

**APPENDIX K – SPECIAL BANK ACCOUNT AGREEMENT**

(See Modification No. M028 and M043)

CH2M HILL HANFORD GROUP, INC.  
CONTRACT NO. 402794-A-C3

MODIFICATION NO. 1

SCHEDULE

I. RECITALS

This is a modification to Contract 402794-A-C3, between the contracting parties between the UNITED STATES OF AMERICA, represented by the Department of Energy (hereinafter referred to as DOE); CH2M HILL Hanford Group, Inc. (CHG), corporation/legal entity existing under the laws of the State of Delaware (hereinafter referred to as the Recipient); and U.S. Bank, a banking corporation under the laws of the State of Washington located a Richland, Washington (hereinafter referred to as the Bank).

There is now in full force and effect between the parties a contract (Contract 402794-A-C3), entered into on September 21, 2000.

The parties to this contract desire to modify said contract by extending the contract completion date.

II. COVENANTS

1. COVENANTS, Section 7. shall be deleted and the following substituted therefore:

“This Agreement, with all its provision and covenants, shall be in effect for a term of two years, beginning on the first day of October, 2000 and extending through the thirtieth day of September, 2002, or through the option periods should DOE exercise the options to extend the agreement further in accordance with the provision of (8)(a) below. The exercise of any or all of the option periods is the unilateral right of the DOE.

2. It is understood and agreed that all other terms and conditions of Contract 402794-A-C3 shall remain unchanged.

III. SIGNATURES

By: Original Signed  
\_\_\_\_\_

By: Original Signed  
\_\_\_\_\_

Title: Vice President, Chief Financial Officer  
\_\_\_\_\_

Title: DOE – ORP Contracting Officer  
\_\_\_\_\_

Date: 9/6/01  
\_\_\_\_\_

Date: 9/18/01  
\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# INCOMING CORRESPONDENCE COVERSHEET

**CTS No.: 01-0038**

Author

Addressee

Correspondence No.

J. J. Short/ORP

M. P. DeLozier/CHG

0005732

DOE-ORP: 00-BMA-192

Subject:

CONTRACT NO. DE-AC27-99RL14047 - TRANSMITTAL OF CONTRACT  
MODIFICATION M028

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## DISTRIBUTION

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Name

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CH2M HILL Hanford Group, Inc.

CHG President's Office

CHG Correspondence Control

KB Adamson

SJ Bensussen

WT Dehn

MD Ebben

AM Parker

RF Wood

((Assignee))

**Priority: NORMAL**

**Assignee: R. F. Wood**

**Received: October 24, 2000**

**Due Date: 11/07/2000** – Sign and return originals to ORP.

**CHG Correspondence Control**

For Questions or Distribution Corrections, Call: 376-0271

Outlook Address: ^CHG Correspondence Control

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>			1. CONTRACT ID CODE	PAGE 1 OF 7 PAGES
2. AMENDMENT/MODIFICATION NO. M028	3. EFFECTIVE DATE 10/1/00	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)	
6. ISSUED BY CODE U.S. Department of Energy Office of River Protection PO Box 450, MS H6-60 Richland, WA. 99352		7. ADMINISTERED BY (If other than Item 6) CODE		
8. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, state and zip code) CH2M Hill Hanford Group, Inc. (CHG) P.O. Box 1500 Richland, WA 99352		(X)	9A. AMENDMENT OF SOLICITATION NO.	
			9B. DATED (SEE ITEM 11)	
		x	10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC27-99RL14047	
			10B. DATED (SEE ITEM 13) 9/30/99	
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).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER (Specify type of modification and authority) H.15 "Payments and Advances" and I-104 "Key Personnel"

E. IMPORTANT: Contractor  is not,  is required to sign this document and return 3 copies to the issuing office.

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

The purpose of this contract modification is to:

- Incorporate the attached Special Bank Account Agreement into Section J, Appendix K, and
- Revise Section J, Appendix A "Key Personnel" as follows: A.M. Parker, Executive Vice President and Deputy General Manager, is hereby added to Appendix A. (note: This revision is granted in response to letter no. CHG-0004366 dated August 21, 2000).

All other terms and conditions of the contract are unchanged.

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) Jewel J. Short, II	
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA  (Signature of Contracting Officer)	16C. DATE SIGNED

**CH2M HILL HANFORD GROUP, INC.**  
**CONTRACT NO. 402794-A-C3**

**SCHEDULE**

This agreement is entered into this 1st day of October, 2000, between the UNITED STATES OF AMERICA, represented by the U.S. Department of Energy (hereinafter referred to as the DOE); CH2M HILL Hanford Group, Inc. (CHG), corporation/legal entity existing under the laws of the State of Delaware (hereinafter referred to as the Recipient); and U.S. Bank, a banking corporation under the laws of the State of Washington located at Richland, Washington (hereinafter referred to as the Bank).

**RECITALS**

- a. By mutual agreement of the parties, this Special Bank Account Agreement supersedes and replaces all Special Bank Account Agreements to which this Recipient, the DOE, and the Bank have been parties.
- b. On the effective date of October 1, 1999, the DOE and the Recipient entered into Contract(s) No. DE-AC06-99RL14047, providing for an advance of funds by a letter of credit. A copy of such advance provisions has been furnished to the Bank.
- c. The DOE requires that amounts advanced to the Recipient thereunder be deposited in a Special Demand Deposit Account at a member bank covered by the U.S. Department of Treasury approved government deposit insurance organizations that are identified in I TFM 6-9000. These special demand deposits must be kept separate from the Recipient's general or other funds; and the parties are agreeable to so depositing said amounts with the Bank.
- d. The "Special Demand Deposit Account" shall be designated "CH2M HILL HANFORD GROUP, INC. CONTRACT ACCOUNT."

**COVENANTS**

In consideration of the foregoing, and for other good and valuable considerations, it is agreed that:

1. The Government shall have a title to the credit balance in said accounts to secure the repayment of all advance payments made to Recipient and said title shall be superior to any lien or claim of the Bank with respect to such accounts.
2. The Bank shall be bound by the provisions of said contract(s) between the DOE and the Recipient relating to the deposit and withdrawal of funds in the above Special Demand Deposit Account, which are hereby incorporated into this Agreement by reference, but the Bank shall not be responsible for the application of funds withdrawn from said accounts. After receipt by the Bank of directions from the DOE, the Bank shall act thereon and shall be under no liability to any party hereto for any action taken in accordance with the said written directions. Any written directions received by the Bank from the Government upon the DOE stationery and purporting to be signed by, or signed at the written direction of, the Government may, insofar as the right, duties, and liabilities of the Bank are considered as having been properly issued and filed with the Bank by the DOE.

3. The DOE, or its authorized representatives, shall have access to the books and records maintained by the Bank with respect to such Special Demand Deposit Account at all reasonable times and for all reasonable purposes, including, without limitation to, the inspection or copying of such books and records and any or all memoranda, checks, correspondence, or documents pertaining thereto. Such books and records shall be preserved by the Bank for a period of six (6) years after the final payment under this Agreement.
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 Bank shall promptly notify the U.S. Department of Energy at the Office of River Protection, P.O. Box 450, Richland, Washington, 99352.
5. The DOE shall authorize funds that shall remain available to the extent that obligations have been incurred in good faith thereunder by the recipient to the Bank for the benefit of the special demand deposit account. The Bank agrees to honor upon presentation for payment all payments issued by the recipient 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.

The Bank agrees to service the account in this manner based on the requirements and specifications contained in solicitation No. 402794, dated May 1, 2000 in consideration of the placement by the DOE of a noninterest-bearing time deposit with the Bank in an amount determined by the quarterly analysis via the "Calculation of Time Account Balance Required", as adjusted to compensate for changes in volume of services, in the reserve requirement, in the cost of "float" and in the TT&L rate. The quarterly analysis of the noninterest-bearing time deposit will be performed by Pacific Northwest National Laboratory. The Bank agrees that per-item costs, detailed in the form "Schedule of Bank Processing Charges," contained in the Bank's aforesaid bid shall remain constant during the term of this Agreement. The Recipient shall withdraw the amount of funds determined in the quarterly "Calculation of Time Account Balance Required"; from the special demand deposit account and use such funds to make a noninterest-bearing time deposit in a separate account in the Bank. This account shall hereinafter be defined as the time deposit account. The funds in the time deposit account shall remain on deposit and shall not be withdrawn or used for any purpose without the authorization of the DOE. The amount of the deposit may be adjusted upward or downward, but only with the approval of the DOE.

6. The Bank shall post collateral, acceptable under Treasury Department Circular No. 176, with the Federal Reserve Bank in an amount equal to the net balances in all of the accounts included in this Agreement (including the noninterest-bearing time deposit account), less the Department of Treasury - approved deposit insurance.
7. This Agreement, with all its provision and covenants, shall be in effect for a term of one year, beginning on the first day of October, 2000 and extending through the thirtieth day of September, 2001, or through the option periods should the DOE exercise the options to extend the agreement further in accordance with the provision of (8)(a) below. The exercise of any or all of the option periods is the unilateral right of the DOE.
  - a. The DOE may extend the term of this Agreement for three years, with three one year options by written notice to the Recipient and the Bank provided that the DOE shall give the Recipient and Bank a preliminary written notice of its intent at least 90 days before this Agreement expires. The preliminary notice does not commit the DOE to an extension.
  - b. If the DOE exercises this option, the extended agreement shall be considered to include this option provision.

- c. The duration of the Agreement, including the exercise of any options under this covenant, shall not extend past September 30, 2005.
8. The DOE, the Recipient, or the Bank may terminate this Agreement at any time within the agreement period upon submitting written notification to the other parties 90 (ninety) days prior to the desired termination date. The specific provisions for operating the account during this 90 (ninety) day period are contained in covenant (12).
9. The DOE or the Recipient may terminate this Agreement at any time upon 30 days' written notice to the Bank if the DOE or the Recipient, or both parties, find that the Bank has failed to substantially perform its obligations under this Agreement of that the Bank is performing its obligations in a manner which precludes administering the program in an effective and efficient manner or that precludes the effective utilization of the Government's cash resources.
10. Notwithstanding the provision of Covenants (8) and (9), in the event the contract (referenced in Recital (b) between the DOE and the Recipient is not renewed or is terminated, this Agreement between the DOE, the Recipient and the Bank shall automatically be terminated upon the delivery of written notice to the Bank.
11. In the event of termination, the Bank agrees to retain the Recipient's special demand deposit account for an additional 90-day period to clear outstanding payment items. (For compensation by noninterest-bearing time deposit only.)

Within 7 days of the expiration of the Agreement term, an analysis of the special demand deposit account shall be made by the DOE to determine whether an insufficient or excessive balance was maintained in the time deposit account to compensate the Bank for services rendered up to the expiration date.

- a. If the analysis indicates that the Bank has been insufficiently compensated for services rendered up to the expiration of the Agreement, the Recipient shall—
  1. Maintain on deposit, during this 90-day period, sufficient Federal funds to reimburse the Bank for prior cumulative loss of earnings, and
  2. Maintain on deposit in the time deposit account sufficient Federal funds to compensate the Bank for services rendered.
- b. If the analysis indicates that the Bank has been overcompensated for services rendered up to the expiration of the Agreement, the DOE shall close out the time deposit account and secure from the Bank a payment in an amount equal to the cumulative excess compensation less compensation for estimated services to be rendered during the 90-day period.
- c. If cumulative excess compensation is not sufficient to compensate the Bank for services rendered during the 90-day period, adjustments shall be made to the time deposit account to compensate the Bank for the difference between the cost of services rendered during the 90-day period and the cumulative excess compensation.

This Agreement shall continue in effect for the 90-day additional period, with exception of the following:

1. Term Agreement (Covenant 7)
2. Termination of Agreement (Covenants 8 and 9)

All terms and conditions of the aforesaid bid submitted by the Bank that are not inconsistent with this 90-day additional term shall remain in effect for this period.

12. Any direction received by the Bank from the DOE which alters any portion of the terms and conditions of this agreement, including the amount of the time deposit agreed to herein, shall not be valid unless signed by the Contracting Officer.
13. Contract Contents: In addition to this Schedule, the contract consists of:
  - Schedule of Bank Processing Charges
  - Calculation of Time Account Balance
  - Requirement Summary, dated May 1, 2000.
  - 46 General Provisions.
  - General Representations and Certifications: The representations and certifications dated June 16, 2000, as signed and submitted by the Recipient in response to the RFP which resulted in the award of this contract are hereby incorporated by reference.*
15. Contract Modifications: This Contract contains the entire understanding between the parties, and there are no understandings or representations not set forth or incorporated by reference herein. No communication, written or oral, by other than CH2M HILL Hanford Group, Inc. Contracting Officer shall be effective to modify or otherwise affect the provisions of the contract.

**NOTE**

The Recipient, 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, Michael D. Ebben, certify that I am the Secretary of the corporation named as Recipient herein; that Alan M. Parker, who signed this Agreement on behalf of the Recipient, was then Executive Vice President and Deputy Manager of said corporation; and that said Agreement was duly signed for 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**

Bank, 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, M THERESA PARRY, certify that I am the RELATIONSHIP ASSISTANT of the corporation named as Bank herein; that GAIL HEINSELMAN, who signed this Agreement on behalf of the Bank, was then VICE PRESIDENT of said corporation; and that said Agreement was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

\_\_\_\_\_  
(Corporate Seal) (Signature)

