



**Department of Energy**  
Pacific Northwest Site Office  
P.O. Box 350, K8-50  
Richland, Washington 99352

**JUN 16 2004**

04-MGR-0057

Dr. L. K. Peters, Director  
Pacific Northwest National Laboratory  
Richland, Washington 99352

Dear Dr. Peters:

CONTRACT NO. DE-AC06-76RL01830 - CONTRACT MODIFICATION M404

This letter transmits an original copy of the executed modification. Questions regarding this matter may be directed to me at (509) 372-4023.

Sincerely,

A handwritten signature in cursive script that reads "Ronnie L. Dawson".

Ronnie L. Dawson  
Contracting Officer

MGR:RLD

Enclosure

cc w/encl:  
K. L. Hoewing, PNNL  
RL Webmaster

**AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT** 1. CONTRACT ID CODE PAGE OF PAGES  
1 1

2. AMENDMENT/MODIFICATION NO. M404 3. EFFECTIVE DATE See Block 16C 4. REQUISITION/PURCHASE REQ. NO. 5. PROJECT NO. (If applicable)

6. ISSUED BY U.S. Department of Energy  
Pacific Northwest Site Office  
P.O. Box 350  
Richland, Washington 99352 CODE  
7. ADMINISTERED BY (If other than Item 6) CODE

8. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, state and zip code)  
Battelle Memorial Institute  
Pacific Northwest Division  
Richland, Benton, Washington 99352 (X)  
9A. AMENDMENT OF SOLICITATION NO.  
9B. DATED (SEE ITEM 11)  
10A. MODIFICATION OF CONTRACT/  
ORDER NO.  
DE-AC06-76RL01830 x  
10B. DATED (SEE ITEM 13) 12/30/64  
CODE FACILITY CODE

**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 telegram 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 telegram or letter, provided each telegram or letter 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)**

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

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.  
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).  
X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:  
Mutual agreement of the parties.  
D. OTHER (Specify type of modification and authority)

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

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

This modification is being issued to update Section C, "Description/Specifications/Work Statement," paragraphs C-2, C-3.3, & C-4.2 and Section H, Clause H-17, paragraph (b) in accordance with guidance received from the DOE Office of Science regarding the suspension of "Institutional Planning" requirements as currently called for within the contract.

Updated/Changed paragraphs/clauses are attached.

This modification results in no other changes.

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) Karen L. Hoewing, General Counsel 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Ronnie L. Dawson, Contracting Officer

15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign) 15C. DATE SIGNED 6-11-04 16B. UNITED STATES OF AMERICA (Signature of Contracting Officer) 16C. DATE SIGNED 6/15/04

### **Section C, Paragraph C-2 The Laboratory Vision**

Consistent with the Department's, Office of Science's and other applicable program office's strategic plans, the Contractor shall develop a Laboratory strategy that includes a compelling five (5) year vision for the Laboratory, mission/major program description, and a work plan that describes how they will accomplish the vision. The Laboratory strategy shall be updated yearly as called for within the Clause entitled "Long-Range Planning, Program Development, And Budgetary Administration". The Performance Evaluation and Measurement Plan, as called for within the Clause entitled "Standards of Contractor Performance Evaluation", identifies performance outcomes and indicators, which are updated and agreed upon by the Parties annually, as standards against which the Contractor's overall performance of scientific, technical, operational, and/or managerial obligations under this Contract shall be assessed.

### **Section C, Paragraph C-3.3 Performance Objectives and Measures**

The results-oriented performance objectives of this Contract are stated in the Performance Evaluation and Measurement Plan, and/or in the Work Authorization Directives issued annually in accordance with the special clause entitled "Long-Range Planning, Program Development And Budgetary Administration." The objectives shall be accomplished within an overall framework of management and operational performance requirements and standards contained elsewhere in this Contract. To the maximum extent practicable, these requirements and standards have also been structured to reflect performance-based contracting concepts, including the clause entitled "Application of DOE Contractor Requirements Documents," which permits the Contractor to propose to the Contracting Officer alternative and/or tailored approaches based on national, commercial or industrial standards and best business practices to meet the outcomes desired by the Government.

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

The Contractor shall develop and implement a Laboratory assurance process, acceptable to the Contracting Officer, which provides reasonable assurance that the objectives of the Contractor's management systems are being accomplished and that the systems and controls will be effective and efficient. The Contractor's assurance process shall reflect

an understanding of the risks, maintain mechanisms for eliminating or mitigating the risks, and maintain a process to ensure that the management systems and their attendant assurance process(es) meet Contract requirements.

#### **Section C, Paragraph C-4.2 Mission**

The Laboratory's research and development missions and programs support the overarching national security mission of the DOE through efforts in fundamental science, energy and environmental sciences and technologies, and national security. The Laboratory shall continue to provide highly skilled staff who support multi-disciplinary efforts to rapidly translate scientific discoveries into applications in physical, computational, and environmental sciences, and on special facilities, including the Environmental Molecular Sciences Laboratory (EMSL). The Laboratory shall support the President's commitment 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 worldwide to engage with Laboratory staff in accelerating the nation's progress towards these goals.

The Laboratory's mission statement is documented and updated annually as necessary as part of the Laboratory's strategy development process. As a multi-program national laboratory, the Laboratory's mission is to create new knowledge and deliver solutions to science and technology challenges in DOE's core missions. The Laboratory envisions being DOE's best-in-class multi-program laboratory known for breakthrough science and for rapidly translating discoveries into applications that solve critical challenges and benefit our nation and society. 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 continue to use its multidisciplinary capabilities and apply its expertise to conduct research for the government and the private sector. 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 the Laboratory will change, as needed, over the Contract period in keeping with DOE's changing mission needs, advances in science and technology, and other drivers. Accordingly, this statement of work is not intended to be all-inclusive or restrictive, but is intended to provide a broad framework and general scope of the work to be performed at the Laboratory. This statement of work does not represent a commitment to, or imply funding for, specific projects or programs.

As a multi-program laboratory, work under this Contract includes scientific and technical programs sponsored by major DOE organizations. Primary DOE sponsors include:

- Office of Science
- Environmental Management
- Nuclear Energy Science and Technology
- Energy Efficiency and Renewable Energy
- Fossil Energy
- National Nuclear Security Administration
- Office of Intelligence
- Office of Counterintelligence

Additionally, the Contractor shall engage in other DOE and non-DOE science and technology initiatives that derive from the Laboratory's missions and utilize the Laboratory's core competencies. A summary of current Laboratory programs supporting DOE's mission areas follows. Descriptions of major programs are updated annually in the Laboratory's Strategy.

#### **H-17 Long-Range Planning, Program Development and Budgetary Administration**

- (a) Basic Considerations. Throughout the process of planning, and budget development and approval, the Parties recognize the desirability for close consultation, for advising each other of plans or developments on which subsequent action will be required, and for attempting to reach mutual understanding in advance of the time that action needs to be taken.
- (b) Laboratory strategy. It is the intent of the Parties to develop annually a Laboratory strategy that includes a compelling five (5) year vision for the Laboratory, mission/major program description, and a work plan that describes how the vision will be accomplished. Development of the Laboratory strategy is the strategic planning process by which the Parties through mutual consultation reach agreement on the general types and levels of activity which will be conducted at the Laboratory for the period covered by the strategy. The five (5) year vision for the Laboratory, mission/major program description, and work plan approved by DOE provides guidance to the Laboratory for long-range planning of programs, site and facility development, and for budget preparation. It also serves as a baseline for placement of work at the Laboratory.
- (c) Work Authorization
  - (1) To carry out DOE's program of work, the Contractor will submit, in writing, to the DOE, work program documents covering work it believes it can and should pursue hereunder in the best interest of scientific progress.

- (2) Work programs shall be developed and approved in accordance with DOE's system for preparing, budgeting, and authorizing work, and shall constitute work to be performed under this Contract during the pertinent periods involved. Such work programs may include program and project performance objectives and milestones. Subject to the other provisions of this Contract, and except as the Parties may otherwise agree as part of an agreed work program for basic science, additions to, deletions from, and other changes in the agreed work program for basic science, within the general scope thereof and not constituting major changes in the agreed work program, may be made by the Contractor as and when it appears to the Contractor to be in the best interest of scientific and technical objectives of the agreed work program to do so.

(End of Clause)