated schedule and costs exceed planned values. • Commitment to environment, safety, and health is satisfactory.
D	Performance of the facility fails to meet expectations in *many* of the areas listed under B+; for example, • The cost of operations is unexpectedly high, and availability of the facility is unexpectedly low; capability is well below expectations. • The facility operates somewhat below steady state, on cost and on schedule, and the reliability of performance is somewhat below planned values, **or** the facility operates at steady state, but the associated schedule and costs exceed planned values. • Commitment to environment, safety, and health is inadequate.
F	• The facility fails to operate; the facility operates well below steady state **and/or** the reliability of the performance is well below planned values. • Laboratory commitment to environment, safety, and health issues is inadequate.

2.4 Utilization of Facility(ies) to Provide Impactful S&T Results and Benefits to External User Communities

In assessing the performance of the Laboratory against this Objective, the following assessment elements should be considered:

- The extent to which the facility is being used to perform influential science;
- The Laboratory's efforts to take full advantage of the facility to generate impactful S&T results;
- The extent to which the facility is strengthened by a resident Laboratory research community that pushes the envelope of what the facility can do and/or are among the scientific leaders of the community;
- The Laboratory's ability to appropriately balance access by internal and external user communities; and
- The extent to which there is a healthy program of outreach and technical assistance (e.g., proposal writing workshops) to the scientific community.

Letter Grade	Definition
A+	In addition to meeting all measures under *A*, • The Laboratory took extraordinary means to deliver an extraordinary result for a new user community.
A	In addition to satisfying all conditions for B+; *all* of the following conditions are met • An *aggressive* outreach programs is in place and has been documented as attracting new communities to the facility; • Reviews consistently find that the facility capability or scope of research potential *significantly* exceeds expectations for example, due to newly discovered capabilities or exposure to new research communities; OR Reviews find that multiple disciplines are using the facility in new and novel ways that the facility is being used to pursue influential science.

Letter Grade	Definition
A-	In addition to satisfying all conditions for B+, all of the following conditions are met • A *strong* outreach program is in place; • Reviews find that the facility capability or scope of research potential exceeds expectations for example, due to newly discovered capabilities or exposure to new research communities; OR Reviews document how multiple disciplines are using the facility in new and novel ways and/or that the facility is being used to pursue important science.
B+	The Laboratory has achieved each of the following objectives: • Reviews find / validate that the facility is being used for influential science; • The scope of facility capabilities is challenged and broadened by resident users; • The Laboratory effectively manages user allocations; • The Laboratory effectively maintains the facility to required performance standards (for example, runtime, luminosity, etc.) • A healthy outreach program is in place.
B	The Laboratory fails to meet expectations in *one* of the areas listed under B+
B-	The Laboratory fails to meet expectations in *several* of the areas listed under B+
C	The Laboratory fails to meet expectations in *many* of the areas listed under B+
D	Reviews find that there are few facility users, few of whom are using the facility in novel ways to produce impactful science; research base is very thin.
F	Laboratory staff does not possess capabilities to operate and/or use the facility adequately.

Notable Outcome:

- ***[None]***

Program Office[4]	Letter Grade	Numerical Score	Weight	Overall Score
Office of Biological and Environmental Research (BER)				
2.1 Provide Effective Facility Design(s) as Required to Support Laboratory Programs (i.e., activities leading up to CD-2)			10%	
2.2 Provide for the Effective and Efficient Construction of Facilities and/or Fabrication of Components (execution phase, post CD-2 to CD-4)			10%	
2.3 Provide Efficient and Effective Operation of Facilities			70%	
2.4 Utilization of Facility(ies) to Provide Impactful S&T Results and Benefits to External User Communities			10%	
			Overall BER Total	
Office of Isotope R&D Production (IP)				
2.1 Provide Effective Facility Design(s) as Required to Support Laboratory Programs (i.e., activities leading up to CD-2)			10%	
2.2 Provide for the Effective and Efficient Construction of Facilities and/or Fabrication of Components (execution phase, post CD-2 to CD-4)			10%	
2.3 Provide Efficient and Effective Operation of Facilities			70%	
2.4 Utilization of Facility(ies) to Provide Impactful S&T Results and Benefits to External User Communities			10%	
			Overall IP Total	

Table 2.1 – Program Performance Goal 2.0 Score Development

[4] A complete listing of the Objectives weightings under the S&T Goals for the SC Programs and other customers is provided within Attachment I to this plan.

Program Office	Letter Grade	Numerical Score	Funding Weight (cost)	Overall Weighted Score
Office of Biological and Environmental Research (BER)				
Office of Isotope R&D Production (IP)				
			Performance Goal 2.0 Total	

Table 2.2 – Overall Performance Goal 2.0 Score Development[5]

Total Score	4.3-4.1	4.0-3.8	3.7-3.5	3.4-3.1	3.0-2.8	2.7-2.5	2.4-2.1	2.0-1.8	1.7-1.1	1.0-0.8	0.7-0
Final Grade	A+	A	A-	B+	B	B-	C+	C	C-	D	F

Table 2.3 – Goal 2.0 Final Letter Grade

[5] The final weights to be utilized for determining weighted scores will be determined following the end of the performance period and will be based on actual cost for FY 2025.

GOAL 3.0 Provide Effective and Efficient Science and Technology Program Management

The Laboratory provides effective program vision and leadership; strategic planning and development of initiatives; recruits and retains a quality scientific workforce; and provides outstanding research processes, which improve research productivity.

The weight of this Goal is 25%.

The Provide Effective and Efficient Science and Technology Program Management Goal shall measure the Contractor's overall management in executing S&T programs. Dimensions of program management covered include: 1) providing key competencies to support research programs to include key staffing requirements; 2) providing quality research plans that take into account technical risks, identify actions to mitigate risks; and 3) maintaining effective communications with customers to include providing quality responses to customer needs.

Each Objective within this Goal is to be assigned the appropriate numerical score by the Office of Science Program Offices, other cognizant HQ Program Offices, and other customers as identified below. The Goal score from each HQ Program Office and/or customer is computed by multiplying each Objective numerical score by the associated weight assigned by that Office/customer, and summing them (see Table 3.1).

- Office of Advanced Scientific Computing Research (ASCR)
- Office of Basic Energy Sciences (BES)
- Office of Biological and Environmental Research (BER)
- Office of Isotope R&D Production (IP)
- Office of High Energy Physics (HEP)
- Office of Workforce Development for Teachers and Scientists (WDTS)
- Office of National Nuclear Security Administration (NNSA)
- Office of Advanced Research Projects Agency–Energy (ARPA-E)
- Office of Cybersecurity, Energy Security, and Emergency Response (CESER)
- Office of Electricity (OE)
- Office of Energy Efficiency and Renewable Energy (EERE)
- Office of Environmental Management (EM)
- Office of Fossil Energy and Carbon Management (FECM)
- Grid Deployment Office (GDO)
- Office of Intelligence (IN)
- Office of Nuclear Energy (NE)
- Department of Homeland Security (DHS)
- National Institutes of Health (NIH)
- Nuclear Regulatory Commission (NRC)

The overall Performance Goal score and grade will be determined by multiplying the Goal score assigned by each of the offices identified above by the cost-based weightings identified for each and then summing them (see Table 3.2 below). The cost-based weights to be utilized for determining the overall score will be determined following the end of the performance period and will be based on actual cost for FY 2026. The overall score earned is then compared to Table 3.3 to determine the overall letter grade for this Goal. The Contractor's success in meeting each Objective shall be determined based on the Contractor's performance as viewed by the Office of Science Program Offices, other cognizant HQ Program Offices, and other customers for which the Laboratory conducts work. Should one or more of the HQ Program Offices choose not to provide an evaluation for this Goal and its corresponding Objectives, the weighting for the remaining HQ Program Offices shall be recalculated based on their percentage of cost for FY 2026 as compared to the total cost for those remaining HQ Program Offices.

Objectives

3.1 Provide Effective and Efficient Strategic Planning and Stewardship of Scientific Capabilities and Program Vision

In assessing the performance of the Laboratory against this Objective, the following assessment elements should be considered:

- The quality of the Laboratory's strategic plan;
- The extent to which the Laboratory shows strategic vision for research;
- The extent to which programs of research take advantage of Laboratory capabilities—research programs are more than the sum of their individual project parts;
- The extent to which the Laboratory undertakes research for which it is uniquely qualified;
- The extent to which lab plans are aligned with DOE or other supporting agency mission goals;
- The extent to which the Laboratory programs are balanced between high-/low- risk research for a sustainable program; and
- The extent to which the Laboratory is able to retain and recruit high quality staff for a sustainable program.

The following is a sampling of factors to be considered in determining the level of performance for the Laboratory against this Objective. The evaluator(s) may consider the following as measured through progress reports, peer reviews, Field Work Proposals (FWPs), Program Office reviews/oversight, etc.

- Articulation of scientific vision;
- Development and maintenance of core competencies;
- Ability to attract and retain highly qualified staff;
- Efficiency and effectiveness of joint planning (e.g., workshops) with outside community;
- Creativity and robustness of ideas for new facilities and research programs;
- Willingness to take on high-risk/high payoff/long-term research problems, evidence that the Laboratory "guessed right" in that previous risky decisions proved to be correct and are paying off; and
- The depth and breadth of Laboratory research portfolio and its potential for growth.

Letter Grade	Definition
A+	In addition to satisfying the conditions for B+, the execution of the Laboratory's strategic plan has enabled the Laboratory to achieve each of the following: • *Most* of the Laboratory's core competencies are recognized as world leading; • The Laboratory has attracted and retained world-leading scientists in *most* programs; • There is evidence that previous decisions to pursue high-risk/high-payoff research proved to be correct and are paying off; • The Laboratory has succeeded in developing new core competencies of *outstanding* quality in areas both exploratory, high-risk research and research that is vital to the DOE/SC or other supporting department or agency missions;
A	In addition to satisfying the conditions for B+, the execution of the Laboratory's strategic plan has enabled the Laboratory to achieve the following: • *Several* of the Laboratory's core competencies are recognized as world leading; • The Laboratory has attracted and retained world-leading scientists in *several* programs; • There is evidence that previous decisions to pursue high-risk/high-payoff research proved to be correct and are paying off • The Laboratory has succeeded in developing *new* core competencies of *high* quality in areas both exploratory, high-risk research and research that is vital to the DOE/SC/other supporting departments or agency missions.

Letter Grade	Definition
A-	In addition to satisfying the conditions for B+, the execution of the Laboratory's strategic plan has enabled the Laboratory to achieve at least one of the following: • At least one of the Laboratory's core competencies is recognized as *world-leading*; • The Laboratory has attracted and retained *world-leading* scientists in one or more programs; • The Laboratory has a coherent plan for addressing future workforce challenges.
B+	The execution of the Laboratory's strategic plan has enabled the Laboratory to achieve each of the following objectives: • The Laboratory has articulated a coherent and compelling strategic plan that has been developed with input from external research communities and headquarters guidance, which, where appropriate, includes a coherent plan for building smaller research programs into new core competencies; and reallocates resources away from less effective programs. • The Laboratory has demonstrated the ability to attract and retain professional scientific staff in support of its strategic vision. • The portfolio of Laboratory research balances the needs for both high-risk/ high-payoff research and stewardship of mission-critical research. • The Laboratory's research portfolio takes advantage of unique capabilities at the Laboratory. • The Laboratory's research portfolio includes activities for which the Laboratory is uniquely capable.
B	The Laboratory fails to satisfy one of the conditions for B+; for example • The Laboratory's strategic plan is only *partially* coherent and is not entirely well-connected with external communities; • The portfolio of Laboratory research does *not* appropriately balance high-risk/ high-payoff research and stewardship of mission-critical research; • The Laboratory has developed and maintained *some, but not all*, of its core competencies. • The plan to attract and retain professional scientific staff is *lacking* strategic vision.
B-	The Laboratory fails to satisfy *several* of the conditions for B+, including at least one of the following: • Weak programmatic vision insufficiently connected with external communities; • Development and maintenance of only a few core competencies • Little attention to maintaining the correct balance between high-risk and mission-critical research; • Inability to attract and retain talented scientists in some programs.
C	The Laboratory fails to satisfy *several* of the conditions for B+, including at least one of the following reasons: • The Laboratory's strategic plan lacks strategic vision and lacks appropriate coordination with appropriate stakeholders including external research groups. • The Laboratory's strategic plan does not provide for sufficient maintenance of core competencies • Plan to attract and retain professional scientific staff is unlikely to be successful or does not focus on strategic capabilities.
D	The Laboratory fails to satisfy *several* of the conditions for B+, and specifically • The Laboratory has demonstrated little effort in developing a strategic plan. • The Laboratory has done little to develop and maintain core competencies • The Laboratory has had minimal success in attracting and retaining professional scientific staff.
F	The Laboratory has: • Made limited or ineffective attempts to develop a strategic plan; • Not demonstrated the ability to develop and maintain core competencies, has failed to propose high-risk/high-reward research and has failed to steward mission-critical areas; • Failed to attract even reasonably competent scientists and technical staff.

3.2 Provide Effective and Efficient Science and Technology Project/Program/Facilities Management

In assessing the performance of the Laboratory against this Objective, the following assessment elements should be considered:

- The Laboratory's management of R&D programs and facilities according to proposed plans;
- The extent to which the Laboratory's management of projects/programs/facilities supports the Laboratory strategic plan;
- Adequacy of the Laboratory's consideration of technical risks;

- The extent to which the Laboratory is successful in identifying/avoiding technical problems;
- Effectiveness in leveraging across multiple areas of research and between research and facility capabilities;
- The extent to which the Laboratory demonstrates a willingness to make tough decisions (i.e., cut programs with sub-critical mass of expertise, divert resources to more promising areas, etc.);
- The use of LDRD and other Laboratory investments and overhead funds to improve the competitiveness of the Laboratory; and
- The extent to which the Laboratory management fosters a safe and professional work environment and promotes staff professional development and growth.

The following is a sampling of factors to be considered in determining the level of performance for the Laboratory against this Objective. The evaluator(s) may consider the following as measured through progress reports, peer reviews, Field Work Proposals (FWPs), Program Office reviews/oversight, etc.

- Laboratory plans that are reviewed by experts outside of lab management and/or include broadly-based input from within the Laboratory.

Letter Grade	Definition
A+	In addition to meeting all expectations under A, • The Laboratory has taken extraordinary measures to deliver an extraordinary result of critical importance to DOE or other relevant supporting agency missions, which could include the delivery of a critical technology or insight in response to a National emergency
A	In addition to satisfying the conditions for B+, • The Laboratory's implementation of project/program/facility plans has led directly to effective R&D programs/facility operations that exceed program expectations in *several* programmatic areas. Examples are listed under A-.
A-	In addition to satisfying the conditions for B+, • The Laboratory's implementation of project/program/facility plans has led directly to effective R&D programs/facility operations that exceed program expectations in *more than one* programmatic area. Examples of performance that exceeds expectations include: • The Laboratory's implementation of project/program/facility plans has led directly to significant cost savings and/or significantly higher productivity than expected; • Project/program/facility plans prove to be robust against changing scientific and fiscal conditions through contingency planning; • The Laboratory has demonstrated creativity and forceful leadership in development and/or proactive management of its project/program/facility plans to reduce or eliminate risk; • The Laboratory's proposals for new initiatives are funded through reallocation of resources from less effective programs. • Research plans and management actions are proactive, not reactive, as evidenced by making hard decisions and taking strong actions; and • Management is prepared for budget fluctuations and changes in DOE or other supporting agency program priorities – multiple contingencies are planned for; and • LDRD investments, overhead funds, and other Laboratory funds are used to strengthen lab plans and fill critical gaps in the Laboratory portfolio enabling it to respond to future DOE or other relevant supporting agency initiatives and/or national emergencies.

Letter Grade	Definition
B+	The Laboratory has achieved each of the following objectives: • Project/program/facility plans exist for all major projects/programs/facilities. • Project/program/facility plans are consistent with known budgets, are based on reasonable assessments of technical risk, are well-aligned with DOE or other relevant supporting agency interests, provide sufficient flexibility to respond to unforeseen directives and opportunities, and effectively leverage other Laboratory resources and expertise. • The Laboratory has implemented the project/program/facility plans and has effective methods of tracking progress. • The Laboratory demonstrates willingness to make tough decisions (i.e., cut programs with sub-critical mass of expertise, divert resources to more promising areas, etc.). • The Laboratory's implementation of project/program/facility plans has led directly to effective R&D programs/facility operations. • LDRD investments and other overhead funds are managed appropriately.
B	• Project/program/facility plans exist for all major projects/programs/facilities. • The Laboratory has implemented the project/program/facility plans. BUT the Laboratory fails to meet *at least one of* the conditions for B+.
B-	• Project/program/facility plans exist for all major projects/programs/facilities. • The Laboratory has implemented the project/program/facility plans. BUT the Laboratory fails to meet *several of* the conditions for B+.
C	• Project/program/facility plans exist for most major projects/programs/facilities. BUT the Laboratory has failed to implement the project/program/facility plans AND the Laboratory fails to meet *several of* the conditions for B+.
D	• Project/program/facility plans do not exist for a significant fraction of the Laboratory's major projects/programs/facilities; OR • Significant work at the Laboratory is not in alignment with the project/program/facility plans
F	The Laboratory has failed to conduct project/program/facility planning activities.

3.3 Provide Efficient and Effective Communications and Responsiveness to Headquarters Needs

In assessing the performance of the Laboratory against this Objective, the following assessment elements should be considered:

- The quality, accuracy and timeliness of the Laboratory's response to customer requests for information;
- The extent to which the Laboratory provides point-of-contact resources and maintains effective internal communications hierarchies to facilitate efficient determination of the appropriate point-of-contact for a given issue or program element;
- The effectiveness of the Laboratory's communications and depth of responsiveness under extraordinary or critical circumstances; and
- The effectiveness of Laboratory management in accentuating the importance of communication and responsiveness.

Letter Grade	Definition
A+	In addition to meeting all expectations under A, • The Laboratory's effective communication and extraordinary responsiveness in the face of extreme situations or a national emergency had a materially positive impact on the outcome of the event and/or DOE or other relevant supporting agency's mission objectives

Letter Grade	Definition
A	In addition to satisfying the conditions for B+, the Laboratory also meets all of the following: • Laboratory management has instilled a culture throughout the lab that emphasizes good communication practices; • Communication channels are well-defined, and information is effectively conveyed; • Responses to HQ requests for information from all Laboratory representatives are prompt, thorough, correct and succinct; important or critical information is delivered in real-time; • Laboratory representatives *always* initiate a communication with HQ on emerging Laboratory issues; headquarters is never surprised to learn of emerging Laboratory issues through outside channels.
A-	In addition to satisfying the conditions for B+, • Laboratory management has instilled a culture throughout the lab that emphasizes good communication practices; • Responses to requests for information are prompt, thorough, and economical/succinct at all levels of interaction; • Laboratory representatives *often* initiate communication with HQ on emerging Laboratory issues; and • under critical circumstances, essential information is delivered in real-time
B^+	The Laboratory has achieved each of the following objectives: • Staff throughout the Laboratory organization engage in good communication practices; • Responses to requests for information are prompt and thorough; • The accuracy and integrity of the information provided is never in doubt; • Up-to-date point-of-contact information is widely available for all programmatic areas; and • Headquarters is always and promptly informed of both positive and negative events at the Laboratory
B	The Laboratory failed to meet the conditions for B+ in *a few instance*s
B-	The Laboratory fails to meet the conditions for B+ for *one* of the following reasons: • Responses to requests for information do not provide the minimum requirements to meet HQ needs; While the integrity of the information provided is never in doubt, its accuracy sometimes is; • Laboratory representatives do not take the initiative to alert HQ to emerging Laboratory issues.
C	The Laboratory fails to meet the conditions for B+ for *one or more* of the following reasons: • Responses to requests for information frequently fail to provide the minimum requirements to meet HQ needs; • The Laboratory used outside channels or circumvented HQ in conveying critical information; • The integrity and/or accuracy of information provided is sometimes in doubt; • Laboratory management fails to demonstrate that its employees are held accountable for ensuring effective communication and responsiveness; • Laboratory representatives failed to alert HQ to emerging Laboratory issues.
D	The Laboratory fails to meet the conditions for B+ for one of the following reasons: • Laboratory staff are generally well-intentioned in communication but consistently ineffective and/or incompetent; • The Laboratory management fails to emphasize the importance of effective communication and responsiveness
F	The Laboratory fails to meet the conditions for B+ for one of the following reasons • Laboratory staff are openly hostile and/or non-responsive to requests for information – emails and phone calls are consistently ignored; • Responses to requests for information are consistently incorrect, inaccurate or fraudulent – information is not organized, is incomplete, or is fabricated.

Notable Outcomes:

- **ASCR**: Develop an integrated strategic plan for establishing the lab as a leader in system-level microelectronics for scientific applications, recognizing budgetary considerations. (Objective 3.2)

- **BES**: Update the strategic plan for the research portfolio supported by BES-CSGB. The plan should address staff and portfolio evolution, interaction between theory/ computation and experiment, and programmatic prioritization, recognizing budgetary considerations. (Objective 3.1)

- **BER**: Demonstrate progress towards an AI-enabled autonomous platform for microbial phenotyping and coordinative efforts with the OPAL partners by achieving key year 1 milestones or early demonstration by the OPAL team of integrating laboratory automation, data systems and AI applications. (Objective 3.1)

Program Office[6]	Letter Grade	Numerical Score	Weight	Overall Score
Office of Advanced Scientific Computing Research (ASCR)				
3.1 Effective and Efficient Strategic Planning and Stewardship			30%	
3.2 Project/Program /Facilities Management			40%	
3.3 Communications and Responsiveness			30%	
			Overall ASCR Total	
Office of Basic Energy Sciences (BES)				
3.1 Effective and Efficient Strategic Planning and Stewardship			30%	
3.2 Project/Program /Facilities Management			40%	
3.3 Communications and Responsiveness			30%	
			Overall BES Total	
Office of Biological and Environmental Research (BER)				
3.1 Effective and Efficient Strategic Planning and Stewardship			20%	
3.2 Project/Program /Facilities Management			30%	
3.3 Communications and Responsiveness			50%	
			Overall BER Total	
Office of Isotope R&D Production (IP)				
3.1 Effective and Efficient Strategic Planning and Stewardship			30%	
3.2 Project/Program /Facilities Management			40%	
3.3 Communications and Responsiveness			30%	
			Overall IP Total	
Office of High Energy Physics (HEP)				
3.1 Effective and Efficient Strategic Planning and Stewardship			35%	
3.2 Project/Program /Facilities Management			40%	
3.3 Communications and Responsiveness			25%	
			Overall HEP Total	
Office of Workforce Development for Teachers and Scientists (WDTS)				
3.1 Effective and Efficient Strategic Planning and Stewardship			30%	
3.2 Project/Program /Facilities Management			40%	
3.3 Communications and Responsiveness			30%	
			Overall WDTS Total	
Office of National Nuclear Security Administration (NNSA)				
3.1 Effective and Efficient Strategic Planning and Stewardship			23%	
3.2 Project/Program /Facilities Management			54%	
3.3 Communications and Responsiveness			23%	
			Overall NNSA Total	
Office of Advanced Research Projects Agency–Energy (ARPA-E)				
3.1 Effective and Efficient Strategic Planning and Stewardship			20%	
3.2 Project/Program /Facilities Management			30%	
3.3 Communications and Responsiveness			50%	

[7] A complete listing of the Objectives weightings under the S&T Goals for the SC Programs and other customers is provided within Attachment I to this plan.

			Overall ARPA-E Total	
Office of Cybersecurity, Energy Security, and Emergency Response (CESER)				
3.1 Effective and Efficient Strategic Planning and Stewardship			20%	
3.2 Project/Program /Facilities Management			45%	
3.3 Communications and Responsiveness			35%	
			Overall CESER Total	
Office of Electricity (OE)				
3.1 Effective and Efficient Strategic Planning and Stewardship			20%	
3.2 Project/Program /Facilities Management			40%	
3.3 Communications and Responsiveness			40%	
			Overall OE Total	
Office of Energy Efficiency and Renewable Energy (EERE)				
3.1 Effective and Efficient Strategic Planning and Stewardship			20%	
3.2 Project/Program /Facilities Management			30%	
3.3 Communications and Responsiveness			50%	
			Overall EERE Total	
Office of Environmental Management (EM)				
3.1 Effective and Efficient Strategic Planning and Stewardship			25%	
3.2 Project/Program /Facilities Management			25%	
3.3 Communications and Responsiveness			50%	
			Overall EM Total	
Office of Fossil Energy and Carbon Management (FECM)				
3.1 Effective and Efficient Strategic Planning and Stewardship			34%	
3.2 Project/Program /Facilities Management			33%	
3.3 Communications and Responsiveness			33%	
			Overall FECM Total	
Grid Deployment Office (GDO)				
3.1 Effective and Efficient Strategic Planning and Stewardship			20%	
3.2 Project/Program /Facilities Management			30%	
3.3 Communications and Responsiveness			50%	
			Overall GDO Total	
Office of Intelligence (IN)				
3.1 Effective and Efficient Strategic Planning and Stewardship			25%	
3.2 Project/Program /Facilities Management			40%	
3.3 Communications and Responsiveness			35%	
			Overall IN Total	
Office of Nuclear Energy (NE)				
3.1 Effective and Efficient Strategic Planning and Stewardship			20%	
3.2 Project/Program /Facilities Management			30%	
3.3 Communications and Responsiveness			50%	
			Overall NE Total	
Department of Homeland Security (DHS)				
3.1 Effective and Efficient Strategic Planning and Stewardship			45%	
3.2 Project/Program /Facilities Management			35%	
3.3 Communications and Responsiveness			20%	
			Overall DHS Total	
National Institutes of Health (NIH)				
3.1 Effective and Efficient Strategic Planning and Stewardship			50%	
3.2 Project/Program /Facilities Management			50%	

3.3 Communications and Responsiveness			0%	
			Overall NIH Total	
Nuclear Regulatory Commission (NRC)				
3.1 Effective and Efficient Strategic Planning and Stewardship			34%	
3.2 Project/Program /Facilities Management			33%	
3.3 Communications and Responsiveness			33%	
			Overall NRC Total	

Table 3.1 – Program Performance Goal 3.0 Score Development

Program Office	Letter Grade	Numerical Score	Funding Weight (cost)	Overall Weighted Score
Office of Advanced Scientific Computing Research (ASCR)				
Office of Basic Energy Sciences (BES)				
Office of Biological and Environmental Research (BER)				
Office of High Energy Physics (HEP)				
Office of Isotope R&D Production (IP)				
Office of Workforce Development for Teachers and Scientists (WDTS)				
Office of Advanced Research Projects Agency–Energy (ARPA-E)				
Office of Cybersecurity, Energy Security, and Emergency Response (CESER)				
Office of Electricity (OE)				
Office of Energy Efficiency and Renewable Energy (EERE)				
Office of Environmental Management (EM)				
Office of Fossil Energy and Carbon Management (FECM)				
Grid Deployment Office (GDO)				
Office of Intelligence (IN)				
Office of National Nuclear Security Administration (NNSA)				
Office of Nuclear Energy (NE)				
Department of Homeland Security (DHS)				
National Institutes of Health (NIH)				
Nuclear Regulatory Commission (NRC)				

Table 3.2 – Overall Performance Goal 3.0 Score Development[7]

Total Score	4.3-4.1	4.0-3.8	3.7-3.5	3.4-3.1	3.0-2.8	2.7-2.5	2.4-2.1	2.0-1.8	1.7-1.1	1.0-0.8	0.7-0
Final Grade	A+	A	A-	B+	B	B-	C+	C	C-	D	F

Table 3.3 – Goal 3.0 Final Letter Grade

[7] The final weights to be utilized for determining weighted scores will be determined following the end of the performance period and will be based on actual cost for FY 2025.

Program Office Goal & Objective Weightings
Office of Science

	ASCR Weight	BES Weight	BER Weight	HEP Weight	IP Weight	WDTS Weight
Goal 1.0 Mission Accomplishment						
1.1 Impact	50%	50%	50%	50%	50%	60%
1.2 Leadership	50%	50%	50%	50%	50%	40%
Goal 2.0 Design, Fabrication, Construction and Operation of Facilities						
2.1 Provide Effective Facility Design(s) as Required to Support Laboratory Programs (i.e., activities leading up to CD-2)			10%		10%	
2.2 Provide for the Effective and Efficient Construction of Facilities and/or Fabrication of Components (execution phase, post CD-2 to CD-4)			10%		10%	
2.3 Provide Efficient and Effective Operation of Facilities			70%		70%	
2.4 Utilization of Facility(ies) to Provide Impactful S&T Results and Benefits to External User Communities			10%		10%	
Goal 3.0 Program Management						
3.1 Effective and Efficient Strategic Planning and Stewardship	30%	30%	20%	35%	30%	30%
3.2 Project/Program /Facilities Management	40%	40%	30%	40%	40%	40%
3.3 Communications and Responsiveness	30%	30%	50%	25%	30%	30%

Program Office Goal & Objective Weightings
All Other Customers

	ARPA-E Weight	CESER Weight	OE Weight	EERE Weight	EM Weight	FECM Weight	GDO Weight	IN Weight	NNSA Weight	NE Weight	DHS Weight	NIH Weight	NRC Weight
Goal 1.0 Mission Accomplishment													
1.1 Impact	65%	50%	50%	60%	40%	50%	60%	65%	61%	50%	70%	50%	50%
1.2 Leadership	35%	50%	50%	40%	60%	50%	40%	35%	39%	50%	30%	50%	50%
Goal 3.0 Program Management													
3.1 Effective and Efficient Strategic Planning and Stewardship	20%	20%	20%	20%	25%	34%	20%	25%	23%	20%	45%	50%	34%
3.2 Project/Program /Facilities Management	30%	45%	40%	30%	25%	33%	30%	40%	54%	30%	35%	50%	33%
3.3 Communications and Responsiveness	50%	35%	40%	50%	50%	33%	50%	35%	23%	50%	20%	0%	33%

GOAL 4.0 Provide Sound and Competent Leadership and Stewardship of the Laboratory

This Goal evaluates the Contractor's Leadership capabilities in leading the direction of the overall Laboratory, the responsiveness of the Contractor to issues and opportunities for continuous improvement, and corporate office involvement/commitment to the overall success of the Laboratory.

In measuring the performance of the above Objectives, the DOE evaluator(s) shall consider performance trends and outcomes in overall Contractor Leadership's planning for, integration of, responsiveness to and support for the overall success of the Laboratory. This may include, but is not limited to, the quality of Laboratory Vision/Mission strategic planning documentation and progress in realizing the Laboratory vision/mission; the ability to establish and maintain long-term partnerships/relationships with the scientific and local communities as well as private industry that advance, expand, and benefit the ongoing Laboratory mission(s) and/or provide new opportunities/capabilities; implementation of a robust assurance system with support from the Laboratory and Corporate Leadership; Laboratory Leadership's ability to facilitate and effectively manage external engagements and partnerships; Laboratory and Corporate Leadership's ability to instill responsibility and accountability down and through the entire organization; overall effectiveness of communications with DOE; understanding, management and allocation of the costs of doing business at the Laboratory commensurate with associated risks and benefits; utilization of corporate resources to establish joint appointments or other programs/projects/activities to strengthen the Laboratory; and advancing excellence in stakeholder relations to include good corporate citizenship within the local community.

Objectives:

4.1 Leadership and Stewardship of the Laboratory

By which we mean: The performance of the laboratory's senior management team as demonstrated by their ability to do such things as:

- Define an exciting yet realistic scientific vision for the future of the laboratory;
- Make progress in realizing the vision for the laboratory; and,
- Establish and maintain long-term partnerships/relationships that maintain appropriate relations with the scientific and local communities.

Letter Grade	Definition
A+	The Senior Leadership of the laboratory has made outstanding progress (on an order of magnitude scale) over the previous year in realizing their vision for the laboratory and has had a demonstrable impact on the Department and the Nation. Strategic plans are of outstanding quality, have been externally recognized and referenced for their excellence, and have an impact on the vision/plans of other national laboratories. The Senior leadership of the laboratory may have faced very difficult challenges and plotted, successfully, its own course through the difficulty, with minimal handholding by the Department. Partners in the scientific and local communities applaud the laboratory in national fora, and the Department is strengthened by this.
A	The Senior Leadership of the laboratory has made significant progress over the previous year in realizing their vision for the laboratory and has through this has had a demonstrable positive impact on the Office of Science and the Department. Strategic plans are of outstanding quality and recognize and reflect the vision/plans of other national laboratories. Faced with difficult challenges, actions were taken by the Senior leadership of the laboratory to redirect laboratory activities to enhance the long-term future of the laboratory. Partners in the scientific and local communities applaud the laboratory in national fora, and the Department is strengthened by this.
A-	The laboratory senior management performs better than expected (B+ grade) in these areas.
B+	The Senior Leadership of the laboratory has made significant progress over the previous year in realizing their vision for the laboratory. Strategic plans present long-range goals that are both exciting and realistic. Decisions and actions taken by the lab leadership align work, facilities, equipment and technical capabilities with the laboratory vision and plan. The Senior leadership of the laboratory faced difficult challenges and successfully plotted its own course through the difficulty, with help from the Department. Partners in the scientific and local communities are supportive of the laboratory.

Letter Grade	Definition
B	The Senior Leadership of the laboratory has made little progress over the previous year in realizing their vision for the laboratory. Strategic plans present long-range goals that are exciting and realistic; however, DOE is not fully confident that the laboratory is taking the actions necessary for the goals to be achieved. The Laboratory is not fully engaged with its partners/relationships in the scientific and local communities to maximize the potential benefits these relations have for the laboratory.
C	The Senior Leadership of the laboratory has made no progress over the previous year in realizing their vision for the laboratory or aligning work, facilities, equipment and technical capabilities with the laboratory vision and plan. Strategic plans present long-range goals that are either unexciting or unrealistic. Business plans exist, but they are not linked to the strategic plan and do not inspire DOE's confidence that the strategic goals will be achieved. Partnerships with the scientific and local communities with potential to advance the laboratory exist, but they may not always be consistent with the mission of or vision for the laboratory. Affected communities and stakeholders are mostly supportive of the laboratory and aligned with the management's vision for the laboratory.
D	The Senior Leadership of the laboratory has made no progress or has backslid over the previous year in realizing their vision for the laboratory or in aligning work, facilities, equipment and technical capabilities with the laboratory vision and plan. Strategic plans present long-range goals that are neither exciting nor realistic. Partnerships that may advance the Laboratory towards strategic goals are inappropriate, unidentified, or unlikely. Affected communities and stakeholders are not adequately engaged with the laboratory and indicate non-alignment with DOE priorities.
F	The Senior Leadership of the laboratory has made no progress or has backslid over the previous year in realizing their vision for the laboratory or in or aligning work, facilities, equipment and technical capabilities with the laboratory vision and plan. Strategic plans present long-range goals that are not aligned with DOE priorities or the mission of the laboratory. Partnerships that may advance the Laboratory towards strategic goals are inappropriate, unidentified, and unlikely, and/or the senior management team does not demonstrate a concerted effort to develop, leverage, and maintain relations with the scientific and local communities to assist the laboratory in achieving a successful future. Affected communities and stakeholders are openly non-supportive of the laboratory and DOE priorities.

4.2 Management and Operation of the Laboratory

By which we mean: The performance of the laboratory's senior management team as demonstrated by their ability to do such things as:

- Implement a robust contractor assurance system,
- Understand the costs of doing business at the laboratory and prioritize the management and allocation of these costs commensurate with their associated risks and benefits,
- Instill a culture of accountability and responsibility down and through the entire organization; and,
- Ensure good and timely communication between the laboratory and SC headquarters and the Site Office so that DOE can deal effectively with both internal and external constituencies.

Letter Grade	Definition
A+	The laboratory has a nationally or internationally recognized contractor assurance system in place that integrates internal and external (corporate) evaluation processes to evaluate risk and is working to help others internal and external to the Department establish similarly outstanding practices. The laboratory understands the drivers of cost at their lab, and are prioritizing and managing these costs commensurate with the associated risks and benefits to the laboratory and the SC laboratory system. Laboratory management and processes reflect a sense of accountability and responsibility with is evident down and through the entire organization. Communication between the laboratory and SC headquarters and the Site Office is such that all the national laboratories and the Department as a whole benefits.

A	The laboratory has improved dramatically in the last year in all of the following: building a robust and transparent contractor assurance system that integrates internal and external (corporate) evaluation processes to evaluate risk; demonstrating the use of this system in making decisions that are aligned with the laboratory's vision and strategic plan; understanding the drivers of cost at their lab, and prioritizing and managing these costs consistent with their associated risks and benefits to the laboratory and the SC laboratory system; demonstrating laboratory management and processes reflect a sense of accountability and responsibility with is evident down and through the entire organization; assuring communication between the laboratory and SC headquarters that is beneficial to both the lab and SC.
A-	The laboratory senior management performs better than expected (B+ grade) in these areas.
B+	The laboratory has a robust and transparent contractor assurance system in place that integrates internal and external (corporate) evaluation processes to evaluate risk and demonstrates implementation across management systems. The laboratory can further demonstrate use of this system in making decisions that are aligned with the laboratory's vision and strategic plan. The laboratory understands the drivers of cost at their lab and are prioritizing and managing these costs commensurate with the associated risks and benefits to the laboratory and the SC laboratory system. Laboratory management and processes reflect a sense of accountability and responsibility with is evident down and through the entire organization. Communication between the laboratory and SC headquarters and the Site Office is such that there are no surprises or embarrassments.
B	The laboratory has a contractor assurance system in place, but further improvements are necessary, or the link between the CAS and the laboratory's decision-making processes and resulting implementation are not evident. The laboratory understands the drivers of cost at their lab, but they are not prioritizing and managing these costs as well as they should to be commensurate with the associated risks and benefits to the laboratory and the SC laboratory system. Laboratory management and processes reflect a sense of accountability and responsibility with is mostly evident down and through the entire organization. Communication between the laboratory and SC headquarters and the Site Office is such that there are no significant surprises or embarrassments.
C	The laboratory lacks a robust and transparent contractor assurance system in place that integrates internal and external (corporate) evaluation processes to evaluate risk. The laboratory cannot demonstrate use of this system in making decisions that are aligned with the laboratory's vision and strategic plan. The laboratory does not fully understand the drivers of cost at their lab, and thus are not prioritizing and managing these costs as well as they should to be commensurate with the associated risks and benefits to the laboratory and the SC laboratory system. Communication between the laboratory and SC headquarters and the Site Office is such that there has been at least one significant surprise or embarrassment.
D	The laboratory lacks a contractor assurance system, doesn't understand the drivers of cost at their lab, and is not prioritizing and managing costs. SC HQ must intercede in management decisions. Poor communication between the laboratory and SC headquarters and the Site Office has resulted in more than one significant surprise or embarrassment.
F	Lack of management by the laboratory's senior management has put the future of the laboratory at risk, or has significantly hurt the reputation of the Office of Science.

4.3 Leadership of External Engagements and Partnerships

***By which we mean*:** the performance of the laboratory leadership team to achieve the following:

- Establish a vision for shepherding technology transfer and commercialization, education and workforce development, and community-based activities at the laboratory that aligns with the laboratory's unique expertise, facilities, and technology portfolio with the intent of advancing the DOE mission, national security, and economic prosperity for the United States.
- Implement an effective laboratory-wide technology transfer and commercialization strategy that is data-driven, grounded in evidence-based practices, and shows measurable progress towards achieving goals.
- Broadly deploy laboratory capabilities, intellectual property, and technologies to support and impact industry and other key non-DOE customer needs through Cooperative Research and Development Agreements (CRADA), Strategic Partnership Project (SPP) Agreements, and/or Agreements for Commercializing Technology (ACT), user facility access, and technology based economic development and Intellectual Property (IRP) management and licensing.
- Identify potential partners, implement outreach activities, and manage external engagements that enhance technology transfer and commercialization, education, and workforce development, accomplish community-

based objectives, and develop feedback loops with industry, academia, and community groups that inform planned and ongoing mission activities in the laboratory.

- Develop and leverage appropriate relationships with industry, academia, local, state, and federal government, community groups, and tribes (e.g., public-private partnerships and long-term research collaborations) to address barriers to technology transfer, commercialization, and dissemination and ultimately benefit the laboratory, DOE, the local and regional population, and the U.S. taxpayer.
- Facilitate regional partnerships and initiatives with industry, academia (including HBCUs, MSIs, and community colleges), K-12 schools, local, state, and federal government organizations, regional economic development organizations, community groups, and tribes, among other groups (e.g., STEM outreach programs) to improve technology transfer, commercialization, and dissemination, and ultimately contribute to the local economy, workforce development, and community-based activities.
- Foster a culture of entrepreneurship and community engagement at the laboratory that encourages staff at all levels to consider and implement new initiatives that enhance technology transfer and commercialization, education and workforce development, and community-based activities.

Letter Grade	Definition
A+	Laboratory leadership has an exemplary vision for shepherding technology transfer and commercialization, education and workforce development, and community-based activities at the laboratory that aligns with the laboratory's unique expertise, facilities, and technology portfolio with the intent of advancing the DOE mission, national security, and economic prosperity for the United States. The laboratory is recognized across the DOE complex for its preeminent leadership and excellence in: • identifying, engaging, and leveraging relationships with industry, other labs, academia, local, state, and federal government, community groups, and tribes to drive technology transfer and commercialization, education and workforce development, and community-based activities that benefit the laboratory, DOE, the local and regional population, and the U.S. taxpayer; • facilitating regional partnerships and initiatives that contribute to the local economy, workforce development, and community-based activities; • fostering a culture of entrepreneurship and community engagement at the laboratory that encourages staff at all levels to consider and implement initiatives that enhance technology transfer and commercialization, education and workforce development, and community-based programs; • developing and submitting, as the prime applicant, applications for funding to public and private sector institutions and receiving funding from such institutions for technology transfer and commercialization-related projects; • encouraging multi-lab collaborations and joint technology development partnerships by participating in the development and submission of funding applications; • leveraging funding from public and private sector entities, including philanthropic institutions, to advance and achieve DOE technology transfer and commercialization goals; • supporting regional innovation ecosystems through technical services, education and mentorship programs, and partnerships that support start-up incubation and technology acceleration of DOE-funded technologies and external technologies that support the DOE mission; • partnering with the public and private sectors to develop, contribute to, and review technology transfer and commercialization strategies based on robust market analyses to support the transfer and commercialization of technologies across the research, development, demonstration, and deployment (RDD&D) continuum; and, • contributing as members and serving in leadership positions in the Technology Transfer Working Group (TTWG), the National Laboratory Technology Transfer (NLTT) council, and other working and coordination groups established by DOE Headquarters. The laboratory is recognized across the complex for being highly effective in developing national and regional public and private partnerships that significantly enhance DOE and laboratory outreach efforts and scientific missions. The laboratory staff are strongly encouraged to seek out and pursue potential technology transfer and commercialization, education and workforce development, and community-based activities that are clearly connected and/or complementary to their research and opportunities are available for staff to pursue such activities. The laboratory can demonstrate how this outreach informs its ongoing technology transfer and commercialization, education and workforce development, and community-based efforts and they are at the forefront of technology transfer and commercialization, education and workforce development, and community-based outcomes.

A	Laboratory leadership has a substantive vision for shepherding technology transfer and commercialization education and workforce development, and community-based activities at the laboratory that aligns with the laboratory's unique expertise, facilities, and technology portfolio with the intent of advancing the DOE mission, national security, and economic prosperity for the United States. The laboratory demonstrates leadership and excellence in: • identifying, engaging, and leveraging relationships with industry, other labs, academia, local, state, and federal government, community groups, and tribes to drive technology transfer and commercialization, education and workforce development, and community-based activities that benefit the laboratory, DOE, the local and regional population, and the U.S. taxpayer; • facilitating regional partnerships and initiatives that contribute to the local economy, workforce development, and community-based activities; • fostering a culture of entrepreneurship and community engagement at the laboratory that encourages staff at all levels to consider and put into effect initiatives that enhance technology transfer and commercialization, education and workforce development, and community-based activities. • developing and submitting, as the prime applicant, applications for funding to public and private sector institutions and receiving funding from such institutions for technology transfer and commercialization, education and workforce development, and community-based related projects; and, • encouraging multi-lab collaborations and joint technology development partnerships by participating in the development and submission of funding applications and receiving funding from public and private sector entities, including philanthropic institutions, to advance and achieve DOE technology transfer and commercialization goals; and, • prioritizing technology transfer by leveraging non-federal funds to support technology transfer and commercialization activities. The laboratory is highly effective in developing national and regional public and private partnerships that significantly enhance DOE and laboratory outreach efforts and scientific missions. The laboratory staff are encouraged to seek out and pursue potential technology transfer and commercialization, education and workforce development, and community-based activities that are clearly connected and/or complementary to their research and opportunities are available for staff to pursue such activities. The laboratory can demonstrate how this outreach informs its ongoing technology transfer and commercialization, education and workforce development, and community based activities and they are at the forefront of commercialization, education and workforce development, and community-based outcomes.
A-	Laboratory leadership performs better than expected (B+ grade) in these areas.

B+	Laboratory leadership has a vision for shepherding technology transfer and commercialization, education and workforce development, and community-based activities at the laboratory that aligns with the laboratory's unique expertise, facilities, and technology portfolio with the intent of advancing the DOE mission, national security, and economic prosperity for the United States. The laboratory demonstrates effectiveness in: • identifying, engaging, and leveraging relationships with industry, other labs, academia, local, state, and federal government, community groups, and tribes to drive technology transfer and commercialization, education and workforce development, and community-based activities that benefit the laboratory, DOE, the local and regional population, and the U.S. taxpayer; • facilitating regional partnerships and initiatives that contribute to the local economy, workforce development, and community-based activities; • fostering a culture of entrepreneurship and community engagement at the laboratory that encourages staff at all levels to consider potential initiatives that enhance technology transfer and commercialization, education and workforce development, and community-based programs; • encourage the development and submittal, as the prime applicant, applications for funding to public and private sector institutions for technology transfer and commercialization, education and workforce development, and community-based related projects; and, • encouraging multi-lab collaborations and joint technology development partnerships by participating in the development and submission of funding applications to advance and achieve DOE technology transfer and commercialization goals. The laboratory is effective in developing national and regional public and private partnerships that enhance DOE and laboratory outreach efforts and scientific missions. The laboratory staff are encouraged to seek out and pursue potential technology transfer and commercialization, education and workforce development, and community-based activities that are clearly connected and/or complementary to their research and opportunities are available for staff to pursue such activities. The laboratory can demonstrate how this outreach informs its ongoing technology transfer and commercialization, education, and workforce development, and community-based activities and they have strong evidence of progress in commercialization, education and workforce development, and community-based outcomes.
B	Laboratory leadership performs below (B+ grade) in these areas. Laboratory leadership supports development of a vision for technology transfer and commercialization, education and workforce development, and community-based activities at the laboratory; however, this vision is not fully realized and requires more work in more than one of the areas described above including, but not limited to, identifying, engaging, and leveraging relationships with potential external partners, facilitating regional partnerships and initiatives that contribute to the local economy, workforce development, and community-based activities, and/or overcoming challenges in capturing intellectual property. The laboratory staff are allowed but not encouraged to seek out and pursue potential technology transfer and commercialization, education and workforce development, and community-based activities. The laboratory has developed few partnerships that will advance DOE and laboratory outreach and technology transfer and commercialization, education and workforce development, and community-based activities, and they have average technology transfer and commercialization, education and workforce development, and community-based outcomes.
C	The laboratory lacks a vision and the mechanisms to implement a strategy to promote technology transfer and commercialization, education and workforce development, and community-based activities at the laboratory and has little success in developing partnerships and there has been limited commercialization, education and workforce development, and community-based outcomes. This is evidenced in part by a lack of participation in funding opportunities and partnership activities that support technology transfer activities.
D	Laboratory leadership lacks a vision and has not supported the mechanisms/resources necessary to develop or implement an external engagement strategy to promote technology transfer and commercialization, education and workforce development, and community-based activities at the laboratory including partnership efforts. Laboratory staff are discouraged from seeking out opportunities to solicit external partner input and are also discouraged from identifying potential activities for technology transfer and commercialization, education and workforce development, and community-based and from engaging in efforts to protect intellectual property.

F	Lack of vision and resources by the laboratory's senior management has hindered the ability of the laboratory to identify, plan, and engage external partners to develop and promote technology transfer and commercialization, education and workforce development, and community-based activities at the laboratory that align with the laboratory's unique expertise, facilities, and technology portfolio; this failure has significantly hurt the Department's ability to achieve its mission.

4.4 Contractor Value-added

***By which we mean*:** the additional benefits that accrue to the laboratory and the Department of Energy by virtue of having this particular M&O contractor in place. Included here, typically, are things over which the laboratory leadership does not have immediate authority, such as:

- Corporate involvement/contributions that facilitate DOE strategic plans and program initiatives and/or deal with operational challenges at the laboratory;
- Using corporate resources to enhance DOE mission objectives by establishing programs/projects/activities that strengthen the laboratory (e.g., joint appointments, integrated research initiatives, novel educational opportunities);
- Corporate ownership of their key leadership role in active implementation of a transparent and robust Contractor Assurance System (CAS); and
- Providing other contributions that enable the laboratory to do things that are good for DOE, the laboratory and its community and that DOE cannot supply.

Letter Grade	Definition
A+	The laboratory has been transformed as a result of the many, substantial, additional benefits that accrue to the laboratory as a result of this contractor's support and operation of the laboratory. The Corporate Leadership has supported the development and implementation of a model CAS and it has been adopted by other laboratories in the complex.
A	Over the past year, the laboratory has become demonstrably stronger, better and more attractive as a place of employment as a result of the many, substantial, additional benefits that accrue to the laboratory as a result of this contractor's support and operation of the laboratory. The Corporate Leadership has demonstrably helped the laboratory improve and sustain the effective management and operations of the laboratory supported by a robust and transparent CAS that integrates internal and external (e.g., corporate) evaluation processes to evaluate risk.
A-	The laboratory senior management performs better than expected (B+ grade) in these areas.
B+	The laboratory enjoys additional benefits above and beyond those associated with managing the laboratory's activities that accrue as a result of this contractor's support and operation of the laboratory. The Corporate Leadership supports and validates with reasonable assurance that the laboratory and corporate entity have a robust and transparent CAS in place that integrates internal and external (corporate) evaluation processes to evaluate risk and demonstrates implementation across management systems.
B	The laboratory enjoys few additional benefits that accrue as a result of this contractor's operation of the laboratory; help by the contractor is needed to strengthen the laboratory. The Corporate Leadership's role is the overall CAS that informs the laboratory's decision-making processes and resulting implementation are not evident.
C	The laboratory enjoys few additional benefits that accrue as a result of this contractor's operation of the laboratory; the contractor seems unable to help the laboratory.
D	The laboratory enjoys few additional benefits that accrue as a result of this contractor's operation of the laboratory; the contractor's efforts are inconsistent with the interests of the laboratory and the Department.
F	The laboratory enjoys no additional benefits that accrue as a result of this contractor's operation of the laboratory; the contractor's efforts are counter-productive to the interests of the Department.

Notable Outcomes:

- ***[None]***

ELEMENT	Letter Grade	Numerical Score	Objective Weight	Overall Score
Goal 4.0 – Provide Sound and Competent Leadership and Stewardship of the Laboratory				
4.1 Leadership and Stewardship of the Laboratory			40%	
4.2 Management and Operation of the Laboratory			40%	
4.3 Leadership of External Engagements and Partnerships			5%	
4.4 Contractor Value-Added			15%	
			Performance Goal 4.0 Total	

Table 4.1 – Performance Goal 4.0 Score Development

Total Score	4.3-4.1	4.0-3.8	3.7-3.5	3.4-3.1	3.0-2.8	2.7-2.5	2.4-2.1	2.0-1.8	1.7-1.1	1.0-0.8	0.7-0
Final Grade	A+	A	A-	B+	B	B-	C+	C	C-	D	F

Table 4.2 – Goal 4.0 Final Letter Grade

GOAL 5.0 Sustain Excellence and Enhance Effectiveness of Integrated Safety, Health, and Environmental Protection

The weight of this Goal is 25%.

This Goal evaluates the Contractor's overall success in deploying, implementing, and improving integrated ES&H systems that efficiently and effectively support the mission(s) of the Laboratory.

5.1 Provide an Efficient and Effective Worker Health and Safety Program
5.2 Provide Efficient and Effective Environmental Management System

In measuring the performance of the above Objectives, the DOE evaluator(s) shall consider performance trends and outcomes in protecting workers and facility users, the public, and the environment. This may include, but is not limited to, minimizing the occurrence of environment, safety and health (ESH) incidents; effectiveness of the Integrated Safety Management (ISM) system; effectiveness of work planning, execution, oversight of work (including subcontractors based on the subcontract flow-down requirements), feedback, and improvement processes; the strength of the safety culture throughout the Laboratory; the strength of the Nuclear/Facility Safety Programs; the effective development, implementation and maintenance of an efficient and effective Environmental Management system; and the effectiveness of responses to identified hazards and/or incidents.

Notable Outcome:

- **PNSO:** Demonstrate measurable improvement to the Technical Oversight Representatives' (TOR-2 Scope) direct execution of responsibilities in the field, with an emphasis on Environmental, Safety, & Health compliant outcomes for onsite subcontracted hands-on work. (Objective 5.1)

- **PNSO:** Develop a plan and implement to improve the quality and rigor of radioactive material inventory and transfer processes. (Objective 5.1)

ELEMENT	Letter Grade	Numerical Score	Objective Weight	Overall Score
Goal 5.0 - Sustain Excellence and Enhance Effectiveness of Integrated Safety, Health, and Environmental Protection.				
5.1 Provide an Efficient and Effective Worker Health and Safety Program			60%	
5.2 Provide an Efficient and Effective Environmental Management System			40%	
			Performance Goal 5.0 Total	

Table 5.1 – Performance Goal 5.0 Score Development

Total Score	4.3-4.1	4.0-3.8	3.7-3.5	3.4-3.1	3.0-2.8	2.7-2.5	2.4-2.1	2.0-1.8	1.7-1.1	1.0-0.8	0.7-0
Final Grade	A+	A	A-	B+	B	B-	C+	C	C-	D	F

Table 5.2 – Goal 5.0 Final Letter Grade

GOAL 6.0 Deliver Efficient, Effective, and Responsive Business Systems and Resources that Enable the Successful Achievement of the Laboratory Mission(s)

The weight of this Goal is 25%.

This Goal evaluates the Contractor's overall success in deploying, implementing, and improving integrated business systems that efficiently and effectively support the mission(s) of the Laboratory.

6.1 Provide an Efficient, Effective, and Responsive Financial Management System
6.2 Provide an Efficient, Effective, and Responsive Acquisition Management System and Property Management System
6.3 Provide an Efficient, Effective, and Responsive Human Resources and Talent Management Systems
6.4 Provide Efficient, Effective, and Responsive Contractor Assurance Systems, including Internal Audit and Quality
6.5 Demonstrate Effective Transfer of Knowledge and Technology and the Commercialization of Intellectual Assets

In measuring the performance of the above Objectives, the DOE evaluator(s) shall consider performance trends and outcomes in the development, deployment, and integration of foundational program (e.g., Quality, Financial Management, Acquisition Management, Property Management, and Human Resource Management) systems across the Laboratory, including the maturity, functionality, and effectiveness of a transparent Contractor Assurance System. This may include, but is not limited to, minimizing the occurrence of management systems support issues; quality of work products; continual improvement driven by the results of audits, reviews, recognized, evidence-based practices, and other performance information; the integration of system performance metrics and trends; the degree of knowledge and appropriate utilization of established system processes, procedures, and data by Contractor management and staff; benchmarking and performance trending analysis. The DOE evaluator(s) shall consider the Laboratory's performance in making progress toward comprehensive collection and submission to OSTI of peer-reviewed accepted manuscripts for journal articles (and associated metadata) resulting from DOE-funded research as called for in the DOE Public Access Plan[8], and cooperation with the Department in meeting the relevant requirements to provide other forms of scientific and technical information to OSTI, per DOE O 241.1B. The DOE evaluator(s) shall also consider the stewardship of the pipeline of innovations and resulting intellectual assets at the Laboratory along with impacts and returns created/generated as a result of technology transfer, work for others and intellectual asset deployment activities.

Notable Outcomes:

- ***[None]***

ELEMENT	Letter Grade	Numerical Score	Objective Weight	Overall Score
Goal 6.0 - Deliver Efficient, Effective, and Responsive Business Systems and Resources that Enable the Successful Achievement of the Laboratory Mission(s)				
6.1 Provide an Efficient, Effective, and Responsive Financial Management System(s)			20%	
6.2 Provide an Efficient, Effective, and Responsive Acquisition Management System and Property Management System			20%	
6.3 Provide an Efficient, Effective, and Responsive Human Resources and Talent Management Systems			20%	
6.4 Provide Efficient, Effective, and Responsive Contractor Assurance Systems, including Internal Audit and Quality			30%	

[8] https://www.energy.gov/downloads/doe-public-access-plan

ELEMENT	Letter Grade	Numerical Score	Objective Weight	Overall Score
6.5 Demonstrate Effective Transfer of Knowledge and Technology and the Commercialization of Intellectual Assets			10%	
			Performance Goal 6.0 Total	

Table 6.1 – Performance Goal 6.0 Score Development

Total Score	4.3-4.1	4.0-3.8	3.7-3.5	3.4-3.1	3.0-2.8	2.7-2.5	2.4-2.1	2.0-1.8	1.7-1.1	1.0-0.8	0.7-0
Final Grade	A+	A	A-	B+	B	B-	C+	C	C-	D	F

Table 6.2 – Goal 6.0 Final Letter Grade

GOAL 7.0 Sustain Excellence in Operating, Maintaining, and Renewing the Facility and Infrastructure Portfolio to Meet Laboratory Needs

The weight of this Goal is 25%.

This Goal evaluates the overall effectiveness and performance of the Contractor in planning for, delivering, and operations of Laboratory facilities and equipment needed to ensure required capabilities are present to meet the mission(s) and complex challenges of today and tomorrow.

7.1 Manage Facilities and Infrastructure in an Efficient and Effective Manner that Optimizes Usage, Minimizes Life Cycle Costs, and Ensures Site Capability to Meet Mission Needs
7.2 Provide Planning for and Acquire the Facilities and Infrastructure Required to Support the Continuation and Growth of Laboratory Missions and Programs

In measuring the performance of the above Objectives, the DOE evaluator(s) shall consider performance trends and outcomes in facility and infrastructure programs. This may include, but is not limited to, the management of real property assets to maintain effective operational safety, worker health, environmental protection and compliance, property preservation, and cost effectiveness; planning and executing strategies to promote the resilience and reliability of laboratory infrastructure; effective facility utilization, maintenance and budget execution; day-to-day management and utilization of space in the active portfolio; maintenance and renewal of building systems, structures and components associated with the Laboratory's facility and land assets, including subcontractor activities; management of energy use, conservation, and sustainability practices; the integration and alignment of the Laboratory's comprehensive strategic plan with capabilities; facility planning, forecasting, and acquisition; the delivery of accurate and timely information required to carry out the critical decision and budget formulation process; quality of site and facility planning documents; and Cost and Schedule Performance Index performance for facility and infrastructure projects.

Notable Outcome:

- ***[None]***

ELEMENT	Letter Grade	Numerical Score	Objective Weight	Overall Score
Goal 7.0 - Sustain Excellence in Operating, Maintaining, and Renewing the Facility and Infrastructure Portfolio to Meet Laboratory Needs.				
7.1 Manage Facilities and Infrastructure in an Efficient and Effective Manner that Optimizes Usage, Minimizes Life Cycle Costs, and Ensures Site Capability to Meet Mission Needs			50%	
7.2 Provide Planning for and Acquire the Facilities and Infrastructure Required to support the Continuation and Growth of Laboratory Missions and Programs			50%	
			Performance Goal 7.0 Total	

Table 7.1 – Performance Goal 7.0 Score Development

Total Score	4.3-4.1	4.0-3.8	3.7-3.5	3.4-3.1	3.0-2.8	2.7-2.5	2.4-2.1	2.0-1.8	1.7-1.1	1.0-0.8	0.7-0
Final Grade	A+	A	A-	B+	B	B-	C+	C	C-	D	F

Table 7.2 – Goal 7.0 Final Letter Grade

GOAL 8.0 Sustain and Enhance the Effectiveness of Integrated Safeguards and Security Management (ISSM) and Emergency Management Systems

The weight of this Goal is 25%.

This Goal evaluates the Contractor's overall success in safeguarding and securing Laboratory assets that supports the mission(s) of the Laboratory in an efficient and effective manner and provides an effective emergency management program.

8.1 Provide an Efficient and Effective Emergency Management System
8.2 Provide an Efficient and Effective Cyber Security System for the Protection of Classified and Unclassified Information
8.3 Provide an Efficient and Effective Physical Security Program for the Protection of Special Nuclear Materials, Classified Matter, Classified Information, Sensitive Information, and Property

In measuring the performance of the above Objectives, the DOE evaluator(s) shall consider performance trends and outcomes in the safeguards and security, cyber security, and emergency management program systems. This may include, but is not limited to, the commitment of leadership to strong safeguards and security, cyber security and emergency management systems; the integration of these systems into the culture of the Laboratory; the degree of knowledge and appropriate utilization of established system processes/procedures by Contractor management and staff; maintenance and the appropriate utilization of Safeguards, Security, and Cyber risk identification, prevention, and control processes/activities; and the prevention and management controls and prompt reporting and mitigation of events as necessary.

Notable Outcome:

- ***[None]***

ELEMENT	Letter Grade	Numerical Score	Objective Weight	Overall Score
Goal 8.0 - Sustain and Enhance the Effectiveness of Integrated Safeguards and Security management (ISSM) and Emergency Management Systems.				
8.1 Provide an Efficient and Effective Emergency Management System			30%	
8.2 Provide an Efficient and Effective Cyber Security System for the Protection of Classified and Unclassified Information			35%	
8.3 Provide an Efficient and Effective Physical Security Program for the Protection of Special Nuclear Materials, Classified Matter, Classified Information, Sensitive Information, and Property			35%	
			Performance Goal 8.0 Total	

Table 8.1 – Performance Goal 8.0 Score Development

Total Score	4.3-4.1	4.0-3.8	3.7-3.5	3.4-3.1	3.0-2.8	2.7-2.5	2.4-2.1	2.0-1.8	1.7-1.1	1.0-0.8	0.7-0
Final Grade	A+	A	A-	B+	B	B-	C+	C	C-	D	F

Table 8.2 – Goal 8.0 Final Letter Grade

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

Section J

Appendix F

OPERATIONAL AGREEMENT BETWEEN THE OFFICE OF SCIENCE AND THE OFFICE OF ENVIRONMENTAL MANAGEMENT RICHLAND OPERATIONS OFFICE

Revision 5

OPERATIONAL AGREEMENT
BETWEEN
THE OFFICE OF SCIENCE
PACIFIC NORTHWEST SITE OFFICE
AND
THE OFFICE OF ENVIRONMENTAL MANAGEMENT
RICHLAND OPERATIONS OFFICE

REVISION	EFFECTIVE DATE	DESCRIPTION OF CHANGE
0	4/7/2008	Replaced June 29, 2005, Memorandum of Agreement. Implemented requirements of PSF construction and 300 Area Building Retention Evaluation Mitigation Plan
1	7/3/2013	Updated list of PNNL-occupied 300 Area buildings, included PNNL use of the Hanford Site land management processes, included 300 Area electrical services provided by the City of Richland, and deleted items that were completed.
2	12/17/2015	Updated the agreement to reflect current operational changes that have occurred in the 300 area since 2013 and added clarification in regard to transportation management changes, receipt of the Final Record of Decision for the 300 Area, and property accounting. This revision also Includes Articles related to the 2015 Land Transfer.
3	2/14/2019	*Add narrative.* Changed structure. Added 300 Water and Sewer agreement. Added Preservation Designated Area. Revised map. Revised Table 2. Added Appendix A
4	7/28/2021	Updated the agreement to reflect current operational changes that have occurred in the 300 area since 2019, identify recent facility transfers and create appendixes for additional reference data including the creation of operating principles.
5	11/2023	**Updated various parts of the FY21 Operational Agreement to reflect current administrative and operational changes that have occurred in the 300 Area since the last revision. Paragraphs edited/changed included 1, 5, 13, 20, 24, 27, 29, 31, 39, 43, 44, 45, 46 and the map of PNNL responsible space in 300A (updates were additional 325 parking lot space and approved new modular office bldg. footprint)**

U.S. DEPARTMENT OF ENERGY | PACIFIC NORTHWEST SITE OFFICE

OPERATIONAL AGREEMENT BETWEEN THE OFFICE OF SCIENCE PACIFIC NORTHWEST SITE OFFICE AND THE OFFICE OF ENVIRONMENTAL MANAGEMENT RICHLAND OPERATIONS OFFICE

Articles of Agreement:

1. This Operational Agreement is entered into by the Office of Science (SC), Pacific Northwest Site Office (PNSO) and the Office of Environmental Management (EM), Richland Operations Office (RL) in order to define responsibilities and establish expectations, services, and interface requirements with respect to:

    a. Pacific Northwest National Laboratory (PNNL) occupied and operated EM facilities and infrastructure located in the 300 Area on the Hanford Site, Richland, Washington.
    b. City of Richland services to the 300 Area and other southern Hanford Site facilities and land.
    c. EM access/use to the PNNL Richland Campus.
    d. PNNL use of EM managed land.
    e. Land transferred from RL to the Tri-City Development Council (TRIDEC).

2. The set of operating principles outlined in Appendix A are meant to help support a smooth transition between RL/PNSO contractors.

3. This Operational Agreement supersedes the Memorandum of Agreement (MOA) entered into June 29, 2005, between PNSO and RL (Article 4.g.) as well as the Operational Agreement between RL and PNSO, dated March 2008 (Article 4.a.). It invokes the May 24, 2007, DOE-Headquarters (HQ) MOA (Article 4.l.) addressing SC taking over operational management, funding, and oversight of four 300 Area facility complexes from EM, as well as the land reassignment agreements (Articles 4.f., 4.k., and 4.gg.). Additionally, this revision adds transportation requirements from DOE-HQ as well as requirements of the Final Record of Decision for the 300 Area (Article 4.ff.)

4. The authority for this agreement considered the following source documents (RL letter numbers are included for reference):

a. RL memorandum to M. J. Weis, PNSO, from D. A. Brockman, "Operating Agreement between the Richland Operations Office and the Pacific Northwest Site Office," Rev. 2 dated December 17, 2015 (08-AMRC-0151).
b. S. A. Sieracki, "Contract No. DE-AC06-96-RL13200 – 300 Area Hanford Fire Department (HFD) Responsibilities," April 07, 2009 (09-SES-0091).
c. Deleted.
d. DOE memorandum dated November 5, 2003 (approved by the Secretary on December 5, 2003), authorizing SC to establish PNSO (ES2003-012305).
e. DOE memorandum dated December 9, 2003 (approved by the Secretary on January 5, 2004), authorizing SC realignment and announcement of realignment (ES2003-013451).
f. DOE memorandum dated July 14, 2004 (approved by Milt Johnson, Deputy Director for Field Operations, SC, on August 6, 2004), assigning Cognizant Secretarial Office (CSO) responsibility for the PNNL Site to SC.
g. RL memorandum dated June 30, 2005, from K. A. Klein to P.W. Kruger conveying Memorandum of Agreement signed June 29, 2005 (05-DEP-0015).
h. DOE memorandum to R. L. Orbach, Under Secretary for Science, from Clay Sell, Deputy Secretary of Energy, "Approval of Revised Alternative Selection and Cost Range (CD-1 Revised) for the Capability Replacement Laboratory (CRL) Project at PNNL," dated December 15, 2006. (07-AMRC-0222).
i. RL letter to P. L. Pettiette, Washington Closure Hanford LLC, from S. L. Sedgwick, "Transmittal of Washington Closure Hanford/Battelle Joint Approach for Delayed Release Facilities, Revision 1," dated May 22, 2006 (06-AMRC-0248).
j. RL letter to C. G. Spencer, Washington Closure Hanford LLC, from J. Osso, "300 Area Mitigation Planning," dated February 16, 2007 (07-AMRC-0107).
k. R. L. Orbach, Under Secretary for Science, on June 8, 2007, "Accept the Reassignment of Programmatic Control of a Parcel of Hanford Site Real Property." (2007-003271, 07-AMRC-0229).
l. MOA between SC and EM, dated May 24, 2007, and approved June 7, 2007, and May 25, 2007, respectively. (07-AMRC-0221). Provides basis for projected 2026 departure date from 300 Area.
m. DOE memorandum to R. L. Orbach, Under Secretary for Science, from S. W. Bodman, Secretary of Energy, "Revised Safety Functions, Responsibilities, and Authorities," dated June 22, 2007. (08-AMRC-0016).
n. RL letter to C. G. Spencer, Washington Closure Hanford LLC, from S. L. Sedgwick, "300 Area Mitigation Planning," dated July 19, 2007 (07-AMRC-0238).
o. DOE memorandum to Ines Triay, Assistant Secretary for Environmental Management, from G. J. Malosh, Deputy Director for Field Operations, SC, "Transfer of Safety Basis Approval Authority from EM to SC for PNNL 325 Building," dated November 15, 2007.
p. DOE letter to Antone Minthorn, Board of Trustees, CTUIR, from R. L. Orbach and J. Rispoli, dated January 10, 2008, regarding reassignment of programmatic control of a portion of the 300 Area (Accession# DA06496613).
q. DOE memorandum to H. B. Hathaway, Realty Officer, Richland Operations Office, from J.M. Owendoff, Chief Operations Officer, Environmental Management,

"Payment in Lieu of Taxes (PILT) at PNNL to Benton County, Washington," dated October 26, 2007.

r. RL letter to C. G. Spencer, Washington Closure Hanford LLC, from S. L. Sedgwick, "300 Area Mitigation Planning," dated April 19, 2007 (07-AMRC-0141).

s. RL memorandum to R. E. Snyder, PNSO, from M. McCormick, "Response to Request for Approval to Utilize City of Richland as the Electrical Services Provider for the Pacific Northwest National Laboratory (PNNL) – Operated Facilities in the Hanford Site 300 Area," dated May 1, 2012 (12-AMMS-0010).

t. PNSO letter to M. Kluse, PNNL, from R. M. Kilbury. "Contract No. DEAC05-76RL01830 Approval to Utilize City of Richland as the Electrical Service Provider for the PNNL – Operated Facilities in the 300 Area," dated June 1. 2012 (12-PNSO-0244).

u. PNSO memorandum to M. S. McCormick, RL, from R. E. Snyder, "City of Richland 300 area Electrical Service Project Agreement between PNSO and RL," dated March 12, 2013 (13-PNSO-0133).

v. RL memorandum to R. E. Snyder, PNSO, from M. McCormick, "PNSO Line Management Safety Responsibility for the Electrical Utility Easement with the City of Richland (City) to Service the 300 Area at Hanford," dated September 12, 2012 (12-SSD-0102).

w. RL letter to C. D. Johnson, City of Richland, from H. B. Hathaway, "City of Richland Easement Regarding Electrical Services to 300 Area Facilities on the Hanford Site," dated April 11, 2013 (13-SSD-0038).

x. RL letter to C. D. Johnson, City of Richland from H. B. Hathaway, "Supplement to City of Richland Easement Regarding Electrical Services to 300 Area Facilities on the Hanford Site," dated July 17, 2014 (13-SSD-0072).

y. RL memorandum to R. E. Snyder, PNSO, from D. S. Shoop, "Institutional Controls for the 300 Area," dated July 1, 2014 (14-AMRP-0027).

z. PNSO/RL Financial Property Requirement Agreement approved April 16, 2015, between RL Finance (T. L. Toon) and PNSO (D. E. Trader) (15-FIN-0095).

aa. Deed between RL and TRIDEC for 1,641 acres executed September 30, 2015.

bb. Deeds between TRIDEC and City of Richland, Port of Benton, and Energy Northwest for the 1,641 acres.

cc. Final CERCLA ROD – 300-FF-1, 300-FF-2, and 300-FF-5. EPA Region 10 and RL, "Hanford Site 300 Area Record of Decision for 300-FF-2 and 300-FF-5, and Record of Decision Amendment for 300-FF-1," November 2013.

dd. MOA between SC and EM, approved December 23, 2016, and January 6, 2017, respectively. Provides basis of PNNL Site reassignment of additional 85.6 acres.

ee. PNSO memorandum to D. S. Shoop, RL, from R. E. Snyder, "Responsibility for Operations and Maintenance of the Water and Sewer Systems in the Hanford 300 Area," dated September 13, 2017 (17-PNSO-0344).

ff. RL memorandum to R. E. Snyder, PNSO, from D. S. Shoop, "Responsibility for Operations and Maintenance of the Water and Sewer Systems in the Hanford 300 Area," dated October 18, 2017 (18-ISD-0003).
gg. MOA between RL and PNSO Regarding the Cultural Resource Protection of the Preservation Designated Area and the Hanford Site placed into effect January 26, 2017.
hh. Transportation Plan for Local Radioactive Waste Shipments to and From Perma-Fix Northwest, Richland, Rev.3 (21-NSD-03152), dated November 19, 2021.

5. The PNNL Site, shown in Appendix B, is bounded on the north by the southern 300 Area fence-line extending east to the Columbia River and west to the east right-of-way line of Route 4 South; then bounded on the east by the Columbia River; bounded on the south by the south right-of-way line of Horn Rapids Road except where it connects with the Environmental Molecular Sciences Laboratory (EMSL) land and the southeast 20.79 acre parcel at the intersection of Horn Rapids and Stevens Drive, and bounded on the west by the east right-of-way line of Stevens Drive. Included in the PNNL Site is the land where EMSL (Building 3020) is located south of the Horn Rapids Road.

   The PNNL Site is identified in the Facilities Information Management System (FIMS) as depicted in Table 1 (Articles 4.f, 4.k, and 4.ff).

Table 1: SC controlled PNNL Site as depicted in FIMS	
Property ID	Property Name
DRLand1	Hanford Reassignment 2004
DRLand2	Hanford Reassignment 2007
DRLand3	Hanford Reassignment 2016
DRLand4	Acquisition from BMI 2018
DRLand5	Acquisition from BMI 2019 Parcel S
DRLand6	Acquisition from BMI 2018 Parcel C
DRLand7	Acquisition from BMI 2018 Parcel Y
DRLand8	Acquisition from BMI 2018 Parcel Z
DRLand9	Acquisition from BMI 2021 Parcel L
DRLand10	Acquisition from BMI 2022 Parcel B

   The reassigned land from EM to SC which is part of the PNNL Site does not affect the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) activities directed by regulatory documentation. The management of CERCLA cleanup of the 300 Area is the responsibility of EM/RL in accordance with the 300-FF-1, 300-FF-2, and 300-FF-5 Records of Decision and their associated CERCLA requirements (see also Operational Agreement Articles 4.q., 4.bb. and 4.ff.).

6. PNSO will allow RL and its contractors' access to lands under SC programmatic control in order to carry out CERCLA responsibilities and perform appropriate project work activities approved by PNSO and its contractor.

7. The land transferred from RL to TRIDEC in 2015 (see Appendix C), and subsequently from TRIDEC to the City of Richland, Port of Benton, and Energy Northwest, is shown in Appendix C. The deeds for transfer of this land contain covenants and restrictions to minimize the impacts to PNNL Site operations resulting from development on the transferred land. PNSO/PNNL will have the lead responsibility to monitor and enforce the covenants and restrictions related to PNSO/PNNL operations.

8. SC is the Head of Contracting Activity (HCA) for the PNNL Contract and has contract oversight responsibility to ensure contractor operations are conducted in a safe, secure, and environmentally sound manner. Additionally, SC is responsible for the PNNL Site. SC has been designated the Cognizant Secretarial Office (CSO) for the PNNL Site. PNSO (Article 4.d.) is responsible for all PNNL contractor oversight.

9. EM is the CSO for the Hanford Site. RL is responsible for ensuring EM-cognizant activities are performed safely (e.g., remedial activities set forth in the 300 Area CERCLA ROD).

10. RL and PNSO shall ensure the Interface Control Document (ICD) for 300 Area Utility Systems and Services is updated to reflect changes in statements of work between DOE contractors. The ICD provides for the maintenance of government owned facilities, land, and infrastructure, and will include agreed upon physical "boundaries" for facilities and infrastructure and defines specific roles, responsibilities, authorities, and accountabilities for the prime contractors and their subcontractors regarding utilities, services, and general administration of government- owned land and facilities.

11. The facility data records in FIMS for the PNNL-occupied 300 Area buildings, mobile office trailers, and Other Structures and Facilities (OSF) will reflect PNNL as the Site-Area, EM as the owning Program Office, and SC as the operating/mission dependent program. PNSO and its contractor will keep these facility data records current in the FIMS database. PNSO and its contractor will notify RL of modifications/betterments planned for the PNNL-occupied 300 Area buildings. When the value and status of real property changes, PNSO and its contractor will provide RL with the approved transfer voucher document to update the Standard Accounting and Reporting System (STARS) records. PNSO will provide RL an annual estimated property valuation Report every January. (See Reference 4.cc. for clarification).

12. RL will be responsible for the disposition of accountable (tracked) EM personal property that is located in the 300 Area buildings occupied by PNNL. This liability is documented in the RL Financial Statement and those systems that feed it (property management system, etc.). Both EM accountable (tracked) and non-accountable (non-tracked) property to be dispositioned will be turned over to the appropriate RL contractor before

or on the date the buildings are turned over. PNSO shall not relocate waste from PNNL-occupied 300 Area buildings into buildings being turned over to RL unless authorized under appropriate CERCLA documentation and with RL concurrence. SC personal property will remain PNSO's responsibility for final disposition.

13. During PNNL's occupation of facilities in the 300 Area, PNSO is responsible for the disposition of all discrete nuclear material. Legacy hold up material will be transferred to the appropriate RL contractor upon facility turnover. Prior to the conclusion of PNNL's occupation of a 300 Area facility PNSO and RL shall conduct walkthroughs/inspections to determine the appropriate disposition of items not attached to the structure of the facility. Packaged waste shall be removed from the facility prior to the conclusion of PNNL occupancy.

14. PNSO has been delegated the Nuclear Safety basis approval authority under 10 CFR 830 Subpart B for the Hanford Building 325 as authorized by Article 4.o.

15. At the end of PNNL occupancy, PNSO will transition the PNNL-occupied/operated 300 Area EM-owned facilities, infrastructure, and waste sites listed in Appendix D, to RL for demolition and cleanup, (Article 4.l.). SC is interested in operational responsibility of the 318 Yard when no longer needed by EM. For most facilities and infrastructure, PNNL occupancy and use to support the SC mission is anticipated to extend beyond 2045.

16. PNSO has line management safety responsibility and oversight, including maintenance, betterments, and operations for all PNNL-occupied/operated 300 Area facilities, infrastructure, and waste site assignments identified in Appendix D and within the facility and infrastructure boundaries as discussed in Article 10. PNSO is responsible and accountable for approval, compliance, and oversight associated with the requirements contained in 10 CFR 835, 10 CFR 850, and 10 CFR 851 in areas and facilities identified in Appendix D and for the area under easement for the City of Richland 300 Area electrical services. Roofing must be in good condition of repair and all electrical/utility and other systems needed to maintain compliance with environmental or safety requirements must be in working condition prior to transitioning of facilities from PNNL occupation to RL.

17. RL will provide utilities/services and necessary infrastructure to support the PNNL-occupied EM facilities and SC property in the 300 Area, unless some other mutually agreed to utility/service arrangement is established and summarized within a revised Operational Agreement (see Articles 18, 19, 20, and 21). RL, PNSO, and PNNL will interface for risk identification on the networks and systems on those Information Technology sources which share trusted relationships.

18. Starting in FY22, 300 Area utilities and services will be provided through subcontracts in accordance with the articles listed in Appendix A.

19. RL and PNSO agree to utilize the City of Richland electrical services for all long-term facilities and capabilities in the 300 Area and have approved the 300 Area Electrical Service Project Agreement for the transition, operation, and closeout of electrical services. (Article 3.v.) This agreement will be maintained and managed separately from this Operational Agreement. PNSO will perform line management responsibility and oversight for occupational health and safety regarding the City of Richland provided electrical utility services to the 300 Area, including oversight for its associated RL established easement. (Articles 4.w., 4.x., and 4.y.) PNSO will maintain the City of Richland 300 Area Electrical Services Interfaces and Responsibilities Agreement.

20. RL and PNSO agree that PNSO will be responsible for the operation and maintenance of the 300 Area water and sewer systems, including renewal of the CR-IU010 permit, and required reporting. Long-term responsibility and liability for both systems shall remain with RL as dictated in reference 4.hh and as noted in Appendix D.

21. PNSO will operate and maintain the 300 Area natural gas system with system ownership and long-term responsibility and liability remaining with RL. 300 Area natural gas system will continue as an EM owned system. PNNL will provide service to all DOE contractors in the 300 Area and specifically to itself to support the SC/PNNL mission and will allocate cost in accordance with Article 18.

22. RL will provide maintenance and snow removal only for Cypress Street (between Stevens Drive and the 331 Building) and George Washington Way Extension (between Cypress and George Washington Way). PNSO shall be responsible for road and parking lot maintenance and snow removal for all other areas supporting PNNL occupied facilities.

23. For the portion of the PNNL Site that is annexed into the City of Richland, the City has responsibility for fire and ambulance response. For the un-annexed portion of the PNNL Site, as well as the Hanford Site 300 Area, RL currently maintains responsibility for fire and ambulance response, until such time the service provider changes (4.b.).

24. PNSO will continue to receive supplementary protective force services from RL, with full cost recovery. This service will be reviewed by RL/PNSO annually and RL will provide PNSO with sufficient advanced notice prior to any changes. Because both RL's and PNSO's contractors have their own protective force, the roles, responsibilities, authorities, and expectations associated with the collective protective force services are as follows:

    a. Pursuant to PNSO Manager's authority, PNNL will perform alarm response to national security assets housed in PNNL facilities located off the Hanford Site (i.e., PNNL facilities within the City of Richland).
    b. Pursuant to RL Manager's authority, the RL contractor responsible for Hanford Site security will: 1) Perform alarm monitoring (of alarm points that terminate at the Hanford Patrol Operations Center and/or Central Alarm Station) and notifications for both national security assets.

housed in PNNL facilities within the City of Richland and PNNL-operated facilities located in the 300 Area on the Hanford Site. Alarm monitoring services provided for PNNL facilities within the City of Richland will be at full cost recovery; 2) perform alarm response (within required timeframes) to national security assets housed in PNNL-operated facilities located at the 300 Area; 3) provide alarm reports and documentation, as requested; and 4) support alarm response performance testing, as required, but no less than annually.

c. RL's Hanford Site security contractor will perform off-shift exterior check of PNNL-operated facilities located in the 300 Area.
d. If available, RL's Hanford Site security contractor will provide K-9 response to security events/incidents that occur at PNNL-operated facilities located in the 300 Area.
e. RL's Hanford Site security contractor and the PNNL contractor will maintain an interface agreement outlining the details associated with the aforementioned protective force services.
f. Upon request, the parties agree to provide copies of their respective contractors' performance tests results, post orders, and procedures in order to evaluate contractor performance.

25. PNSO and its contractor will be responsible for energy and water cost and consumption data reporting, and energy conservation performance reporting for buildings, mobile office trailers and other structural facilities under the responsibility of PNSO and its contractor.

26. PNSO will be responsible for assessing, maintaining, and upgrading the electric, natural gas, and water metering of its occupied/operated 300 Area buildings against the requirements and goals of the Energy Policy Act.

27. Transportation safety roles, responsibilities, authorities, and expectations are as follows:

    a. The applicable RL contractor shall provide motor carrier services in support of PNSO onsite and limited commerce (offsite) transportation activities, as needed.
    b. The applicable RL contractor shall provide packaging and transportation (P&T) support for radioactive/mixed waste freight when containers exceed the Department of Transportation (DOT) Type A quantities, per the Hanford Site Transportation Safety Document (TSD).
    c. PNSO's contractor will follow the TSD to prepare waste (hazardous, radioactive, or radioactive/mixed) for onsite transportation. This shall include but not be limited to shipper/receiver agreement documents, transportation documents for packaging/transportation/and receipt by the receiving facility for DOT compliant shipments. The applicable RL contractor's P&T shall prepare transportation documents for non-DOT compliant shipments.
    d. The applicable RL contractor shall enact on behalf of PNSO's contractor the Transportation Plan documented in the DOT Special Permit for activities involving local offsite waste shipments in support of PNSO.

e. RL-provided services will be on a cost recoverable basis using allocation compliant with Cost Accounting Standards that are commensurate with the level of service received.

28. PNSO will provide its own Defense Nuclear Facilities Safety Board Liaison.

29. For the PNNL-occupied 300 Area EM facilities, PNSO and its contractor will comply with the provisions of the Hanford Emergency Management Plan (DOE/RL-94-02) and the DOE-0223 emergency plan implementing procedures and receive service from and provide input to the applicable RL contractor. RL will develop, implement, and maintain the Hanford Site emergency management program and will provide sufficient time to coordinate key program decisions and/or policy changes with PNSO prior to implementation. PNSO will facilitate efforts with RL to ensure its contractor is able to confirm the demonstration and evaluation of the integrated emergency response capabilities of all site-level emergency response elements and resources that are implemented by the RL contractor as part of the Hanford Site emergency management program. Emergency Planning Hazards Assessments and Hazards Surveys will be approved by PNSO, with concurrence of RL. PNSO will provide representatives of the Hanford Site Emergency Preparedness planning and coordinating functions.

30. RL will recognize Pacific Northwest Office Local Site Specific Only (LSSO) badges. Pacific Northwest Office LSSO badge templates must be approved by RL prior to any changes. The badges shall be issued and managed in accordance with the DOE directives and the approved policies and procedures established by RL. PNSO/PNNL will minimize personnel accessing the Hanford Site barricades to employees and subcontractors that have a work function north of the Wye barricade or are participating in an official tour.

31. PNSO shall, with coordination and adequate preparation, allow service-providing contractors access to PNNL-occupied buildings in the 300 Area to perform infrastructure related services. PNSO will be responsible for ensuring weed control activities are carried out within the PNNL use/expanded use areas identified in Appendix B to ensure the presence of unwanted vegetation is kept at a minimum.

32. For activities in PNNL-occupied EM facilities, PNSO's contractor will submit all PNNL requests to obtain or modify any necessary licenses, approval orders, and permits on which RL is a signatory, to RL in a timely manner for transmission to the appropriate regulator. Direct communications with external regulatory agencies in non-routine matters will be coordinated with the appropriate DOE office. Notification of emergencies and other required reporting relating to off-normal situations (e.g., spills) will be done by PNSO's contractor, which will notify RL immediately after the emergency or other notification. Per the PNNL Contract, the contractor is required and will continue to establish and maintain routine technical interfaces with the regulators. RL regulatory, environmental, and permit services will be on a cost recoverable basis using allocation methodologies compliant with CAS that are commensurate with the level of service received.

33. PNSO and its contractor shall comply with applicable conditions and provisions of the Hanford Site Comprehensive Land Use Environmental Impact Statement, applicable National Environmental Policy Act (NEPA) supplement analyses, as well as the 300-FF-

l, 300-FF-2, and 300-FF-5 Final Record of Decision (as well as any amendments or Explanations of Significant Differences) and will implement them through PNSO and its contractor's policies and procedures. PNSO and its contractor shall be responsible for performing the annual assessments of the Institutional Controls associated with the remediated areas within their responsibility per the schedule established by RL and its contractor and coordinating with RL and its contractors to incorporate the information into the *Annual Sitewide Institutional Control Assessment Report.*

34. PNSO and its contractor will operate, maintain, and be responsible for providing all needed support for PNNL-occupied EM facilities, including, but not limited to, waste management and environmental requirements for operation. PNSO agrees to pay the increased remedial action cost resulting from a release of hazardous pollutants to the environment from SC sources (e.g., facilities, operations) during continued occupancy in the 300 Area. (Article 4.l.) RL is responsible for Payment in Lieu of Taxes (PILT) to Benton County, Washington for DOE land (Article 4.k., 4.r., and 4.gg.).

35. RL has responsibility for the maintenance, repair, use, and funding of the reactor compartment haul road. RL agrees that there will be no modifications to the size of the haul road within the Preservation Designated Area. RL and PNSO agree that any modification to the portion of the haul road that traverses the PNNL Richland Campus which would result in changes to the size, direction, or location of the haul road will require both parties' approval. RL will notify the PNNL Security Office at (509) 372-2400 or email to ^Patrol Operations, prior to any planned use of the haul road. PNSO will not authorize any utility or facility interferences that will affect operation of this haul road without acquiring RL's prior approval.

36. RL and PNSO are independently responsible for compliance with DOE O 436.1 Departmental Sustainability, DOE O 458.1, Radiation Protection of the Public and the Environment (limited to sections listed in the Battelle Memorial Institute contract); the National Environmental Policy Act (NEPA), and the National Historic Preservation Act (NHPA), among other laws and DOE Orders. Unless specifically discussed within this agreement each office is responsible for compliance with any and all environmental regulations within areas of their direct management oversight. Regarding compliance with environmental regulations, the activities of PNSO and its contractor on the Hanford Site will be coordinated with the appropriate RL environmental program manager. PNSO and its contractor will receive service from and provide input to the appropriate RL contractor, in a timely manner at no cost to RL, for activities on the Hanford Site as follows:

    a. Provide input for the Site-wide Environmental Management System (EMS) Program Management Plan.
    b. Integrate their environmental permitting and regulatory compliance activities with Hanford site-wide permitting and compliance framework maintained by the appropriate RL contractor. Obtain unit specific permit modifications in coordination with the appropriate RL contractor.
    c. Provide appropriate and timely input to the appropriate RL contractor for regulatorily required site-wide environmental reports and metrics for their facilities and activities. Note: PNNL Site data is not included in the environmental data

provided for Hanford Site Reporting.

d. Support the appropriate RL contractor in their site-wide environmental regulatory management roles.
e. Provide legal and regulatorily required air emission and liquid effluent monitoring and collect, compile, and/or integrate air emission and liquid effluent monitoring data from facility operations and activities under their control.
f. Receive legal and regulatory required National Historic Preservation Act (NHPA), Migratory Bird Treaty Act (MBTA), and Endangered Species Act (ESA) documentation from the appropriate RL contractor for projects and facility operations if sponsored by RL. Provide appropriate environmental data for its facilities to support Hanford Site assessments and preparation of the annual Hanford Site Environmental Report.

37. For activities/work not addressed by this agreement and for which PNSO and its contractor would like to use the Hanford Site, PNSO's contractor will submit a completed Site Evaluation Form to RL's contractor. The requirements listed below will be followed when submitting/approving a proposed land-use request. These requirements are not applicable for work sponsored by RL, the DOE Office of River Protection, or their contractors. Approval for such work will be addressed through appropriate work authorization mechanisms (i.e., Inter-Entity Work Order process between RL and PNSO, etc.).

    a. PNSO will endorse/pre-screen its contractors' proposed activities to identify potential adverse impacts on the Hanford Site, as well as to provide any necessary information for disposition/mitigation of identified adverse impacts to the following:

        i. Tri-Party Agreement commitments
        ii. Hanford Site missions or site operations
        iii. Hanford Site-wide Air Permit for Toxic Air Pollutants (TAPs), National Ambient Air Quality Standards (NAAQS), and the Hanford Site Radioactive Air Emissions License, #FF-01
        iv. Nuclear Safety (Authorization Basis and Safety Documents for 324 and 325)
        v. Hanford and DOE Mission initiatives
        vi. Hanford Site Comprehensive Land-Use Plan land-use designations, definitions, policies, and implementing procedures
        vii. Ecological, cultural, and natural resources
        viii. Environmental impacts (NEPA review)
        ix. Occupational health and safety requirements
        x. Security requirements
        xi. Emergency management requirements and services
        xii. Hanford Site fire management requirements and services
        xiii. Infrastructure and capacities
        xiv. Risk associated with onsite and use of hazardous materials and radiological sources
        xv. Hanford Facility RCRA permit
        xvi. Tenants located on the Hanford Site
        xvii. Adjacent landowners

b. Upon receipt of a land-use request, RL will initiate an internal site evaluation review. RL may deny the request if unacceptable impacts to the RL cleanup mission responsibilities or mission support activities, the Hanford Reach National Monument, the Manhattan Project National Historical Park, or tenants located on the Hanford Site are identified, or if the proposed activity is otherwise determined not to be appropriate for conduct on the site. In situations where it appears the request may be denied, RL and PNSO will have the opportunity to engage in additional discussions and will include contractors as necessary.
c. Upon RL approval, the RL contractor will provide an approved Site Evaluation Form to PNSO and its contractor. Said approval will be contingent upon the fact that PNSO will continue to have line management responsibility for all aspects of the work including, but not limited to the following:

    i. Work authorization and budget
    ii. Ensure work on the project does not extend beyond the original scope that was approved
    iii. Comply with all applicable Hanford environmental permits, the acquisition of new permits if necessary, responsibility for any environmental impacts, etc.
    iv. Comply with the Hanford Site Comprehensive Land-Use Plan and associated Resource and Area Management Plans
    v. Comply with ecological and cultural resource reviews
    vi. Comply with the National Environmental Policy Act (NEPA)
    vii. Comply with the Hanford Site Emergency Preparedness program
    viii. Comply with security badging and site access
    ix. Comply with other applicable site wide requirements
    x. Comply with requirements identified through the Site Evaluation process

d. PNSO's contractor will notify the RL contractor when work on the Hanford Site has concluded and will add the project to the list and map maintained by RL's contractor of PNNL activities conducted on the Hanford Site.
e. PNSO and its contractor must return the property to its original state, unless otherwise agreed. RL and its contractor may inspect the property to verify it has been returned to the agreed-upon state.
f. PNSO and its contractor will be responsible for following the applicable requirements of DOE-0344, *Hanford Site Excavating, Trenching & Shoring Procedure*, and complying with the Site Excavation Permit Application process for its work conducted on the Hanford Site.

38. RL and PNSO and their contractors shall ensure compliance with Washington State Waste Discharge Permit number ST-4511. RL and PNSO and their contractors shall also ensure compliance with Hanford 300 Area Industrial Wastewater Permit No. CR-IU010 as issued by the City of Richland for their respective occupied facilities within the 300 Area. RL and PNSO and their contractors shall work together to mitigate or correct improper discharges into the system prior to the point of compliance.

39. Preservation Designated Area:

    a. RL and PNSO agree to cooperatively manage the area hereby referred to as the Preservation Designated Area (PDA) in accordance with the *Memorandum of Agreement Regarding the Cultural Resource Protection of the Preservation Designated Area and the Hanford Site* attached by reference in Article 4.jj.
    b. PNSO is responsible for noxious weed control activities.
    c. Per stipulations found in the Richland Campus Future Development Memorandum of Agreement PNSO shall:
        i. RL is responsible for maintaining both existing and any new fencing and signage.
    d. RL is responsible for PDA access controls and response to security events within the PDA.

40. PNSO and RL have agreed that the RL Labor Standards Board will make the determination whether PNNL Plant Force Work Reviews will be covered by the Davis-Bacon Act. The Board will continue to include one representative from PNSO.

41. Waste packages procured from RL shall be in a condition that would be acceptable for use and storage at CWC. Any waste packaging that is not in an appropriate undamaged state, as determined by PNSO, shall be returned, and exchanged.

42. PNSO and RL agree that PNNL waste packages will be provided to RL in a state that is acceptable for their long-term storage, in accordance with the Hanford WAC and the WIPP WAC. This means that the payload container in good and unimpaired condition, 1) does not have significant rusting, 2) is of sound structural integrity, and 3) does not show signs of leakage. Significant rusting is a readily observable loss of metal due to oxidation (e.g., flaking, bubbling, or pitting) that causes degradation of the payload container's structural integrity. Rusting that causes discoloration of the payload container surface or consists of minor flaking is not considered significant.

    a. Should PNSO provide packages that do not meet these requirements PNSO will be responsible for returning them to an acceptable state.

43. PNSO and RL agree that if waste packages are submitted to RL in an acceptable condition, as stated in stipulation 42, any degradation the packages suffer through exposure to the environment, that is due to the inability of RL contractors to approve, ship, or accept packages, shall be RL's responsibility to remedy/repair, excluding weather delays or change to the accepted waste packages after approval and

    a. Packages shall be approved within 45 days of submittal.
    b. Packages shall be scheduled for shipment within 90 days of package approval.

This Operational Agreement shall be effective upon the signature of all parties. The Operational Agreement may be modified or amended by the mutual agreement of the parties. The Operational Agreement will expire on September 30, 2046, unless otherwise extended by both parties.

APPROVED:

Julie K. Turner Digitally signed by Julie K. Turner Date: 2024.05.06 15:26:43 -07'00'

Julie Turner , Manager Date
Pacific Northwest Site Office

Brian T. Vance Digitally signed by Brian T. Vance Date: 2024.04.25 09:20:23 -07'00'

Brian T. Vance, Manager Date
Richland Operations Office/
Office of River Protection

Appendix A - Operating Principles

1. Contractors will have subcontracts in place for services provided to each other.

2. The Operations Agreement between RL/ORP and PNSO will be added as appendices to each contractor's prime contract.

3. PNNL will no longer be a part of any site service allocation and its costs/prices will be excluded from the base.

4. Services will continue as previously provided and will be reimbursed under the IWO until such time as a subcontract is executed by both parties.

5. A 180-day notice of termination of services shall be provided. Termination of services requires concurrence of DOE (RL/ORP/PNSO).

6. Contractors will at a minimum estimate cost (review pricing and quantity) annually no later than June of each year, for implementation the following year to assure stable budgeting environments.

7. As contractor-to-contractor services may involve labor, commodities, consumables, and improvements, in use or to be employed regularly or in emergent/reactive situations, authorization mechanisms, notice timelines, and any consultation processes must be clearly defined.

8. Given appropriation differences, it is essential that the full needs of all missions be covered without augmentation.
    a. Subcontracts are subject to Cost Accounting Standards, the contractors approved disclosure statements and each contractor is subject to review and audit to ensure a defensible cost basis. Contractual pricing information will be made available, or a basis of estimate will be provided for any resulting subcontract and any associated distribution base.
    b. any differential or additive cost associated with the work scope must be recovered.
    c. If the service is proportionally sized and expensed, then the cost base must be all inclusive of those receiving the service to be CAS compliant.

9. All costs must be resolved prior to the closing of each contractors' books for the fiscal year.

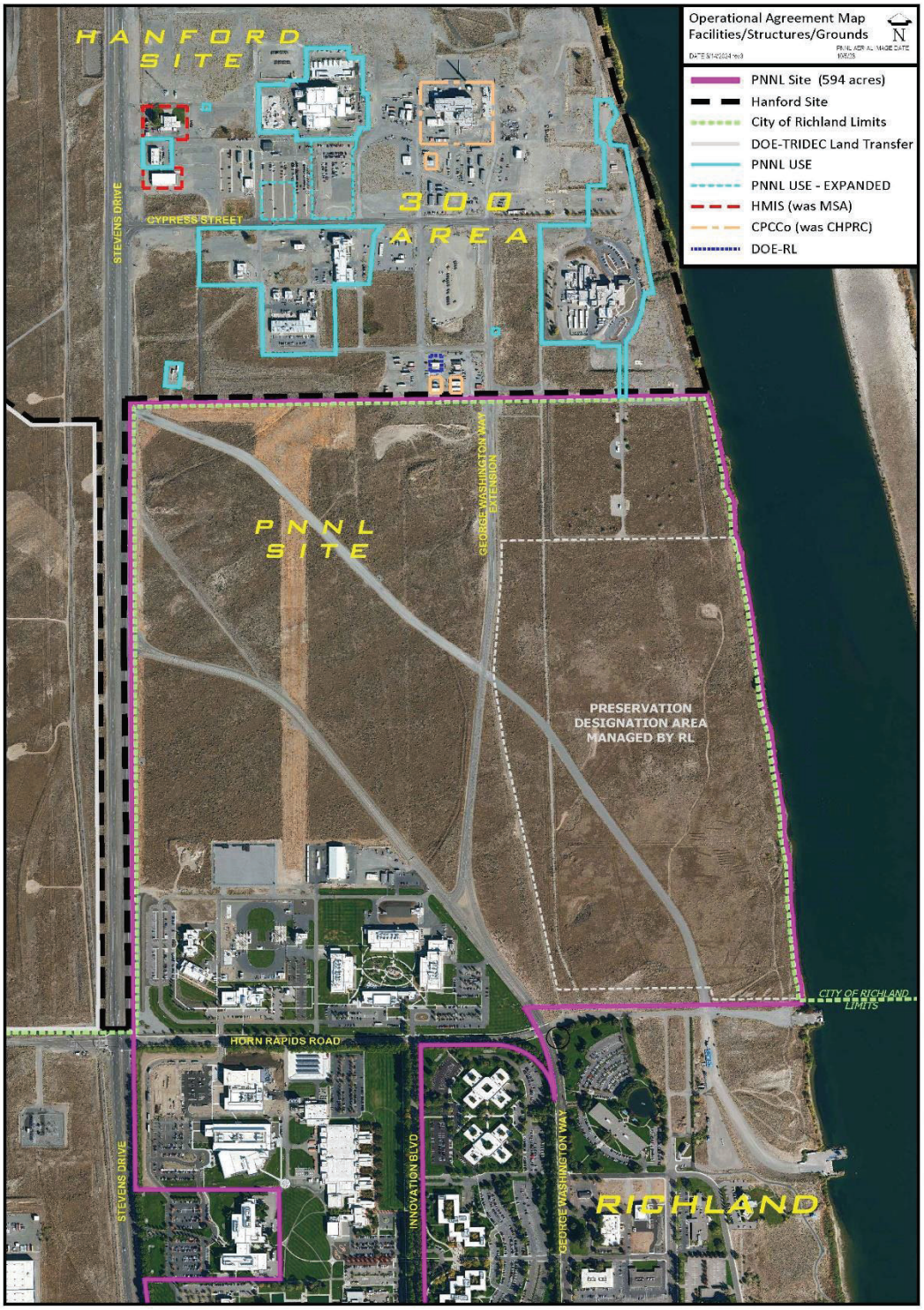
10. Any predicted annual cost or price variance (+/- 10%) will be communicated to the affected contractor within 30 days of detecting the change.

11. Contractors are required to provide notification within 10 days of expending funds that exceed 75% of the total costs estimated for the service provided.

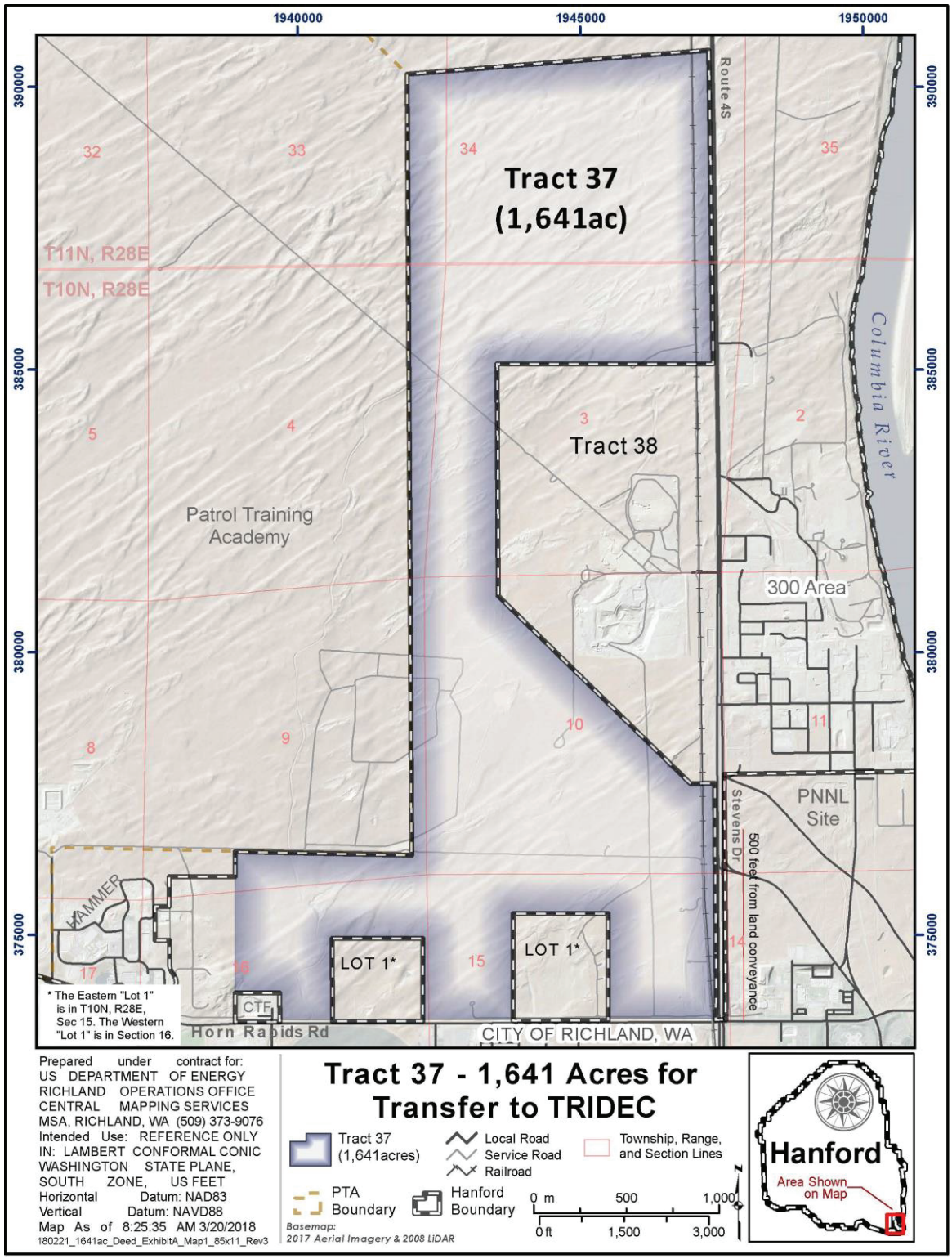
12. Prior appropriation transfer agreements remain unchanged (e.g., Hanford Patrol).

13. Contractors will follow their respective general provisions from their prime contract and will not flow down any general provisions to the serviced contractor.
14. If contractors are unable to resolve an issue, RL and PNSO leadership will engage to jointly resolve. If unresolvable locally, HQ SC and EM will be engaged.

Appendix B – General Area of this Operational Agreement



Appendix C - TRIDEC Map



Appendix D - PNNL-Occupied/Operated Facilities, Structures, Infrastructure, and Waste Site Assignments in the 300 Area

PNNL-Occupied/Operated Facilities, Infrastructure, and Waste Site Assignments in the 300 Area			
Building Complex	**Facility Number**	**Owner / Property Type**	**Facility Name / Description**
325	325*	EM Building	Radiochemical Processing Laboratory
	325A	EM Building	Cesium Recovery Facility (part of 325)
	325B	EM Building	Shielded Lab Annex (part of 325)
	325C	EM Building	Fluorine Gas Storage (part of 325)
	325D	EM Building	Maintenance Shop Addition (part of 325)
	325NSPad*	EM Other Structure	North Storage Pad for 325 Complex (328/328A/3714 Concrete Slabs)
	325WSPad*	EM Other Structure	West Storage Pad for 325 Complex (329 Concrete Slab)
	325	EM Other	Stormwater Runoff; Miscellaneous Stream #408
	325	EM Other	Stormwater Runoff; Miscellaneous Stream #791
	325	EM Other	Stormwater Runoff and Fire System Testing Water; Miscellaneous Stream #706
	325	EM Other	South Stairwell Drain; Miscellaneous Stream #264; 300-229
	325	EM Other	Building Nitrogen Tank Blowdown Miscellaneous Stream #265; Injection Well #399-3
	325	EM Other	Hazardous Waste Treatment Units; 325 Waste Treatment Facility
331	331*	EM Building	Life Sciences Laboratory
	331Pad*	EM Other	331 Pad
	331	EM Other	Steam Condensate; Miscellaneous Stream #513; Pit U1
	331	EM Other	Steam Condensate; Miscellaneous Stream #574
	331	EM Other	Stormwater Runoff; Injection Well #32; Miscellaneous Stream #447
	331	EM Other	Stormwater Runoff; Injection Well #37; Miscellaneous Stream #448
318	318*	EM Building	Radiological Calibrations Laboratory
	318B	EM Building	High Temperature Lattice Test Reactor Filter Stack (concrete pad) (part of 318)
	318C	EM Building	High Temperature Lattice Test Reactor Filter Facility (concrete pad) (part of 318)
	318	EM Other	Stormwater Runoff; Miscellaneous Stream #792

	318	EM Other	Stormwater Runoff; Miscellaneous Stream #793
318Yard	TBD	EM Other	318 Storage Yard (official record TBD)
350	350*	EM Building	Plant Operations and Maintenance Facility
	350A*	EM Building	Paint Shop
	350B*	EM Building	Warehouse
	350C*	EM Building	Storage Facility
	350D*	EM Building	Oil Storage Facility
	350	EM Other	350 HWSA; 350-D Hazardous Waste Staging Area; 350 Building Hazardous Waste Storage Area
361	361*	SC Modular Building	Modular Equipment Shelter
3236	3236	SC Modular Building	300A Office building
312	312*	EM Building	River Pump House and Monitoring Station (312/3614A)
339A	339A*	EM Building	Telecommunications
3220	3220*	EM Building	Telecommunications/Records
385	385*	EM Building	Sanitary Water Pump House
300 Area Water and Sewer Systems	WATER3*, SEWER3*, 3906C, 3906DSLS 3906ESLS3906FSLS 318SLS3212SLS 350SLS 685 686	All Others – EM Other Structures	300 Area Water and Sewer Systems consisting of various infrastructure
Waste Site Assignments**	350 HWSA	EM Other	350-D Hazardous Waste Staging Area at 350 Building
	300-100	EM Other	300-100; 325 Building Stormwater Runoff; Miscellaneous Stream #408
	300-105	EM Other	300-105; 331 Building Steam Condensate; Miscellaneous Stream #513; Pit U1
	300-106	EM Other	300-106; 331 Building Steam Condensate; Miscellaneous Stream #574
	300-107	EM Other	300-107; 331 Building Stormwater Runoff; Injection Well #32; Miscellaneous Stream #447
	300-108	EM Other	300-108; 331 Building Stormwater Runoff; Injection Well #37; Miscellaneous Stream #448
	300-242	EM Other	300-242; 325 Building Stormwater Runoff; Miscellaneous Stream #791
	300-243	EM Other	300-243; 318 Building Stormwater Runoff; Miscellaneous Stream #792
	300-244	EM Other	300-244; 318 Building Stormwater Runoff; Miscellaneous Stream #793

	300-97	EM Other	300-97; 325 Building Stormwater Runoff and Fire System Testing Water; Miscellaneous Stream #706
	300-98	EM Other	300-98; 325 Building South Stairwell Drain; Miscellaneous Stream #264; 300-229
	300-99	EM Other	300-99; 325 Building Nitrogen Tank Blowdown Miscellaneous Stream #265; Injection Well #399-3
	325 WTF	EM Other	325 WTF; 325 Hazardous Waste Treatment Units; 325 Waste Treatment Facility
	300-99	EM Other	300-99; 325 Building Nitrogen Tank Blowdown Miscellaneous Stream #265; Injection Well #399-3
**Specifically identified in FIMS* ***Specifically identified in Section J.14, Hanford Waste Site Assignment List, in RL's Prime Contracts*			

Section J

Appendix G

Sensitive Foreign Nations Controls

Contract No. DE-AC05-76RL01830

1. Pursuant to Section I, Clause 952.204-71 entitled "Sensitive Foreign Nations Controls," this Appendix G serves as the attachment and sets forth the requirements the Contractor shall comply with under this contract.

2. The Contractor shall review requests for access to DOE sites, information, or technologies by foreign nationals in accordance with DOE Orders 142.2A, 142.3B, 486.1A, 550.1, or successor directives and other DOE policies furnished in writing by the Government.

3. The list of sensitive foreign countries is provided within the Foreign Access Controls Tracking System (FACTS) at https://fnis.esportals.com/login.cfm. Because of the dynamic nature of world events, other countries may, at any time, become sensitive, and the Contractor shall maintain access to FACTS and be cognizant of changes to this list.

PART III — List of Documents, Exhibits and Other Attachments

Section J

Appendix H

LIST OF APPROVED LABORATORY LAND/FACILITIES (OWNED AND LEASED)

Section J - Appendix H

LIST OF APPROVED LABORATORY
LAND/FACILITIES (OWNED AND LEASED)

(Depicted by Figures JH-1,
JH-2)

DOE-SC Owned		
Land	Property ID	Predominant Use
PNNL Site	DRLand1, DRLand2, DRLand3, DRLand4, DRLand5, DRLand6, DRLand7, DRLand8, DRLand 9, DRLand10	Approximately 593.774 acres of Federally owned land (FIMS ID DRLand1, 2, 3, 4, 5, 6, 7, 8, 9,10) reserved for PNNL use located within Benton County, WA and in proximity to the Hanford Site 300 Area and the BMI Land-Richland. The PNNL Site contains 116.7 acres of a Preservation Designated Area (PDA), which is not available for development.[1]
Facility Name	Property ID	Predominant Use (FIMS Usage Code)
Coastal Security Institute 1	CSI1	Office
3020 Environmental Molecular Science Laboratory	3020EMSL	Chemistry Laboratory (Non-Nuclear)
3065 South Campus Warehouse	3065	General Storage
331K Self-Contained Laboratory	331K	Other Support Lab
3370 Grid Storage Launchpad	3370	Chemistry Laboratory (Non-Nuclear)
3400 Discovery Hall	3400	Tech Transfer/Conference Buildings
3410 Material Science & Technology Laboratory	3410	Chemical Laboratory (Nuclear)
3420 Radiation Detection Laboratory	3420	Other Materials R&D Test Buildings

[1] The Preservation Designated Area (PDA) is owned by the Office of Science but will be managed and controlled by the Richland Operations Office (RL). All activities to be conducted on the PDA must follow Pacific Northwest Site Office (PNSO) rules, procedures, and policies, but will be treated as an offsite location relative to any PNNL activities or responsibilities, unless otherwise covered in the 2019 Memorandum of Understanding (MOU) between PNSO and RL.

DOE-SC Owned		
Facility Name	Property ID	Predominant Use (FIMS Usage Code)
3425 Ultra Low Background Counting Laboratory	3425	Other Materials R&D Test Buildings
3430 Ultratrace Laboratory	3430	Other Materials R&D Test Buildings
3440 Large Detector Laboratory	3440	Other Support Labs
3455 Trailer	3455	Office
3465 Trailer	3465	Office
3475 Applied Engineering Laboratory	3475	Other Support Lab
361 Modular Equipment Shelter	361	Other Support Lab
3820 Systems Engineering Building	3820	Computation Laboratory
3820A Bldg Controls & Diagnostics Lab	3820A	Other Research and Development
3820B Second Life Test Facility	3820B	Other Support Laboratory
3850 General Purpose Chemistry Lab	3850	Chemistry Laboratory (non-nuclear)
3860 Engineering and Analysis Bldg	3860	Office
Atmospheric Measurement Laboratory	AML	Metrology and Calibration Laboratories
AML North East Storage	AMLNE	General Storage
Auditorium	AUD	Auditorium/Theater
Testing and Analysis Laboratory	550	Other Support Laboratory
BMI Richland Sewage Lift Station	BRSLS	Lift Station (Sewage)

Bulk Receiving & Shipping Warehouse	BRSW	General Storage
Engineering Development Laboratory	EDL	Other Support Lab
Energy Sciences Center (ESC)	3340	Chemistry Laboratory (Non-Nuclear)
Heat Transfer Building	3360	Plant (Evaporative Cooling)
Mathematics Building	MATH	Office
Chemical Engineering Laboratory	CEL	Other Chemistry Laboratory
Grid Storage Launchpad	3370	Chemistry Laboratory (Non-Nuclear)
Grounds Equipment Storage	GES	Hazardous/Flammable Storage
Grounds Equipment Storage Shed 2	GES2	General Storage
Lab Home A	LabhomeA	Other Research and Development
Lab Home B	LabhomeB	Other Research and Development
Life Sciences Laboratory 2	LSL2	Chemistry Laboratory (Non-Nuclear)
Life Sciences Laboratory 2A Chemical Storage	LSL2A	Hazardous/Flammable Storage
Process Development Laboratory East	PDLE	Other Support Labs (High Bay)
Process Development Laboratory West	PDLW	Other Support Labs (High Bay)
Physical Science Laboratory	PSL	Chemistry Laboratory (Non-Nuclear)
Research Operations Building	ROB	Office
Technical Support Warehouse	TSW	General Storage

DOE-EM Owned[2]		
Facility Name	Property ID	Predominant Use (FIMS Usage Code)
350 Plant Operations & Maintenance Facility	350	Maintenance Shops, General
350A Paint Shop	350A	Paint Shops
350B Warehouse	350B	Pipe Fitting and Plumbing Shop
350C Storage Building	350C	General Storage
350D Oil Storage Facility	350D	Hazardous/Flammable Storage
318 Radiological Calibrations Laboratory	318	Calibration Laboratory
318 Boiler Annex	318BA	Other Boiler
331 Life Sciences Laboratory 1	331	Biological Research Laboratory
331 Boiler Annex	331BA	Other Boiler
325 Radiochemical Processing Laboratory	325RPL	Chemical Laboratory (Nuclear)
325 Boiler Annex	325BA	Other Boiler
312 Pump Pit & 3614A River Water Support	312	Pumping Stations (Non-Potable Water)
385 Sanitary Water Pump House	385	Pumping Stations (Potable Water)
300 Area Research Support Building	3220	Office
Signals Research Laboratory	339A	Other, Other Research and Development

[2] The Operational Agreement between the Office of Science, Pacific Northwest Site Office, and the Office of Environmental Management, Richland Operations Office (included as Section J, Appendix F of this Contract) explicitly addresses DOE-EM real property in use by PNNL which includes the facilities explicitly listed in this Appendix as well as other structural facilities supporting their operation. DOE EM-Owned Facilities in the 300 Area will be removed when no longer needed by SC and transitioned to EM in accordance with the referenced DOE-RL and PNSO Operational Agreement.

Contractor Leased-Programmatic[3]		
Facility Name	Property ID	Predominant Use (FIMS Usage Code)
Albuquerque NM Office	Albuquerque	Office
ARM Aerial Facility	AAF	Helicopter and Airplane Hangars
Intelligence, Research, Education, & Solutions	DCIRES	Office
Portland Lighting Lab	PLL	Laboratories, General (Non-Nuclear)
Research Support Warehouse	RSW	Storage
RPMP West	RPMPW	Programmatic General Storage
UW South Lake Union	UWSLU	Biological Research Lab (non-exclusive license)
John Wayne Marina	SMarina	Other, Water Transportation Systems

[3] Contractor Leased Facilities are added to and removed from this list as approved Real Estate Packages, where DOE reviews terms and conditions, rates, market surveys and mission need to determine the use of this space by the Pacific Northwest National Laboratory. This establishes reimbursement for those lease costs incidental to the performance of work.

Contractor Leased-Institutional[3]		
Facility Name	Property ID	Predominant Use (FIMS usage Code)
2400-2410 Stevens Office Lab	2400STV	Applied Physics Laboratory
2460STVCN Records Storage	2460STVCN	General Storage
PNNL Seattle	BSRC	Office
WSU Bioproducts Science & Engineering Laboratory	WSUBSEL	Biological Research Laboratory
Biological Sciences Facility	BSF	Biological Research Laboratory
Battelle Washington Office (ILA)	BWO	Office
Robb House (ILA)	MSL6	General Storage
Computational Sciences Facility	CSF	Computation Laboratory
Environmental Technology Building	ETB	Office
Information Sciences Building 1	ISBI	Office
Information Sciences Building 2	ISB2	Office
Laboratory Support Building	LSB	Office
Marine Sciences Laboratory 7 Office	MSL7	Office
National Security Building	NSB	Office
PNNL Portland Office	PORTLAND	Office

[3] Contractor Leased Facilities are added to and removed from this list as approved Real Estate Packages, where DOE reviews terms and conditions, rates, market surveys and mission need to determine the use of this space by the Pacific Northwest National Laboratory. This establishes reimbursement for those lease costs incidental to the performance of work.

Contractor Leased-Institutional[3]		
Facility Name	Property ID	Predominant Use (FIMS usage Code)
Systems Engineering Facility	SEF	Office
SIGMA 1 Office Building	SIGMA1	Office
Business Operation Building	620	Office
Joint Global Change Research Institute	JGCRI	Office

[3] Contractor Leased Facilities are added to and removed from this list as approved Real Estate Packages, where DOE reviews terms and conditions, rates, market surveys and mission need to determine the use of this space by the Pacific Northwest National Laboratory. This establishes reimbursement for those lease costs incidental to the performance of work.

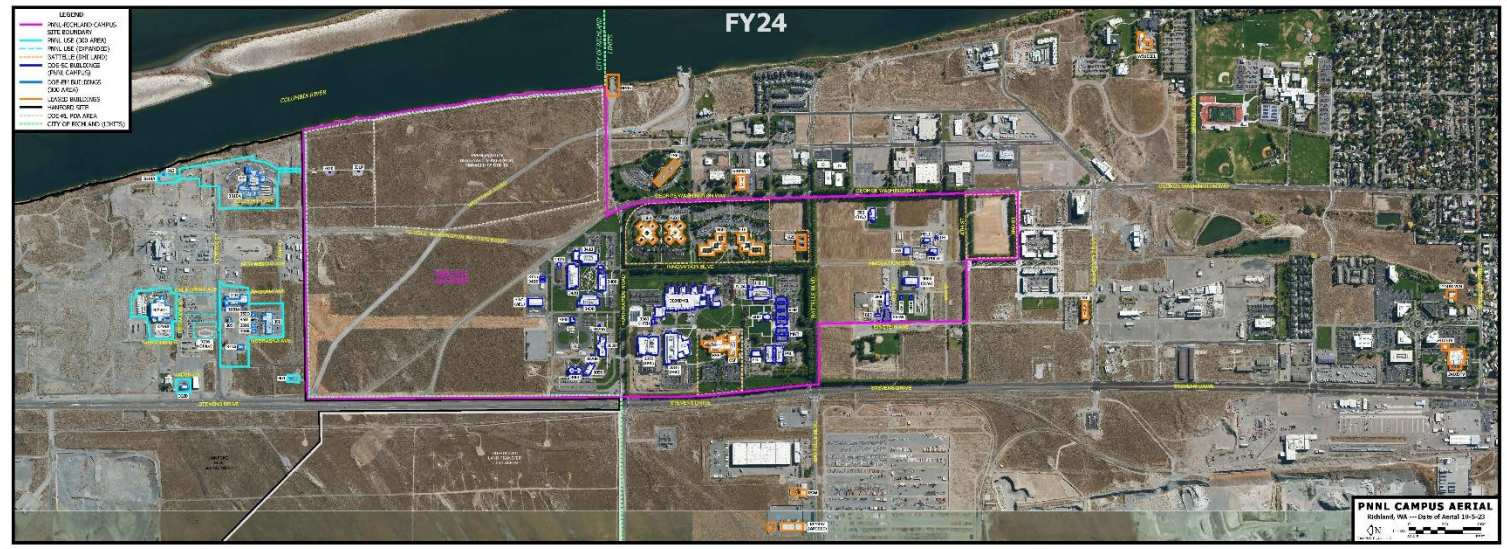
BMI-owned		
Land[4]	Property ID	Predominant Use
BMI Richland Land	BRLand	Battelle Memorial Institute (BMI)-owned land is included in this list as DOE has authorized work to be conducted at specific work locations on approximately 70.183 acres of this land, or it has been deemed beneficial to the operations of the Pacific Northwest National Laboratory in direct connection with and in proximity to the facilities listed herein.
BMI Sequim Land	BSLand	Battelle Memorial Institute (BMI)-owned land is included in this list as DOE has authorized work to be conducted at specific work locations on 65 acres of land and 52 acres of tide lands, or it has been deemed beneficial to the operations of the Pacific Northwest National Laboratory in direct connection with and in proximity to the facilities listed herein.

[4] The majority of BMI-owned land and supporting site infrastructure or Other Structures and Facilities (OSF) is located in Richland, WA in proximity to the PNNL Site. The listed BMI-Richland real property excludes the Battelle Staff Association (BSA) Recreation Area, Kindercare, non-listed buildings, and other land parcels as specifically agreed to by DOE and Battelle. All other vacant Battelle-owned land parcels are provided for the beneficial use of PNNL. Use of these land parcels by PNNL is limited to those work activities as approved or authorized by DOE. Non-PNNL activities may be conducted in these areas as long as they are not in conflict With PNNL needs. PNNL activities may also be authorized on the excluded Battelle-owned property, with proper authorization of Battelle. Additionally, Battelle acknowledges responsibility for non-PNNL activities that occur on Battelle owned excluded land as identified in this footnote, including appropriate postings or signage. The remaining BMI-owned land and supporting site infrastructure or Other Structures and Facilities (OSF) is located in Sequim, WA. The BMI-Sequim real property excludes the agricultural and forested areas on vacant land parcels, non-listed buildings, and other land parcels as specifically agreed to by DOE and Battelle. The inclusion of BMI-owned land into this list does not specifically address any potential costs or other liabilities by either party; it is only identified to designate authorized work locations. Supporting site infrastructure, or OSFs as defined and categorized in FIMS, include any fixed real property improvements to land that are not classified as a building or predominately housed within a building

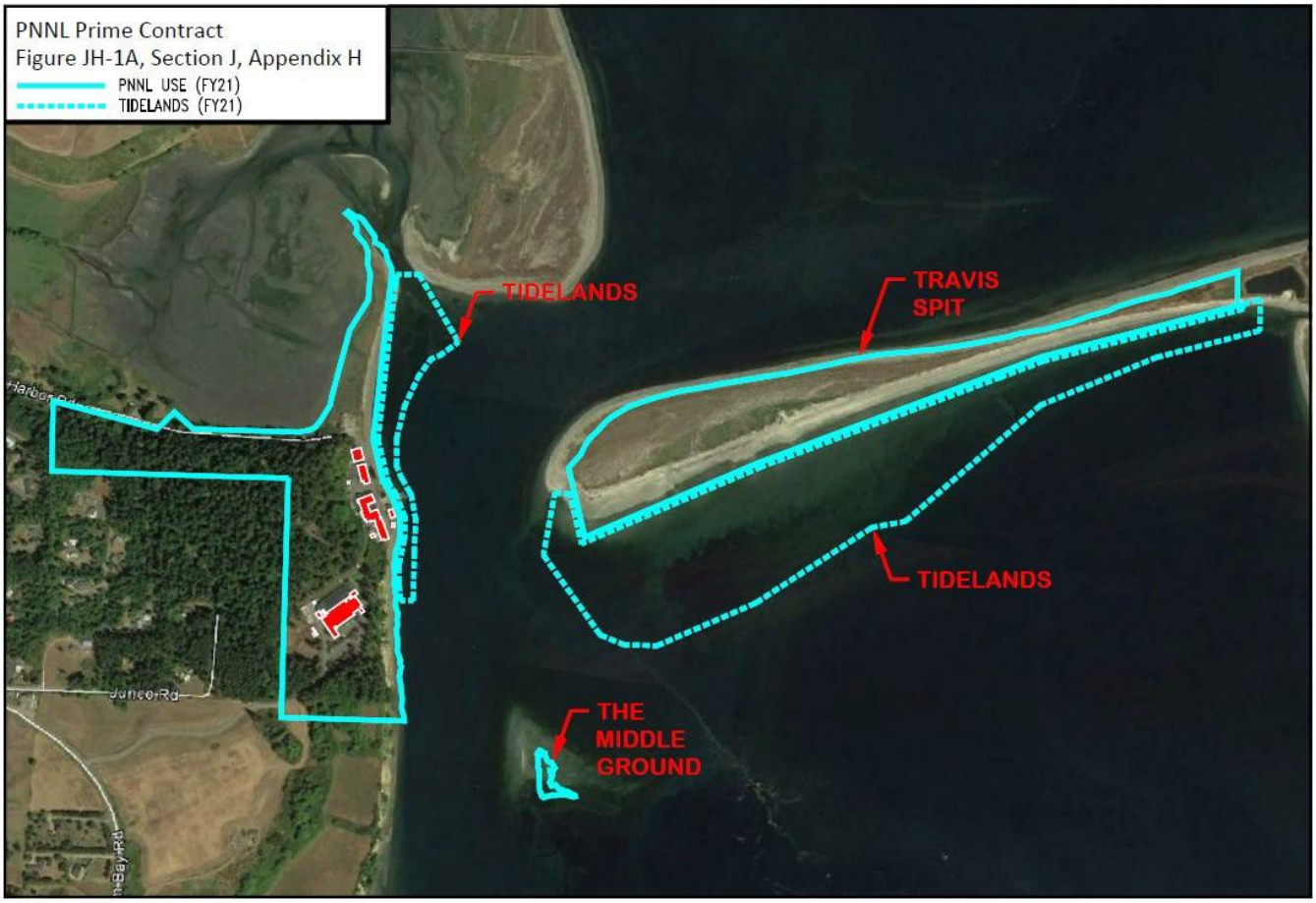
BMI-owned		
Facility Name[5]	Property ID	Predominant Use (FIMS Usage Code)
BMI Richland River Station	BRRS	Pumping Station (Non-Potable)
MSL 1 Beach Office-Lab	MSL1	Biological Research Laboratory
MSL1 Greenhouse	MSL1G	General Storage
MSL1W Waste Wtr Treatment Building	MSLIW	Plant (Sewer, Primary Treatment)
MSL2 Biotech, Conf, Shop Building	MSL2	Biological Research Laboratory
MSL3 Filter Building	MSL3	Other Service Buildings
MSL4 Pumphouse	MSL4	Pumping Stations (Potable Water)
Marine Sciences Lab 5, 5A, 5B, 5C, 5D, 5E	MSL5ABC	Chemistry Laboratory (Non-Nuclear)

[5] Battelle Memorial Institute (BMI)-owned facilities are included in this list as DOE has authorized work to be conducted at these specific locations or it has been deemed beneficial to the operations of the Pacific Northwest National Laboratory, through a series of Contracting Officer letters authorizing the reimbursement of certain costs BMI incurs in providing these facilities to the Government for its use and enjoyment. The inclusion of BMI-owned facilities into this list does not specifically address any potential costs or other liabilities by either party: it is only identified to designate authorized work locations.

Richland Map (Figure JH-1)



Sequim Map (Figure JH-2)



PART III - List of Documents, Exhibits and Other Attachments

Section J

Appendix I

Advance Agreement on Costs and Associated Use of Battelle-Owned Facilities and Real Property

ADVANCE AGREEMENT ON COSTS AND ASSOCIATED USE OF BATTELLE- OWNED FACILITIES AND REAL PROPERTY

The Parties acknowledge that in consideration of the extension of Contract No. DE-AC05- 76RL01830 (hereinafter referred to as "the PNNL Prime Contract") from October 1, 2022, through September 30, 2027, it is in the best interests of both Parties to enter into this Advance Agreement (hereinafter referred to as "the Agreement"),

The Parties agree as follows:

1. Effective October 1, 2022, Battelle agrees to provide to the Department of Energy (hereinafter referred to as "DOE") the right to acquire or lease Battelle-owned land and facilities in Richland, WA, and Sequim, WA and DOE agrees to fully exercise this right on or before September 30, 2035, subject to the availability of funds. Any agreement will, at a minimum, provide use and enjoyment of all right, title and interest for the subject parcels (See Attachment A-1 Land Maps). Each Agreement shall specifically contain the express transfer of the subject parcel at term for a mutually agreed upon amount to be negotiated after appropriate due diligence. Battelle agrees that, through the execution of this Agreement, it will receive fair and reasonable consideration for its assets. **[M1414]**

2. As of April l, 2016, Battelle's exclusive use of the facilities set forth in Attachment A-1 for its own business ceased and Battelle has no viable use for these facilities beyond the terms of the Laboratory Contract (and any extensions). As DOE is not able to assure that Battelle will remain as the operator of PNNL past 2027, DOE agrees the acceleration of depreciation of Battelle-owned facilities (as identified in Section J, Appendix H) is an allowable cost and will relieve Battelle, effective October 1, 2016, of any future obligations of investment in those facilities in exchange for transfer of ownership of such facilities to DOE on or before October 1, 2027.

3. The Parties acknowledge that several Battelle-owned facilities set forth in Attachment A- l (the Engineering Development Laboratory (EDL), the Marine Sciences Laboratory (MSL-l/MSL-5), the Life Sciences Laboratory 2 (LSL-2), the Physical Sciences Laboratory (PSL), and the Research Technology Laboratory complex (specifically RTL520, RTL 570 and RTL 530)) are, in part, radiologically contaminated. The Parties agree that Battelle and the Government share responsibility for the radiological contamination in these Battelle-owned facilities. The Parties agree that, DOE shall assume remediation responsibility for such contamination, including control and ultimately remediation of the radiological contamination. Battelle previously agreed to share the costs for remediation of such radiological contamination by contributing 10% of the cost except as further provided in this paragraph. Radiological remediation completed while Battelle is the operator of PNNL will be without cost share by Battelle. The agreement is based on the currently known condition of these facilities and is subject to reevaluation by the Parties if conditions are later found to materially differ. The reevaluation by the Parties may allow for a mutually agreed to change in the schedule for demolition. The responsibilities and obligations set forth in this paragraph shall survive termination of this Agreement or the PNNL Prime Contract.

4. Nothing in this Agreement shall be deemed to constitute a release of Battelle from liability under the Comprehensive, Environmental, Response, Compensation, and Liability Act or any other relevant environmental law or regulation or from financial responsibility for pre-existing unknown hazardous substances that may be discovered during radiological remediation of the Battelle-owned facilities identified in paragraph 3.

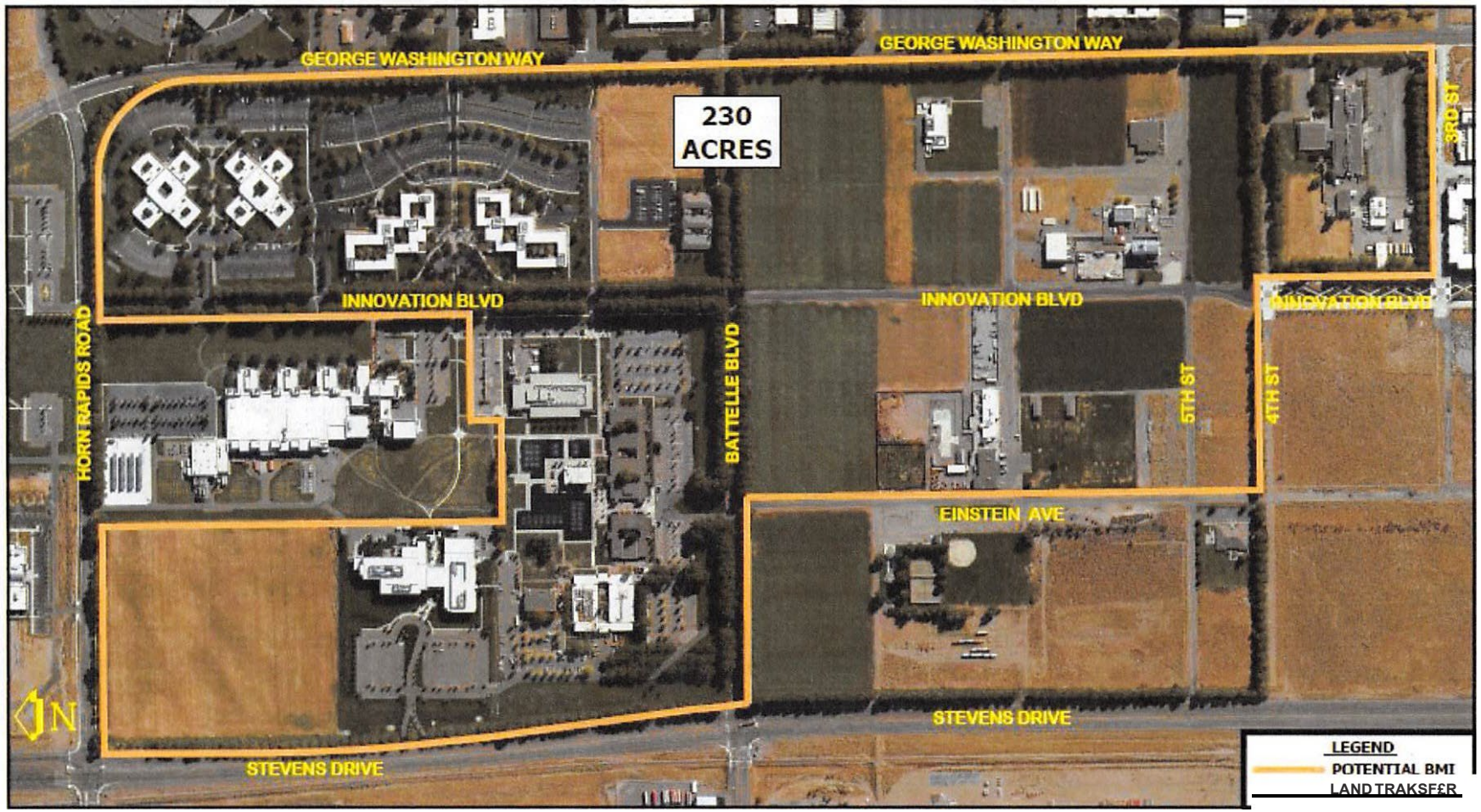
5. The Parties agree that each and every obligation of the Government contained herein involving an expenditure of funds is subject to the availability of appropriated funds allocated specifically for the work agreed hereunder, or in the event of a claim, as provided by the Contract Disputes Act, if applicable. DOE will use its best efforts to obtain funds to meet all of its obligations under this Agreement. Nothing herein shall be construed as implying that the Congress will, at a later date, appropriate funds sufficient to meet deficiencies.

6. The Parties acknowledge that through the conduct of both Government and private work, Battelle operated two Emergency Generators (one at LSL-2 and one at EDL) supported by underground fuel storage tanks. The Parties agree that they both have benefited from the system. The Parties agree that, DOE shall assume responsibility via the PNNL contract for the underground fuel tanks and generator. This agreement is based on the presumption that there is no soil contamination and is subject to re-evaluation by the Parties if conditions are later found to materially differ. The responsibilities and obligations set forth in this paragraph shall survive termination of this Agreement or the PNNL Prime Contract.

Section J Appendix I - Advance Agreement on Costs and Associated Use of Battelle-Owned Facilities and Real Property

Attachment A-1 Land Maps

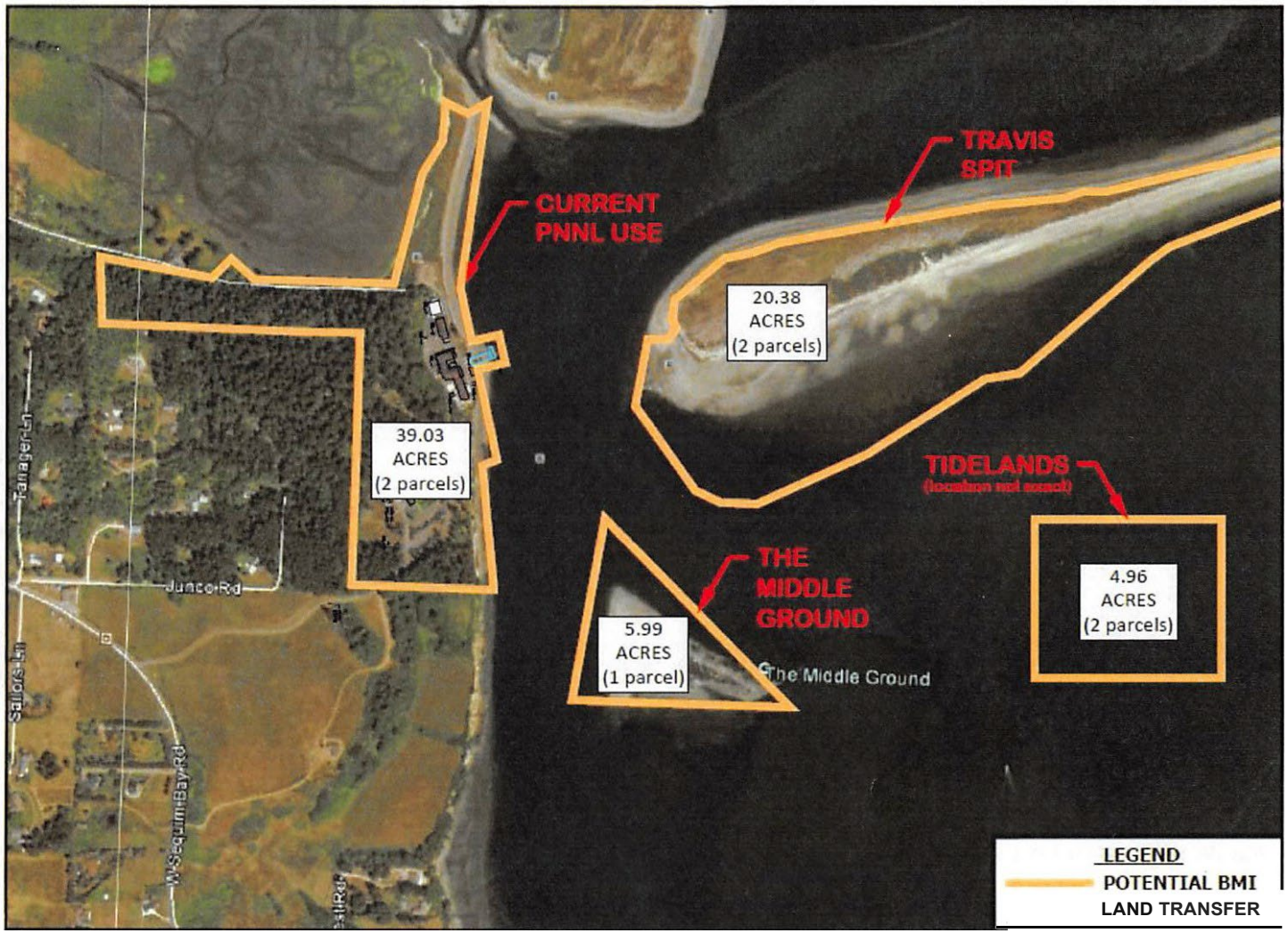
Richland, WA



Section J Appendix I - Advance Agreement on Costs and Associated Use of Battelle-Owned Facilities and Real Property

Attachment A-1 Land Maps

Sequim, Washington



Section J

Appendix J

Non-Employee and Employee Categorization Framework for Work Performed at the Pacific Northwest National Laboratory

Appendix J

Non-Employee and Employee Categorization Framework for Work Performed at the Pacific Northwest National Laboratory

The Contractor shall develop, maintain, and submit for PNSO approval a PNNL Non-employee and Employee Categorization Framework (NEECF). The NEECF supports mission/project and business needs, captures risk mitigation, identifies access controls and indicates approved costs of employees, non-employee visiting researchers and other non-employees performing work or accessing PNNL. The management and version control of the NEECF shall be assigned to the PNNL Research Management and Operations (M&O) Program and included under the Research M&O Program, Program Description. Non-employees not captured in the NEECF, or exceptions to the NEECF, require advance approval by the PNSO Contracting Officer prior to entering into an approved Institutional or Individual agreement.

The Contractor may or may not incur costs for non-employee categories identified under the Visiting Research Program as defined below or per Section H, H-21 "Advanced Understanding of Allowable Costs", Item 4) and/or Item 6).

(a) Visiting Researcher Program – The Contractor may maintain a visiting researcher program for non-employee researchers. Collaboration with visiting researchers provides a valuable means for meeting mission objectives, advancing business goals, and growing scientific impact. The non-employee researchers are defined below.

(1) *Joint Appointments*. Joint Appointees (in) are visiting researchers employed with a university, or with DOE approval, other research institutions, who holds an appointment with PNNL to collaborate or work with PNNL. Work must be performed under an approved Institutional and Individual agreement. Costs for Joint Appointees shall be in accordance with Appendix A, Section II. Compensation, Payment of Joint Appointees.

(2) *Emeritus* – Emeritus are former PNNL researchers who retired as a Contractor employee. Emeritus retain former title, but receive no salary or benefits. Emeritus activities include mentorship and knowledge transfer. All Emeritus must perform under an approved "PNNL Emeritus Agreement".

(3) *Research Partner* – Research Partners are non-employee visiting researchers who collaborate, observe, consult, or work with PNNL on existing PNSO authorized work. Access is established under an approved agreement. Funds for work performed and/or expenses shall be reimbursed per approved work packages or under the above-mentioned advanced understanding on allowable cost clauses.

(4) *Federal Guest Researcher* – Federal Guest Researchers are federal employees or federal contractor personnel aligned with a PNNL strategic relationship. Access to PNNL is established under an approved Institutional and Individual agreement.

(5) *Student Programs.* Students and Educators are non-employee visiting researchers who are either a student enrolled in a Science, Technology, Engineering and Mathematics (STEM) field degree program or degrees that support STEM fields, recently graduated student that will be conducting research based on a recent degree, or a teacher who is participating in a STEM program. Access to PNNL is established under an approved Institutional agreement or existing PNSO authorized work. Costs associated with student and educators are limited to reimbursements as outlined below.

a. Distinguished Graduate Research Program (DGRP) students will work with faculty from universities under strategic partnerships with PNNL and scientists at PNNL while completing graduate coursework and subsequently transfer to PNNL for the remaining years of the Ph.D. program to gain research experience with PNNL scientists. The home university provides a tuition waiver while the student is at PNNL. PNNL costs are limited to those defined in Section H, clause H-21, Item 4).

b. DOE Sponsored Programs (e.g., Visiting Faculty Program, Office of Science Graduate Student Research Program). Costs are associated with existing PNSO authorized work.

c. Sponsored Student Programs and Fellowships (e.g., Mickey Leland Energy Fellowship Program, National Science Foundation, Department of Homeland Security, Department of Defense SkillBridge). Individuals under these programs and fellowships collaborate or work with PNNL on existing PNSO authorized work. PNNL costs are limited to those defined in Section H, clause H-21, Item 4).

d. Student Teacher Program – (e.g., CalPoly and Murdock) summer research experience for aspiring K-12 STEM teachers who are on a teaching path or in a STEM field. Individuals under these programs collaborate or work with PNNL on existing PNSO authorized work to equip teachers with the knowledge to apply in the classroom. PNNL costs are limited to those defined in Section H, clause H-21, Item 4).

(b) Employee Programs. PNNL employees shall be defined under the NEECF. Below are the definitions of PNNL Employee categories and/or programs.

(1) *Full-Time Equivalent (FTE) Employee*. An FTE is a person employed by the Contractor to perform full time work at PNNL for wages or salary. Employee performs work in accordance with the employment offer and Contractor policies and procedures. Costs associated with salaries, transportation, and relocations shall be in accordance with Contractor procedures.

(2) *Limited-Term Employee (LTE) Program*. An LTE employee is a person employed by the Contractor for a limited duration at PNNL for wages or salary. LTEs (e.g., high school interns, undergraduate interns, graduate interns, and postgraduate research associates) perform work in accordance with the employment agreement terms and conditions. This

also includes DOE funded programs that pay stipends, travel, etc., as well as non-sponsor programs (e.g., National Security Internship Program) defined under Contractor procedures. The Contractor may incur costs associated with participation in programs (e.g., consortium arrangements such as the National Physical Sciences Consortium [NPSC], the National GEM Consortium [GEM], National Nuclear Security Administration Graduate Fellowship Program [NGFP], Minority Serving Institution Partnership Program [MSIPP], DOE/NNSA/Contractor academy/leadership programs, and Contractor science education initiatives) to provide graduate fellowships to students in science and engineering. Costs associated with salaries, transportation, and relocations shall be in accordance with Contractor procedures.

(3) *Joint Appointments (out).* Joint Appointee (out) is a PNNL employee who holds an appointment and is requested to work/conduct research activities at a university or other non-profit research institutions. Work must be performed under an approved Institutional and Individual agreement. Costs for Joint Appointees shall be in accordance with Part III, Section J, Appendix A "Advanced Understanding on Human Resource Costs", Section II. "Compensation", Payment of Joint Appointees.

(c) Other Non-Employees/Programs. Other non-employees shall be defined under the NEECF. Below are the definitions of PNNL non-employee categories and/or programs.

(1) *Vendors and Subcontractors*. Person or entity awarded a subcontract, as defined in FAR Subpart 2.1, to furnish supplies or services for performance under the PNNL prime contract. Vendors and Subcontractors supporting research or non-research activities at PNNL must be performed under an approved subcontract or purchase order, including all changes and modifications in accordance with DOE Acquisition Regulations (DEAR) 970.52.44-1 "Contractor's Purchasing System" as captured in Section I.

(2) *Visitor.* A Visitor is an individual who is not a Contractor employee, vendor or subcontractor and does not meet one of the other NEECF categories. Visitors may include but are not limited to federal or non-federal individuals, outside assessors, regulators, or individuals attending a workshop, meeting, or tour. Access to PNNL is established in accordance with the Contractor's approved Safeguards and Security program and associated procedures as required under the most current DOE Safeguards and Security Program Order in Appendix D.

(3) *User Facility Users*. User Facility Users are individuals approved to access one or both of PNNL's designated User Facilities as established under DOE Waiver No. W(C)-2008-003. Users, upon proposal acceptance, must adhere to the obligations and responsibilities for onsite and/or remote access to and use the User Facility equipment, services, information, and other material consistent with the proprietary or non-proprietary User Agreements signed by the User's institution and the Contractor.

(4) *Resident Department of Energy (DOE)*. Resident DOE personnel are DOE federal employees, or other federal or federal contractor personnel designated by PNSO with access to PNNL.

PART III – List of Documents, Exhibits and Other Attachments

Section J

Appendix K

ADVANCE AGREEMENT ON ALLOWABLE COSTS ASSOCIATED WITH THE TRANSFER OF REAL PROPERTY

Section J – Appendix K

Advance Agreement on Allowable Costs Associated with the Transfer of Real Property

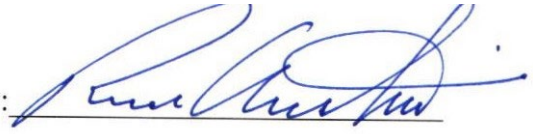
Battelle Memorial Institute ("Battelle") is selling real property interests, consisting of both land and improvements, in Richland and Sequim Washington, as described on Exhibit A (the "Property") to the United States of America, acting by and through the U.S. Department of Energy (the "DOE"), under separate agreements. The Parties agree that this Advance Agreement is only related to costs that may arise following the transfer of real property interests DOE purchases from Battelle as described in Exhibit A and associated with any potential liabilities arising out of or relating to those real property interests. The Parties agree that this Advance Agreement does not relate to costs associated with any potential liabilities arising out of or relating to real property interests that DOE does not purchase from Battelle, for whatever reason.

The Parties agree that any costs associated with claims or response actions that arise from any environmental contamination, including without limitation any release or disposal of a hazardous substance of any kind or nature, on any portion of the Property undiscovered as of the date of transfer of such portion of the Property shall be considered an allowable and reimbursable cost under DOE Contract Number DE-AC07-76RL01830 ("Contract") unless it is shown by clear and convincing evidence that the release or disposal of the environmental contamination arose solely from Battelle's activities performed outside the scope of work for the Contract.

The Parties further agree that the costs of such claims and response actions, if determined by the above standard to be allowable costs under the Contract, are reimbursable under the "Payments and Advances" clause, and in addition, separately cognizable for payment by the DOE to Battelle under the Contract's "Insurance--Litigation and Claims" ("ILC") clause as third party claims within the meaning of Subparagraph (d)(2) of that clause and without regard to (f)(1)(iii)(c) of the ILC clause. DOE's liability under this advance agreement is subject to the availability of appropriated funds. Nothing in this Advance Agreement shall be construed as implying that the Congress will, at a later date, appropriate funds sufficient to meet deficiencies. Nothing in this Advanced Agreement alters the respective rights and responsibilities of the Parties with respect to environmental contamination on the Battelle Property Interests discovered as of the date of this Advanced Agreement which shall be addressed under the current terms of the Contract.

The Parties specifically agree that the terms of this Advanced Agreement shall continue to be in force and shall survive the termination or expiration of the Contract, including any close out of obligations thereunder, unless specifically provided otherwise by express written agreement of the Parties.

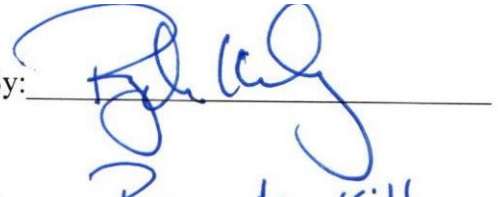
BATTELLE MEMORIAL INSTITUTE

By: 

Russell **P. Austin**
Name: Battelle Memorial Institute
Senior Vice President,
General Counsel and Secretary

Title: _ _ _ _ _ _ _ _ _ _ _ _

UNITED STATES OF AMERICA, acting by and through the DEPARTMENT OF ENERGY

By: 

Name: Ryan M. Kilbury

Title: Contracting Officer

EXHIBIT A

Richland Parcel Map

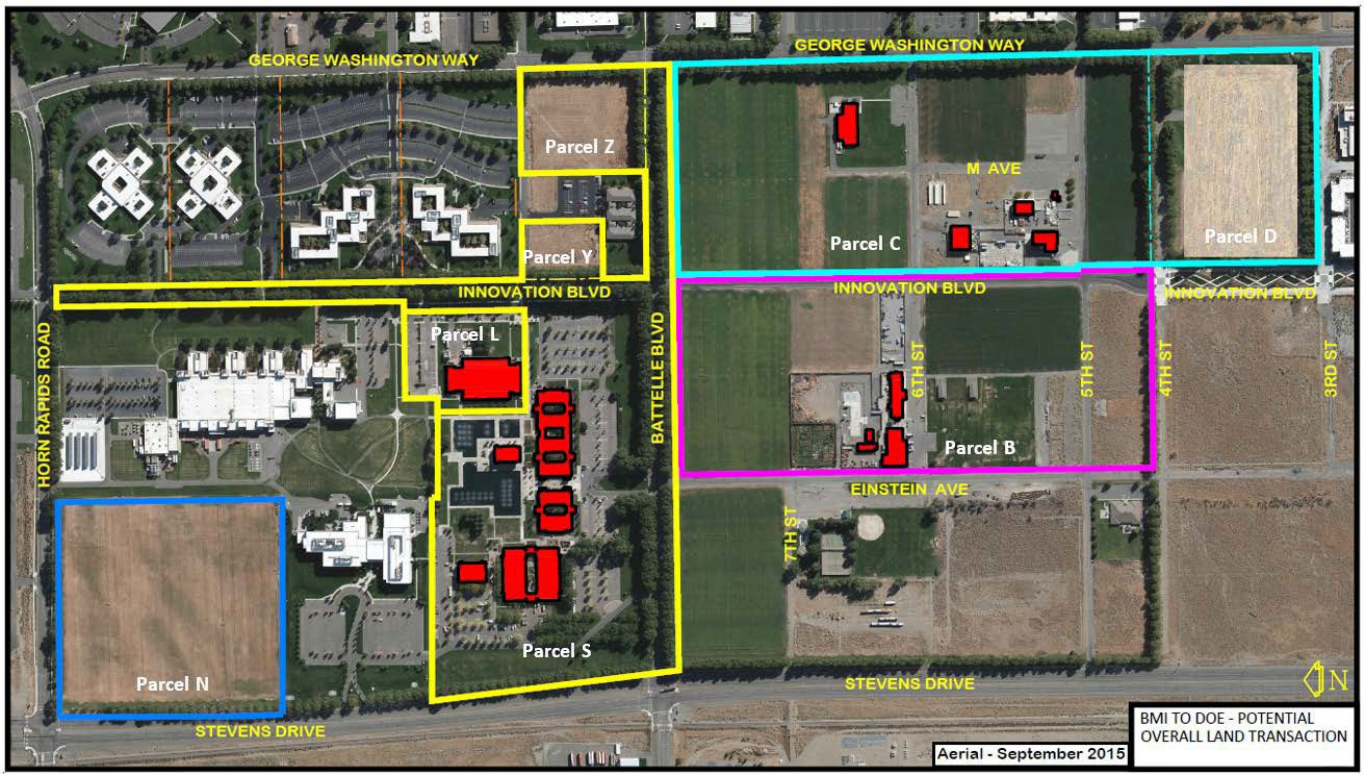


Figure 1- Richland, WA Parcels

Richland Legal Descriptions

Parcel B (39.35 Acres)

- Property ID# 308408
- Geographic ID# 123082000001014

- THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 10 NORTH, RANGE 28 EAST OF THE WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

  COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 23; THENCE S 89°38'43"W ALONG THE NORTH LINE THEREOF, 949.68 FEET; THENCE CONTINUING S 89°38' 43", 834.23 FEET; THENCE S 00°56'30"E, 70.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE N 89°38'43"E, 834.04 FEET PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST QUARTER; THENCE S 00°47'22"E, 1724.48 FEET; THENCE N 89°09'45"E, 21.53 FEET; THENCE S 00°51'14"E, 326.40 FEET ALONG THE NORTHERLY PROJECTION OF THE EAST LINE OF LOT 1, SHORT PLAT 3411 TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE S 89°17'32"W, 850.91 FEET ALONG SAID NORTH LINE TO THE SOUTHEAST CORNER OF LOT 1,

SHORT PLAT NO. 2561; THENCE N 00°50'27”W, 264.22 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE N 00°56'30”W, 1791.76 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 39.35 ACRES

SUBJECT TO EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

Parcel C (43.48 Acres)

- Property ID# 308409
- Geographic ID# 123082000001015

- THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 10 NORTH, RANGE 28 EAST OF THE WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

  COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 23; THENCE S 89°38'43”W ALONG THE NORTH LINE THEREOF, 949.68 FEET; THENCE S 00°47'22”E, E, 70.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE N 89°38'43”E, 917.18 FEET PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST QUARTER TO THE WESTERLY RIGHT-OF-WAY OF GEORGE WASHINGTON WAY; THENCE S 01°24'40”E, 2045.36 FEET ALONG SAID RIGHT-OF-WAY TO THE INTERSECTION OF SAID RIGHT-OF-WAY WITH A LINE BEING THE EASTERLY PROJECTION OF THE NORTH LINE OF LOT 1 SHORT PLAT NO. 3411; THENCE S 89°17'39”W, 917.45 FEET ALONG SAID LINE TO THE MOST NORTHERLY CORNER OF SAID LOT 1; THENCE N 00°51'14”W, 326.40 FEET ALONG THE NORTHERLY PROJECTION OF THE EAST LINE OF SAID LOT 1; THENCE S 89°09'45”W, 21.53 FEET; THENCE N 00°47'22”W, 1724.48 FEET TO THE TRUE POINT OF BEGINNING.

  CONTAINING 43.48 ACRES

  SUBJECT TO EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

Parcel D (15.18 Acres)

- Property ID# 50999
- Geographic ID# 123082000003000

- THAT PORTION OF THE EAST HALF OF SECTION 23, TOWNSHIP 10 NORTH, RANGE 28 EAST OF THE WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE EAST HALF OF SAID SECTION 23; THENCE S 01°25'38”E, 2115.18 FEET ALONG THE EAST LINE OF SAID NORTHWEST QUARTER; THENCE S 89°17'39”W 33.85 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY OF GEORGE WASHINGTON WAY AND THE TRUE POINT OF BEGINNING; (SAID POINT ALSO BEING THE EASTERLY PROJECTION OF THE NORTH LINE OF LOT 1, SHORT PLAT 3411, ACCORDING TO THE SURVEY THEREOF, RECORDED IN VOLUME 1 OF SHORT PLATS, PAGE 3411, RECORDS OF BENTON COUNTY, WASHINGTON) THENCE CONTINUING S 89°17'39”W, 917.45 FEET TO THE MOST NORTHERLY CORNER OF LOT 1 OF SAID SHORT PLAT NO. 3411; THENCE S 00°51'14”E, 719.47 FEET ALONG THE EASTERLY LINE OF SAID LOT 1 TO AN ANGLE POINT IN SAID LOT 1; THENCE CONTINUING ALONG SAID LOT 1, N 89°12'31”E, 924.43 FEET TO THE WESTERLY RIGHT-OF-WAY OF GEORGE WASHINGTON WAY; THENCE N 01°24'40”W, 718.14 FEET ALONG SAID RIGHT OF WAY TO THE TRUE POINT OF BEGINNING.

CONTAINING 15.18 ACRES

SUBJECT TO EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

Parcel L (5.02 Acres)

- Property ID# 308404
- Geographic ID# 114083000001001

- THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 14 TOWNSHIP 10 NORTH, RANGE 28 EAST, WILLAMETTE MERIDIAN, BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

  COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE S 89°38'43"W, 2626.42 FEET ALONG THE SOUTH LINE THEREOF TO A POINT ON CURVE CONCAVE TO THE WEST ON THE EASTERLY RIGHT OF WAY OF STEVENS DRIVE (THE RADIUS POINT OF SAID CURVE BEARS S 86°00'50"W, 5769.65 FEET); THENCE NORTHERLY, 206.68 FEET ALONG SAID RIGHT-OF-WAY ON THE ARC OF SAID CURVE THOUGH A CENTRAL ANGLE OF 2°03'09"; THENCE CONTINUING ALONG SAID RIGHT OF WAY, N 06°02'19"W, 793.42 FEET TO THE SOUTHWEST CORNER OF THAT PARCEL OF DESCRIBED IN QUIT CLAIM DEED RECORDED IN AUDITOR'S FILE NO. 2008-029628, RECORDS OF BENTON COUNTY, THENCE LEAVING SAID RIGHT-OF-WAY N 89°53'27"E, 870.25 FEET ALONG THE SOUTH LINE OF SAID DESCRIBED PARCEL TO THE WEST LINE OF THAT PARCEL OF LAND DESCRIBED IN STATUTORY WARRANTY DEED RECORDED IN AUDITOR'S FILE NO. 94-23027; THENCE S 0°44'59"E, 25.00 FEET ALONG SAID WEST LINE TO THE SOUTHWEST CORNER OF SAID PARCEL;

THENCE N 89°53'27"E, 343.82 FEET ALONG SAID SOUTH LINE TO THE TRUE POINT OF BEGINNING; THENCE S 0°44'59"E, 395.55 FEET; THENCE N 89°53'27”E 435.52 FEET;THENCE N 00°44'59”W, 523.41 FEET TO THE SOUTH LINE OF SAID PARCEL DESCRIBED IN AUDITOR'S FILE NO. 94-23027; THENCE S 89°14'37”W, 369.04 FEET ALONG SAID SOUTH LINE; THENCE S 00°43'36”E, 123.72 FEET ALONG SAID PARCEL; THENCE S89°53'27”W, 66.41 FEET ALONG SAID PARCEL TO THE TRUE POINT OF BEGINNING. SUBJECT TO EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

CONTAINING 5.02 ACRES

TOGETHER WITH A STRIP OF LAND 50.00 FEET IN WIDTH FOR INGRESS AND EGRESS PURPOSES LYING NORTHERLY OF AND PARALLEL WITH THE FOLLOWING DESCRIBED LINE:
COMMENCING AT THE SOUTHEASTERLY CORNER OF THE ABOVE DESCRIBED PARCEL; THENCE N 89°53'27”E, 61.5 FEET MORE OR LESS TO THE WESTERLY LINE OF INNOVATION BOULEVARD (A NON-PLATTED PRIVATE STREET) AND THE TERMINUS OF SAID DESCRIBED LINE.

Parcel N (20.79 Acres)

- Property ID# 308406
- Geographic ID# 114083000002011
- THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 14, AND THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 15, TOWNSHIP 10 NORTH, RANGE 28 EAST, WILLAMETTE MERIDIAN, BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

  COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE S 89°38'43"W, 2626.42 FEET ALONG THE SOUTH LINE THEREOF TO A POINT ON CURVE ON THE EASTERLY RIGHT OF WAY OF STEVENS DRIVE (THE RADIUS POINT OF SAID CURVE BEARS S 86°00'50"W, 5769.65 FEET); THENCE NORTHERLY, 206.68 FEET ALONG SAID RIGHT-OF-WAY ON THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 2°03'09” TO A POINT OF TANGENT; THENCE CONTINUING ALONG SAID RIGHT OF WAY, N 06°02'19"W, 1123.60 FEET TO A POINT OF CURVE CONCAVE TO THE EAST (THE RADIUS POINT OF SAID CURVE BEARS N 83°57'41"E, 5689.65 FEET); THENCE NORTHERLY, 288.50 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 2°54'19" TO THE NORTHWEST CORNER OF THAT PARCEL OF LAND DESCRIBED IN QUIT CLAIM DEED RECORDED IN AUDITOR’S FILE NO. 2008-029628, RECORDS OF BENTON COUNTY, AND TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE LEAVING SAID RIGHT-OF-WAY N 89°53'27"E, 919.99 FEET ALONG THE NORTH LINE OF SAID PARCEL TO THE

WEST LINE OF THAT PARCEL OF LAND DESCRIBED IN STATUTORY WARRANTY DEED RECORDED IN AUDITOR'S FILE NO. 94-23027; THENCE N 0°44'59"W, 984.69 FEET ALONG SAID WEST LINE TO THE NORTHWEST CORNER THEREOF AND THE SOUTHERLY RIGHT OF WAY OF HORN RAPIDS ROAD; THENCE S 89°32'17"W, 919.44 FEET ALONG SAID RIGHT OF WAY TO THE EASTERLY RIGHT OF WAY OF STEVENS DRIVE; THENCE S 0°19'06"E, 699.57 FEET ALONG SAID RIGHT OF WAY TO A POINT OF CURVE CONCAVE TO THE EAST (THE RADIUS POINT OF SAID CURVE BEARS N 89°40'54"E, 5689.65 FEET); THENCE SOUTHERLY, 279.54 FEET ALONG SAID RIGHT OF WAY AND ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 2°48'54" TO THE POINT OF BEGINNING.

CONTAINING 20.79 ACRES.

SUBJECT TO EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

Parcel S (44.02 Acres)

- Property ID# 308405
- Geographic ID# 114083000001002

- THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 14 AND THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 15, TOWNSHIP 10 NORTH, RANGE 28 EAST, WILLAMETTE MERIDIAN, BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

  COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE S 89°38'43"W, 2626.42 FEET ALONG THE SOUTH LINE THEREOF TO A POINT ON CURVE CONCAVE TO THE WEST ON THE EASTERLY RIGHT OF WAY OF STEVENS DRIVE (THE RADIUS POINT OF SAID CURVE BEARS S 86°00'50"W, 5769.65 FEET); THENCE NORTHERLY, 61.32 FEET ALONG SAID RIGHT-OF-WAY AND ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 00°36'32" TO THE TRUE POINT OF BEGINNING; (SAID POINT BEING HEREINAFTER REFERRED TO AS POINT "A" THENCE CONTINUING NORTHERLY 145.36 FEET ALONG SAID CURVE AND SAID RIGHT-OF-WAY THOUGH A CENTRAL ANGLE OF 01°26'37"; THENCE CONTINUING ALONG SAID RIGHT-OF- WAY N 06°02'19"W, 793.42 FEET TO THE SOUTHWEST CORNER OF THAT PARCEL OF DESCRIBED IN QUIT CLAIM DEED RECORDED IN AUDITOR'S FILE NO. 2008-029628, RECORDS OF BENTON COUNTY, THENCE LEAVING SAID RIGHT-OF-WAY N 89°53'27"E, 870.25 FEET ALONG THE SOUTH LINE OF SAID DESCRIBED PARCEL TO THE WEST LINE OF THAT PARCEL OF LAND DESCRIBED IN STATUTORY WARRANTY DEED RECORDED IN AUDITOR'S FILE NO. 94-23027; THENCE S 0°44'59"E, 25.00 FEET ALONG SAID WEST LINE TO THE

SOUTHWEST CORNER OF SAID PARCEL; THENCE N 89°53'27"E, 343.82 FEET ALONG SAID SOUTH LINE; THENCE S 0°44'59"E, 395.55 FEET; THENCE N 89°53'27”E 435.52 FEET; THENCE N 00°44'59”W, 523.41 FEET TO THE SOUTH LINE OF SAID PARCEL DESCRIBED IN AUDITOR'S FILE NO. 94-23027; THENCE N 89°14'37”E, 61.53 FEET TO THE SOUTHEASTERLY CORNER OF SAID PARCEL; THENCE N 00°44'59”W, 1502.33 FEET ALONG THE EAST LINE OF SAID PARCEL TO THE SOUTHERLY RIGHT OF WAY OF HORN RAPIDS ROAD; THENCE N 89°32'17”E, 80.00 FEET ALONG SAID RIGHT OF WAY TO THE EAST LINE OF SAID INNOVATION BOULEVARD (SAID LINE ALSO BEING THE WEST LINE THAT TRACT OF LAND SHOWN ON RECORD SURVEY NO. 1332, 1443 AND 1591); THENCE S 00°49'49”E 2553.10 FEET ALONG THE EASTERLY LINE OF SAID INNOVATION BOULEVARD TO THE SOUTHWEST CORNER OF LOT 2, SHORT PLAT 2561, ACCORDING TO THE SURVEY THEREOF RECORDED UNDER AUDITOR'S FILE NO. 2001-008018, RECORDS OF BENTON COUNTY (SAID CORNER ALSO BEING ON THE NORTH LINE OF BATTELLE BOULEVARD, AN UNPLATTED PRIVATE STREET) THENCE S 89°38'43”W, 1709.81 FEET PARALLEL WITH THE SOUTH LINE OF SAID SOUTHWEST QUARTER TO THE TRUE POINT OF BEGINNING.

CONTAINING 36.13 ACRES

TOGETHER WITH A STRIP OF LAND FOR PRIVATE STREET PURPOSES FOR BATTELLE BOULEVARD DESCRIBED AS FOLLOWS;

BEGINNING AT POINT “A” AFOREMENTIONED; THENCE N 89°38'43”E, 1709.81 FEET PARALLEL WITH THE SOUTH LINE OF SAID SOUTHWEST QUARTER TO THE SOUTHWEST CORNER OF LOT 2 SHORT PLAT NO 2561 AFOREMENTIONED; THENCE N 89°08'21”E, 886.07 FEET ALONG THE SOUTH LINE OF SAID SHORT PLAT TO THE WESTERLY RIGHT-OF-WAY OF GEORGE WASHINGTON WAY; THENCE S 01°40'26”E, 54.35 FEET ALONG SAID RIGHT-OF-WAY; THENCE S 01°24'40”E, 84.59 FEET ALONG SAID RIGHT-OF-WAY; THENCE S 89°38'43”W, 2590.44 FEET TO A POINT ON CURVE ON THE EASTERLY RIGHT-OF-WAY OF STEVENS DRIVE (THE RADIUS POINT OF SAID CURVE BEARS S 86°42'36”W, 5769.65 FEET); THENCE NORTHERLY 131.44 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 01°18'19” TO THE POINT OF BEGINNING.

CONTAINING 7.89 ACRES.

SUBJECT TO EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

Parcel Y (1.79 Acres)

- Property ID# 275995
- Geographic ID# 114083012561001

- SECTION 14 TOWNSHIP 10 RANGE 28 SHORT PLAT #2561 LOT 1 AF#01-008018 CONTAINING 1.79 ACRES.

Parcel Z (5.52 Acres)

- Property ID# 275997
- Geographic ID# 114083012561003

- SECTION 14 TOWNSHIP 10 RANGE 28 SHORT PLAT #2561 LOT 3 AF#01-008018 CONTAINING 5.52 ACRES.

Sequim Parcel Map



Figure 2- Sequim, WA Parcels

Sequim Legal Descriptions

Parcel A (16.84 Acres Land, 5.59 Acres Tideland)

- Property ID# 23783
- Geographic ID# 0330222301500000

- GOVERNMENT LOT 3 OF SECTION 22, TOWNSHIP 3O NORTH, RANGE 3 WEST W.M., CLALLAM COUNTY, WASHINGTON;

EXCEPT THAT PORTION THEREOF DESCRIBED AS FOLLOWS:
BEGINNING AT A CORNER COMMON TO LOTS 2 AND 3 OF SECTION 22, TOWNSHIP 30 NORTH, RANGE 3 WEST, W.M., AND THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22, AND THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22, AND RUNNING THENCE SOUTH ALONG THE BOUNDARY LINE COMMON TO SAID LOT 3 AND THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22, A DISTANCE OF 942 FEET, MORE OR LESS, TO THE NORTHERLY BOUNDARY OF THE WASHINGTON HARBOR ROAD, THENCE ALONG THE NORTHERLY BOUNDARY OF SAID WASHINGTON HARBOR ROAD, A DISTANCE OF 600 FEET, AND IN AN EASTERLY DIRECTION, THENCE NORTHERLY ON A COURSE LAID OUT 44°20' EAST, A DISTANCE OF 98.6 FEET TO THE GOVERNMENT MEANDER LINE BETWEEN UPLAND AND TIDELAND; THENCE GENERALLY IN A NORTHWESTERLY DIRECTION ALONG THE DIVIDING LINE BETWEEN THE UPLAND AND THE TIDELAND TO A POINT WHERE THE GOVERNMENT MEANDER LINE INTERSECTS THE NORTH LINE OF SAID LOT 3; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 3 TO THE POINT OF BEGINNING.

TOGETHER WITH SECOND CLASS TIDELANDS SITUATED IN FRONT OF ADJACENT TO OR UPON THAT PORTION OF GOVERNMENT MEANDER LINE DESCRIBED AS FOLLOWS:
COMMENCING ON MEANDER LINE AT THE SOUTHEAST CORNER OF GOVERNMENT LOT 3, SECTION 22, TOWNSHIP 30 NORTH RANGE 3 WEST, W.M., WHICH SAID POINT IS 46.30 CHAINS EAST OF QUARTER POST BETWEEN SECTION 21 AND 22, SAID TOWNSHIP AND RANGE; THENCE FOLLOWING MEANDER LINE ALONG EAST SIDE OF GOVERNMENT LOT 3 IN A NORTHERLY DIRECTION, COURSES AND DISTANCES AS FOLLOWS: NORTH 15° WEST 3.95 CHAINS, THENCE NORTH 4-1/2° EAST 14 CHAINS, BEING A TOTAL OF 17.95 CHAINS.

SUBJECT TO EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

Parcel B (19.32 Acres Land, 1.60 Acres Tideland)

- Property ID# 23879
- Geographic ID# 0330224200000000

- GOVERNMENT LOT 4 OF SECTION 22, TOWNSHIP 30 NORTH, RANGE 3 WEST, W.M., CLALLAM COUNTY, WASHINGTON.

TOGETHER WITH ALL TIDELANDS OF THE SECOND CLASS, AS DEFINED BY CHAPTER 255 OF THE SESSION LAWS OF 1927 IN FRONT OF, ADJACENT TO OR ABUTTING UPON THE NORTH HALF IN WIDTH OF SAID GOVERNMENT LOT 4.

SUBJECT TO EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

Parcel C (5.15 Acres Land)

- Property ID# 23912
- Geographic ID# 0330232400000000

- GOVERNMENT LOT 3 IN SECTION 23, TOWNSHIP 30 NORTH, RANGE 3 WEST, W.M., CLALLAM COUNTY, WASHINGTON.

  SUBJECT TO EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

Parcel D (10.35 Acres Land)

- Property ID# 23910
- Geographic ID# 0330232300000000

- GOVERNMENT LOT 4 IN SECTION 23, TOWNSHIP 30 NORTH, RANGE 3 WEST, W.M., CLALLAM COUNTY, WASHINGTON.

  SUBJECT TO EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

Parcel E (13.20 Acres Land)

- Property ID# 23760
- Geographic ID# 0330221406000000

- GOVERNMENT LOT 6 IN SECTION 22, TOWNSHIP 30 NORTH, RANGE 3 WEST, W.M., CLALLAM COUNTY, WASHINGTON.

  SUBJECT TO EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

Parcel F (44.50 Acres Tideland)

- Property ID# 23911
- Geographic ID# 0330232302500000

- TIDELANDS OF THE SECOND CLASS, SUITABLE FOR THE CULTIVATION OF OYSTERS AS CONVEYED BY THE STATE *OF* WASHINGTON BY DEED RECORDED UNDER AUDITOR'S FILE NO. 149362, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH MEANDER CORNER COMMON TO SECTIONS 22 AND 23, TOWNSHIP 30 NORTH, RANGE 3 WEST, W.M., THENCE ALONG THE BALANCED GOVERNMENT MEANDER LINE IN FRONT OF SAID SECTION 22, SOUTH 65°11'07" WEST 15.96 CHAINS AND NORTH 14°51'36" WEST 3.77 CHAINS; THENCE WEST 1.69 CHAINS, SOUTH 8°46'10" WEST 5.34 CHAINS, SOUTH 36°45'33" EAST 8.33 CHAINS, SOUTH 69°30'15" EAST 2.23 CHAINS, EAST 2.72 CHAINS, NORTH 65°02'57" EAST 9.00 CHAINS, NORTH 55°26'08" EAST 11.72 CHAINS, NORTH 78°20'38" EAST 2.85 CHAINS, NORTH 47°41'50" EAST 15.04 CHAINS, NORTH 66°04' EAST 10.52 CHAINS, NORTH 74° EAST 9.00 CHAINS, NORTH 85°01' EAST 7.03 CHAINS AND NORTH 55°54'54" EAST 3.61 CHAINS TO AN ANGLE POINT IN THE GOVERNMENT MEANDER LINE IN FRONT OF SAID SECTION 23; THENCE ALONG SAID MEANDER LINE, WEST 10.00 CHAINS, SOUTH 74° WEST 19.00 CHAINS AND SOUTH 68° WEST 25.41 CHAINS TO SAID POINT OF BEGINNING.

EXCEPT THAT PORTION CONVEYED TO LANGDON S. SIMONS, JR., AND ANN M. SIMONS, HIS WIFE, BY DEED RECORDED UNDER AUDITOR'S FILE NO. 331425, DESCRIBED AS FOLLOWS:
THAT PORTION OF **A** TRACT OF TIDELANDS CONVEYED FOR THE CULTIVATION OF OYSTERS UNDER THE PROVISIONS OF CHAPTER 24, LAWS OF 1895, TO A.A. BUGGE THROUGH DEED ISSUED SEPTEMBER 21, 1932, UNDER APPLICATION NO. 9573, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTH MEANDER CORNER OF THE WEST LINE OF SECTION 23, TOWNSHIP 30 NORTH, RANGE 3 WEST, W.M.; THENCE ALONG THE GOVERNMENT MEANDER LINE NORTH 68° EAST 25.41 CHAINS; THENCE NORTH 74° EAST 19.00 CHAINS TO THE TRUE POINT OF BEGINNING, THENCE EAST 10.00 CHAINS; THENCE SOUTH 55°54" WEST 3.61 CHAINS; THENCE SOUTH 85°01' WEST 7.03 CHAINS; THENCE IN A NORTHERLY DIRECTION TO THE TRUE POINT OF BEGINNING.

SUBJECT TO EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

Parcel G (0.46 Acres Land)

- Property ID# 23883
- Geographic ID# 0330224400000000

- TIDE AND SHORELAND OF THE SECOND CLASS DESCRIBED AS FOLLOWS: COMMENCING AT A POINT 58.57 CHAINS EAST AND 12.12 CHAINS NORTH FROM THE SECTION CORNER COMMON TO SECTIONS 21, 22, 27 AND 28, TOWNSHIP 30 NORTH, RANGE 3 WEST, W.M., THENCE EAST 17.27 CHAINS, THENCE NORTH 46°30' WEST 20.98 CHAINS; THENCE SOUTH 8°05' WEST 14.60 CHAINS TO THE PLACE OF BEGINNING, BEING A LOW TIDE ISLAND AND

TIDE LAND OF THE SECOND CLASS LOCATED IN SEQUIM BAY OPPOSITE SECTION 22 IN SAID TOWNSHIP AND RANGE.

SUBJECT TO EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

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.

D. Battelle documented the strategy, project integration, and investment responsibility for achieving these outcomes in the PNNL FY 24 Lab Plan. This plan was subsequently revised to align with adjusted investment parameters, as documented in letter OUT-0322-2025. Battelle will adhere to the adjusted overhead investment commitments detailed in Table 1. Should business volume growth exceed the revised forecast, increased investment for G&A/MCE shall be sought and Battelle shall be prepared with shovel-ready projects focused on achieving the Primary Outcomes in Section IV(C) of this appendix, modernizing the campus (G&A/MCE) and reducing deferred maintenance (Planned Major Maintenance).

Any changes to Table 1, PNNL overhead investment commitment, require PNSO review and approval.

Table 1: Revised PNNL overhead investment commitment FY23-FY27

	FY23	FY24	FY25	FY26	FY27
Total ($K)	**63,865**	**69,038**	**75,272**	**61,058**	**79,140**
Institutional	**55,620**	**52,600**	**57,700**	**43,155**	**61,960**
PNNL G&A[1]/MCE[2]	34,945	30,075	34,800	20,255	38,560
PMM[3]/MC[4] (FSSC[5])	7,675	8,525	8,400	8,400	8,400
PM/CM[6] (FSSC)	13,000	14,000	14,500	14,500	15,000
Targeted	**8,245**	**16,438**	**17,572**	**17,903**	**17,180**
RPL Adder[7]	2,000	2,000	2,000	2,000	2,000
NSM Adder[8]	6,245	14,438	15,572	15,903	15,180

[1] General & Administrative
[2] Minor Construction & Equipment
[3] Planned Major Maintenance
[4] Minor Construction
[5] Facilities Space Service Center
[6] Preventative Maintenance / Corrective Maintenance
[7] Radiochemical Processing Laboratory Adder
[8] National Security Mission Adder

Revision 0 Notes (February 2022; FY22 Notable 7.1.1, Deliverable 8a):

1) Based on outyear growth forecast for FY22-25 at 6% and 5% for FY 26-27; should growth not be realized funding commitments may be revised

2) Institutional Investment (No ROO, programmatic, individual research driven needs, or normal OSD operations, and not only capital) (project associated PD-1 & forced moves allowed)

Revision 1 Notes (August 2025):

1) FY26 G&A/MCE level was revised following FY25 actual and FY26 expected growth to be significantly lower than the 6% and 5% respectively

2) Investment levels for FY27 will be revisited once FY27 budget clarity improves

(1627)

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, 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.

PART III – List of Documents, Exhibits and Other Attachments

Section J

Appendix M

Sponsored Contractors Authorized Use of IC Commercial Cloud Enterprise (C2E) Environment

Section J Appendix M - Sponsored Contractors Authorized Use of IC Commercial Cloud Enterprise (C2E) Environment (NOV 2025)

(a) Authorization

(i) This Management and Operating (M&O) Contract includes National Security Mission scope that requires the utilization of cloud services otherwise available to the Government via the Intelligence Community (IC) Commercial Cloud Enterprise (C2E) contracts. To increase efficiency and reduce overall cost to the Government, the Contractor is hereby authorized to place orders for cloud services under C2E under one or more of the following contracts:

Authorized C2E Cloud Service Provider (CSP)	C2E IDIQ Contract
Amazon Web Services	2021-20101900401
Google	2021-20101900402
IBM	2021-20101900403
Microsoft	2021-20101900404
Oracle	2021-20101900405

(b) Use and Payment

(i) The Contractor shall only use the C2E cloud environments and services necessary for performing the requirements of this M&O Contract. To perform these requirements, the Contractor has selected the following Cloud Service Providers (CSP)(s): Amazon Web Services, Microsoft and Google. Upon M&O Contract award, the Government will issue a Letter of Authorization enabling the Contractor to place orders under C2E for this M&O Contract.

(ii) The Contractor shall set up a direct billing mechanism with the Contractor-selected CSP(s). The Government is not responsible for billing or customer support issues. The Contractor shall be billed directly by the CSP(s) for cloud services consumed by the account(s). The Contractor shall pay these bills in a timely fashion (NLT 30 days after the billing office receives a proper invoice).

(iii) The Contractor may bill the cloud consumption amounts back to the Government in accordance with the terms of this M&O Contract, however, the Contractor shall not apply any fees, profit, taxes, or markups on the C2E CSP cloud services. Items must be invoiced at the price for which they were procured from the C2E CSP(s). Properly allocable and allowable indirect costs, as shown in the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts shall be allowed.

(iv) The Contractor will work with the IC element (DOE's Office of Intelligence and Counterintelligence) responsible for issuing this M&O Contract to ensure proper account creation within the C2E Environments. That IC element retains ultimate ownership of the C2E account(s) and the data within the account(s); unless the issuing IC element and Contractor have agreed to special data right terms and conditions within this M&O Contract. When this M&O Contract ends, the C2E accounts created for this M&O Contract either will be terminated as directed by the Government or the Government will assume control, monitoring, and payment of the account(s); the Government will determine which method is used.

(v) The Contractor is required to promptly provide all C2E account data or metrics requested by the C2E Contracting Officer/COTR or the issuing IC Element's CO/COTR.

(c) Security and Monitoring

(i) The Contractor developing or deploying systems and applications connecting to and using C2E services shall work with the Government to ensure proper assessment and authorization of such systems/applications, cloud configurations, and to obtain Authority to Operate (ATO) for any Information Technology (IT) systems or applications that will be placed on C2E consistent with the risk mitigation framework provided in IC policies and directives.

(ii) The Contractor is responsible for monitoring and auditing the activities of its users (including its system administrators and privileged users, or equivalent individuals) of C2E services in accordance with ICD 503. The Contractor shall ensure its users of C2E services are authorized users, and that such persons utilize the C2E services for official or authorized purposes only. The Contractor shall also ensure that its users comply with all license requirements associated with their use of C2E, including software licenses.

(iii) The Contractor shall comply with all applicable legal and policy reporting and notification requirements related to any security incident in the C2E environments, including any cyber incidents, threats, or attacks, or data spills, system or data breaches (e.g., unauthorized disclosure of personally identifiable information), and for the identification of vulnerabilities involving the CSPs' service responsibilities so that the CSP can contain, eradicate, respond to, and mitigate or resolve the incident and re-secure the environment.

(iv) The Contractor will have the capability to control access, delete, purge or otherwise remove its data from the CSP cloud environments (including backup data), or to prevent its data from being deleted, purged or otherwise removed from the commercial cloud. Should the CIA's (serving as the C2E Service of Common Concern (SoCC) provider) technical or cybersecurity team identify an actual or potential security incident or vulnerability, it may, consistent with the terms and conditions of the C2E contracts, take

limited unilateral action to temporarily deny or block C2E access to IC data or systems, but only after first attempting to inform the affected customer(s) (Contractor and/or issuing IC Element). In its role as the SoCC provider of C2E for the IC, the CIA will not access the actual content of any data, or associated metadata that belongs to another customer. However, in the event of a security incident (including any counterintelligence incident) that involves either the C2E Commercial or Regulated Environments, CIA, in its role to provide continuous monitoring of security compliance for the C2E infrastructure, will work with its CSP(s) and the affected customer(s) to address or resolve the incident.

(v) The Contractor understands that in the Government's role of administering the C2E contracts, the Government will receive reports and information from the CSP(s) on the Contractor's utilization of C2E services, and further acknowledges that the Government may report such information as necessary to meet the Government's contract management requirements and to respond to appropriate oversight entities. Furthermore, any violations of these provisions by the Contractor may be reported by the Government to the appropriate officials (including the IC Chief Information (CIO), the IC Procurement Executive, the DNI Chief Financial Officer (CFO), the DNI General Counsel, and the IC Inspector General), and other offices and entities as the Government deems necessary and appropriate.

(d) Access Control

(i) Identity, Credential, and Access Management (ICAM) (also known as Identity, Authentication, and Authorization (IA&A) services) is a critical component and fundamental to the security of the IC Information Technology Enterprise (IC ITE). The Contractor will have certain capability for identity management, credential management, attributes services, and authorization services. Separate capabilities will also exist above the infrastructure layer, whether built into individual applications, provided by the ICAM Service Provider, or otherwise. Whether utilizing the C2E CSP’s services or otherwise, the Contractor remains at all times responsible for managing its authorized users and system credentials, and access to its data, applications, and to C2E services, by requesting, creating, documenting, monitoring, implementing, and utilizing appropriate access rules and processes, all in compliance with applicable M&O Contract terms, and IC directives and law.