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APPENDIX A

PERSONNEL COSTS AND RELATED EXPENSES

Attached to this Appendix A is the parties advanced understanding for the Contractor's human resource management policies and related expenses which have cost implications under the contract.

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I. INTRODUCTION

(a) This Advance Understanding is intended to document the principles and measures for evaluation of the Contractor's Human Resources Management (CHRM) programs and to address items of allowable personnel costs and related expenses not specifically addressed elsewhere under this contract. The previous Advance Understanding on this subject addressed ORNL-specific policies, practices, and plans that are cost drivers. These are now contained in the Human Resources Operating Plan (HROP). Consistent with previous agreements and practices, changes to the HROP are subject to Contracting Officer approval.

(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. Some contractor decisions are subject to advance approval by the Contracting Officer or, in some cases, other DOE officials. For example, compensation program design changes and benefit plan terminations require prior approval. These and other examples are called out elsewhere in the contract. 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 or employees otherwise funded through this contract, without prior approval of the Contracting Officer.

(c) The Laboratory's programs will comply with the contract for all Human Resources programs. The Contractor shall use effective management review procedures and internal controls to assure compliance with the contract as well as to ensure that the cost limitation set forth herein are not exceeded, and that areas which require prior approval of the DOE Contracting Officer or designated representative are reviewed and approved prior to incurrence of costs.

(d) 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 modification to the prime contract.

(e) The Laboratory Director may make exceptions to the provisions of Appendix A when such exceptions are in the best interest of contract operations or will facilitate or enhance contract performance and are approved in advance by the Contracting Officer.

(f) The Contractor, or designated representative, shall promptly furnish all reports and information required or otherwise indicated in this Advance Understanding to the Contracting Officer. The Contractor recognizes that the Contracting Officer or designated representative may make other data requests from time to time and the Contractor agrees to cooperate in meeting requests.

(g) This Appendix A is adopted for the exclusive benefit and convenience of the parties hereto, and nothing herein contained will be construed as conferring any right or benefit upon past, present, or future employees of the Contractor, or upon any other third party. Accordingly, neither this Appendix A nor any part thereof, as amended or modified, will be deemed to constitute a contract between a party hereto and any employee of the contractor or to be consideration for, or an inducement or condition of, the employment of any person, or to afford the basis for any claim or right of action whatsoever against a party hereto by any employee of the contractor or other third party.

(h) It is understood that no provision of this Appendix can affect any right guaranteed to a bargaining unit employee by the terms of a Collective Bargaining Agreement.

II. HUMAN RESOURCES STRATEGY, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT

The Laboratory Plan highlights areas important to DOE and aligns with critical contract vision components. The HR Strategic Plan, which is subordinate to the Institutional Plan, will be reviewed with DOE representatives at least annually. Contract performance metrics and measures will be developed in partnership with DOE and are detailed in Appendix G. Any changes to the HROP require prior notice to the DOE Contracting Officer and other DOE officials customarily interested and involved in these matters.

CHRM performance objectives and targets will align with, and facilitate the achievement of the Laboratory mission; be limited in number; focus on strategic results, systems-based measures, and assessment against industry best practices; be developed annually and mutually agreed upon by the Contractor and DOE in accordance with Appendix G; be reviewed periodically to target key strategic objectives and results; and include outcomes that result in cost effective management of laboratory human resources to support accomplishment of DOE and ORNL mission, strategy and objectives.

III. COMPENSATION

(a) Salary increases

(1) Any combination of salary increases for any employee in a single Compensation Increase Plan (CIP) year (January 1st to December 31st), including merit increases and those resulting from reclassification and promotion, which result in a salary that is 15% greater than at the start of the CIP year shall be provided to DOE upon request.

(2) When significant changes in duties and responsibilities of a position occur on a temporary basis the employee may temporarily receive up to 10% of his/her current pay for a period not to exceed one year. The change in wages shall not exceed the maximum of the salary range of the new position.

(3) Notwithstanding any other term or condition set forth in this Contract, the Contracting Officer's approval of compensation actions pursuant to the Employee Compensation clause of the contract will consider:
A. Relative alignment of proposed salaries with subordiante levels;
B. Available market data, comparing total-cash compensation;
C. Total compensation relative to 41 U.S.C. 4304(a)(16).

(b) Compensation Increase Plan (CIP)

(1) The Contractor shall submit the CIP proposal as called for annually by DOE.

(2) In order to pay "on-market-average," in the calculation of market position, Laboratory salary data shall be matched to survey data as of the midpoint of the salary cycle (i.e., July 1 for a 1/1-12/31 salary cycle).

(3) The CIP shall be expressed as a percentage of the projected base payroll for the end of the preceding salary cycle (i.e., base payroll for 12/31 for a 1/1 – 12/31 salary cycle).

(4) The Contractor is authorized a Promotion/Adjustment fund of up to 1% of base reimbursed payroll. Additional funding for promotions/adjustments shall be included in the Compensation Increase Plan (CIP) request as a discrete line item.

(c) Payment of Joint Appointees

Joint appointees shall be paid at the salary and fringe benefit rates established by the home institution, for the percentage of time worked at the host institution.

IV. ANCILLARY PAY COMPONENTS

(a) Premium Pay

The Contractor is authorized to provide shift differentials and other premium pay, reporting allowances, meals allowances, licensing payments, holiday pay as approved by the Contracting Officer and pursuant to the HROP.

(b) 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.

(c) Other approved supplements as detailed in the HROP.

V. PAYMENTS ON SEPARATION

Vacation

The contractor is authorized to pay for accumulated vacation upon termination at the rate in effect as of the date of termination, including any shift differential.

VI. LABOR RELATIONS

(a) Collective Bargaining

Costs of fringe benefits and wages paid to employees under collective bargaining agreements are allowable. 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, are also allowable.

(b) Collective Bargaining Agreements

The Contractor shall provide copies of collective bargaining agreements to the Contracting Officer as they are supplemented, ratified, or modified.

(c) Bargaining Unit Activity

Pay for absences from work by employees acting in the capacity of union officers, union stewards and committee members for time spent in handling grievances, negotiating with the Laboratory, and serving on labor management committees are allowable.

VII. SETTLEMENT COSTS

Separately Addressed in Contract Clause 970.5228-1.

VIII. PROGRAMS INVOLVING EMPLOYEE ABSENCE FROM THE WORKPLACE

(a) Paid Leave

The Laboratory will provide a reasonable and cost effective paid leave program. Paid leave governance, as approved by DOE, is discussed in the HROP.

(b) Sabbaticals/Temporary Assignments of Laboratory Employees to other Institutions for Teaching and Research

The Contractor shall be reimbursed for expenditures consistent with Laboratory policy as laid out in the HROP.

(c) Military Leave

Military leave and associated pay are authorized as allowable costs in accordance with Uniformed Services Employment and Reemployment Rights Act, Contractor's HROP and/or relevant State or Federal law.

(d) Security Leave

If the access authorization of an employee is suspended by direction of the Manager, ORNL Site Office, the Contractor shall transfer the employee to perform work not requiring access if such work is available. As detailed in the HROP, subject to DOE's concurrence, the Contractor may place the employee on leave with pay if such work is not available.

(e) Temporary Domestic Assignment Allowances

Temporary domestic assignment allowances shall be consistent with AL 2013-01 dated October 18, 2012 entitled "Contractor Domestic Extended Personnel Assignments," which may be revised from time to time, and Contractor policy consistent with the aforementioned Acquisition Letter.

IX. EMPLOYEE TRAINING, EDUCATION AND DEVELOPMENT

(a) The Laboratory Director or designee shall send an annual report to the Contracting Officer providing the number of employees participating in training, education and development programs and the dollars spent.

(b) 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 ensure that employees are well-qualified and competent to manage facilities and meet mission requirements through administrative, professional and technical excellence.

(1) Training
The Contractor may conduct or permit employees 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.

(2) Education
(A) The Laboratory may approve and support educational courses taken by employees which serve to improve efficiency and productivity of Laboratory operations, increase needed skills, or prepare employees for increased responsibilities.

(B) An employee may be paid for tuition, required textbooks and fees for courses approved in advance by the Laboratory.

(3) Development
The Contractor shall be reimbursed for the cost of development programs, including but not limited to, apprenticeship training, supervisory training, management development, career updating and redirection, and work-study and other programs supporting the development of staff in fields of interest to the Laboratory.

(4) Licenses and Fees
The costs of required licenses, fees, and similar costs to certify and maintain employee qualifications which are necessary to perform work under the contract are allowable. The Contractor will closely manage and control the number of licenses/fees to limit reimbursed costs to provide a sufficient number of qualified employees to reasonably perform the affected work under the contract.

X. EMPLOYEE PROGRAMS

(a) The costs of employee recognition programs and organizational and individuals memberships are allowable based on a budget formula not to exceed ¼ of 1% of base payroll on September 30 of the prior fiscal year. Program costs include the following:

(1) Company service awards for achieving service milestones consistent with the corporate service awards program.

(2) Safety awards and recognition to promote health and safety.

(3) Awards, recognition, and celebrations for participating in management initiatives, special achievements, retirement, and similar activities to the extent that they are reasonable and consistent with industry practice.

(4) The costs of organization and employee memberships in trade, business, and technical organizations necessary for effective performance of work under the contract provided they are reasonable and do not constitute payments for, or in support of, partisan of political (lobbying) activity.

(b) Participation in Association Activities

Cost incurred as a result of participation in the activities of technical, professional, and business methods associations will be allowed, as long as reasonable and necessary for the performance of effective work under the contract.

(c) Patent Awards

The cost of cash awards to inventors of patented technologies, authors of copyrighted works, and creators of mask works or copyrighted computer software that benefit the objectives of the Contractor and DOE are allowable. Details are set forth in the HROP.

(d) Cost of Health Services

The Contractor shall be reimbursed for the costs of operating a Health Unit for Laboratory employees, including but not limited to the following: Pre-employment physicals and other medical examinations required to meet Laboratory employment requirements, and medical care for occupational injuries.

(e) Other

(1) The Contractor will be reimbursed for the costs incidental to the promotion of morale and welfare, and health and safety of employees such as: employee publications; net costs of in-plant food services (operated on a break-even

basis); employees time to promote employee participation in Blood Drives, U.S. Savings Bonds and United Fund campaigns; and other similar incidental costs which may be sanctioned by the contractor.

(2) Wellness program

Costs of a Wellness Program to promote employee health and fitness are allowable. This program includes health and first aid clinics, on-site fitness centers and the use of buildings and facilities when such use does not interfere with the official work of the Laboratory. Any significant enhancements to the approved ORNL Wellness Program Plan require prior DOE approval.

(3) Employee Assistance Program

The Contractor shall (1) maintain a program of preventive services, education, short-term counseling, coordination with and referrals to outside agencies, and follow-up upon return to work that conforms to the requirements of 10 CFR 707.6, Employee Assistance, Education, and Training; (2) Submit for approval by the Contracting Officer any changes to the employee assistance program implementation plan; (3) Prepare and submit information to DOE concerning Employee Assistance Program services as requested by the Contracting Officer. Such reports shall not include individual identifiers.

XI. COSTS OF RECRUITING PERSONNEL

The Laboratory will conduct workforce planning to identify critical skills necessary to meet mission and contract requirements, analyze gaps, and develop the strategy for the recruitment and retention, as well as for any necessary restructuring. The Human Resources Section of the annual Laboratory Plan, which is for use internal to the Laboratory and DOE only, requests information needed to elucidate the Laboratory's perspective on the gap between its current human capital and an optimal one, the obstacles the Laboratory is encountering with respect to developing a mission-ready workforce, and the actions it is taking to address these obstacles.

(a) The Contractor may incur costs for the recruitment of personnel, as set forth in the HROP.

(b) Recruitment/Retention Tools

(1) The Contractor may pay a sign-on bonus in accordance with the HROP to recruit employees with critical skills.

(2) Parties acknowledge that the Office of Science Human Resource Recruiting and Retention Toolbox as described and outlined in the HROP will be recognized as an authorized mechanism to retain and recruit employees with critical skills.

(3) The Parties acknowledge that an SNS Working Group Report ("Plan to Assist in Recruitment of DOE Laboratory Employees for the Spallation Neutron Source Project") was approved by the DOE Director of Office and Science as a pilot program and was implemented on September 1, 1999. This SNS Pilot Program has expired; however, all employees who were hired under this pilot program will retain their eligibility for those eligible SNS Pilot Program benefits.

(c) Leased Employees

Employees on joint appointments are not considered leased employees. A cumulative report showing all employees leased (loaned and borrowed), along with the total days loaned and services provided, will be submitted to the DOE annually.

(1) Personnel Borrowed - The cost associated with Battelle company or University of Tennessee employees not working for UT-Battelle borrowed for incidental work under this contract is reimbursable. Reimbursement for the time such employees work under this contract will be allowable in accordance with the home operating unit's disclosed costing practices. Time worked under this contract will include the time spent by employees en route to and returning from the site of work. Travel cost of such borrowed personnel will be allowed on the same basis as for employees working on the contract.

(2) Personnel Loaned - The Contractor may loan, at no cost to the government, individuals working under this contract to other operations as long as it does not interfere with the performance of contract work. Each loan arrangement will be reviewed to assure no conflict of interest and will be approved by the cognizant UT-Battelle Director.

XII. REDUCTIONS IN CONTRACTOR EMPLOYMENT

Reductions in employment will be conducted in accordance with the contractor's personnel management policies and practices and in accordance with applicable Departmental policies and guidance on workforce restructuring, as revised from time to time.

(a) Workforce Restructuring Actions

(1) Consistent with current workforce restructuring policy, costs associated with workforce restructuring are allowable provided the following stipulations are met:

RESTRUCTURING ACTION	NUMBER OF EMPLOYEES POTENTIALLY IMPACTED	ACTION REQUIRED
Voluntary	50-99	CO Notification
Voluntary	100+	CO Approval
Involuntary	50+	CO Approval

(A) Notifications will include a business case outlining the drivers necessitating restructuring activity, an implementation strategy and communication plan.

(B) Actions requiring approval will additionally require a workforce restructuring plan prepared in accordance with DOE policy.

(C) Notifications and Approval actions shall be submitted a minimum of 10 business days prior to announcement to employees.

(D) Waivers or self-select forms that vary from those provided in DOE policy documents are subject to approval by DOE.

(2) Any employee who volunteers for layoff or retirement during a time period in which the Contractor 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.

(3) Severance pay benefit. Severance pay will be calculated on the basis of the employee's basic rate in effect at the time of layoff (including extended hours' pay, if any, but excluding all overtime premium or shift differential) and may be paid in accordance with the following schedules:

(a) Hourly Employees as set forth in the applicable collective bargaining agreements.

(b) Salaried Employees

Company Service Credit	**Severance Pay**
Under 3 months	No pay
3 months and under 1 year	Same proportion of 1/4 month's pay as completed months of service are of 12 months
1 year through 25 years of completed service	1 week of pay for every competed year of service. Payment will be capped at 25 years of service.

(4) Pay in lieu of notice. Any employee who is involuntarily separated due to a workforce restructuring action may be given up to two weeks' pay in lieu of the required minimum written notice of termination. Accumulated vacation credit is also paid.

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

(b) 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), and the Contractor will be reimbursed based on the following schedule:

(1) First Year: The Contractor's contribution for an active employee

(2) Second Year: One half of the Contractor's COBRA premium

(3) Third and subsequent years: Reasonable administrative costs that exceed the two percent administrative fee paid by the displaced worker.

Eligibility is determined in accordance with Departmental guidance on workforce restructuring.

XIII. Employee Benefits

Energy Employees' Occupational Illness Compensation Program Act (EEOICPA)

The Laboratory agrees to comply with requests for information, records, and other program requirements to ensure the orderly administration and adjudication of claims under the EEOICPA.

XIV. Miscellaneous Policies

Subject to the limitations of contract clause 970.5232-2 (j), which incorporates the principles of FAR subpart 31.2 and the DEAR subpart 48 CFR 970.31, the following types of costs are allowable as they relate to Human Resources:

Business Expenses

The following expenses to the extent reasonable and which contribute to the effectiveness of the Contractor's work under the contract will be allowable:

(1) Booklets and pamphlets describing the capabilities of the Contractor, e.g., operational, financial, personnel, etc.

(2) Cost of meetings, including cost associated with activities such as labor negotiations, recruiting, etc.

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J – LIST OF ATTACHMENTS

APPENDIX B
KEY PERSONNEL

Attached to this Appendix B is the list of Key Personnel considered essential to the work being performed under this contract.

APPENDIX B-KEY PERSONNEL

See the clause in Section I entitled, "Key Personnel."

1.	Laboratory Director, ORNL	Thomas Mason
2.	Deputy Director, Science and Technology	Thomas Zacharia
3.	Deputy Director, Operations	Jeff Smith
4.	Associate Laboratory Director, Neutron Sciences	Paul Langan
5.	Associate Laboratory Director, Physical Sciences	Michelle Buchanan
6.	Associate Laboratory Director, Energy and Environmental Sciences (Interim)	Gary Jacobs
7.	Associate Laboratory Director, Computing and Computational Sciences	Jeffrey Nichols
8.	Associate Laboratory Director, Nuclear Science and Engineering	Alan Icenhour

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J – LIST OF ATTACHMENTS

APPENDIX C
PERSONNEL COSTS AND RELATED EXPENSES

Attached to this Appendix C are the Performance Guarantee Agreements executed on behalf of the University of Tennessee by Joseph E. Johnson, President, on July 12, 1999 and on behalf of Battelle Memorial Institute by Dr. Douglas E. Olesen, President and Chief Executive Officer, on July 21, 1999.

PERFORMANCE GUARANTEE AGREEMENT

For value received, and in consideration of, and in order to induce the United States (the Government) to enter into Contract DE-AC05-99OR22725 for the Management and Operation of the Oak Ridge National Laboratory, by and between the Government and UT-Battelle, LLC, (Contractor), the undersigned, University of Tennessee (Guarantor), a corporate agency of the State of Tennessee and state university chartered under the laws of the State of Tennessee, hereby unconditionally guarantees to the Government (a) the full and prompt payment and performance of all obligations, accrued and executory, which Contractor presently or hereafter may have to the Government under the Contract, and (b) the full and prompt payment and performance by Contractor of all other obligations and liabilities of Contractor to the Government, fixed or contingent, due or to become due, direct or indirect, now existing or hereafter and howsoever arising or incurred under the Contract, and Guarantor further agrees to indemnify the Government against any losses the Government may sustain and expenses it may incur as a result of the enforcement or attempted enforcement by the Government of any of its rights and remedies under the Contract, in the event of a default by Contractor thereunder, and/or as a result of the enforcement or attempted enforcement by the Government of any of its rights against Guarantor hereunder.

Guarantor has read and consents to the signing of the Contract. Guarantor further agrees that Contractor shall have the full right, without any notice to or consent from Guarantor, to make any and all modifications or amendments to the Contract without affecting, impairing, or discharging, in whole or in part, the liability of Guarantor hereunder.

Guarantor hereby expressly waives all defenses which might constitute a legal or equitable discharge of a surety or guarantor, and agrees that this Performance Guarantee Agreement shall be valid and unconditionally binding upon Guarantor regardless of (i) the reorganization, merger, or consolidation of Contractor into or with another entity, corporate or otherwise, or the liquidation or dissolution of Contractor, or the sale or other disposition of all or substantially all of the capital stock, business or assets of Contractor to any other person or party, or (ii) the institution of any bankruptcy, reorganization, insolvency, debt agreement, or receivership proceedings by or against Contractor, or adjudication of Contractor as a bankrupt, or (iii) the assertion by the Government against Contractor of any of the Government's rights and remedies provided for under the Contract, including any modifications or amendments thereto, or under any other document(s) or instrument(s) executed by Contractor, or existing in the Government's favor in law, equity, or bankruptcy.

Guarantor further agrees that its liability under this Performance Guarantee Agreement shall be continuing, absolute, primary, and direct, and that the Government shall not be required to pursue any right or remedy it may have against Contractor or other Guarantors under the Contract, or any modifications or amendments thereto, or any other document(s) or instrument(s) executed by Contractor, or otherwise. Guarantor affirms that the Government shall not be required to first commence any action or obtain any judgment against Contractor before enforcing this Performance Guarantee Agreement against Guarantor, and that

Guarantor will, upon demand, pay the Government any amount, the payment of which is guaranteed hereunder and the payment of which by Contractor is in default under the Contract or under any other document(s) or instrument(s) executed by Contractor as aforesaid, and that Guarantor will, upon demand, perform all other obligations of Contractor, the performance of which by Contractor is guaranteed hereunder.

Guarantor agrees to assure that it shall cause this Performance Guarantee Agreement to be unconditionally binding upon any successor(s) to its interests regardless of (i) the reorganization, merger, or consolidation of Guarantor into or with another entity, corporate or otherwise, or the liquidation or dissolution of Guarantor, or the sale or other disposition of all or substantially all of the capital stock, business, or assets of Guarantor to any other person or party, or (ii) the institution of any bankruptcy, reorganization, insolvency, debt agreement, or receivership proceedings by or against Guarantor, or adjudication of Guarantor as a bankrupt.

Guarantor further warrants and represents to the Government that the execution and delivery of this Performance Guarantee Agreement is not in contravention of Guarantor's Articles of Organization, Charter, by-laws, and applicable law; that the execution and delivery of this Performance Guarantee Agreement, and the performance thereof, has been duly authorized by the Guarantor's Board of Directors, Trustees, or any other management board which is required to participate in such decisions; and that the execution, delivery, and performance of this Performance Guarantee Agreement will not result in a breach of, or constitute a default under, any loan agreement, indenture, or contract to which Guarantor is a party or by or under which it is bound.

No express or implied provision, warranty, representation or term of this Performance Guarantee Agreement is intended, or is to be construed, to confer upon any third person(s) any rights or remedies whatsoever, except as expressly provided in this Performance Guarantee Agreement.

In witness thereof, Guarantor has caused this Performance Guarantee Agreement to be executed by its duly authorized officer, and its corporate seal to be affixed hereto on July 12, 1999.

UNIVERSITY OF TENNESSEE

JOSEPH E. JOHNSON
PRESIDENT

ATTESTATION INCLUDING APPLICATION
OF SEAL BY AN OFFICIAL OF GUARANTOR
AUTHORIZED TO AFFIX CORPORATE SEAL

PERFORMANCE GUARANTEE AGREEMENT

For value received, and in consideration of, and in order to induce the United States (the Government) to enter into Contract DE-AC05-99OR22725 for the Management and Operation of the Oak Ridge National Laboratory, by and between the Government and **UT-Battelle, LLC,** (Contractor), the undersigned, **Battelle Memorial Institute** (Guarantor), a nonprofit corporation incorporated in the State of Ohio with its principal place of business at Columbus, Ohio, hereby unconditionally guarantees to the Government (a) the full and prompt payment and performance of all obligations, accrued and executory, which Contractor presently or hereafter may have to the Government under the Contract, and (b) the full and prompt payment and performance by Contractor of all other obligations and liabilities of Contractor to the Government, fixed or contingent, due or to become due, direct or indirect, now existing or hereafter and howsoever arising or incurred under the Contract, and Guarantor further agrees to indemnify the Government against any losses the Government may sustain and expenses it may incur as a result of the enforcement or attempted enforcement by the Government of any of its rights and remedies under the Contract, in the event of a default by Contractor thereunder, and/or as a result of the enforcement or attempted enforcement by the Government of any of its rights against Guarantor hereunder.

Guarantor has read and consents to the signing of the Contract. Guarantor further agrees that Contractor shall have the full right, without any notice to or consent from Guarantor, to make any and all modifications or amendments to the Contract without affecting, impairing, or discharging, in whole or in part, the liability of Guarantor hereunder.

Guarantor hereby expressly waives all defenses which might constitute a legal or equitable discharge of a surety or guarantor, and agrees that this Performance Guarantee Agreement shall be valid and unconditionally binding upon Guarantor regardless of (i) the reorganization, merger, or consolidation of Contractor into or with another entity, corporate or otherwise, or the liquidation or dissolution of Contractor, or the sale or other disposition of all or substantially all of the capital stock, business or assets of Contractor to any other person or party, or (ii) the institution of any bankruptcy, reorganization, insolvency, debt agreement, or receivership proceedings by or against Contractor, or adjudication of Contractor as a bankrupt, or (iii) the assertion by the Government against Contractor of any of the Government's rights and remedies provided for under the Contract, including any modifications or amendments thereto, or under any other document(s) or instrument(s) executed by Contractor, or existing in the Government's favor in law, equity, or bankruptcy.

Guarantor further agrees that its liability under this Performance Guarantee Agreement shall be continuing, absolute, primary, and direct, and that the Government shall not be required to pursue any right or remedy it may have against Contractor or other Guarantors under the Contract, or any modifications or amendments thereto, or any other document(s) or instrument(s) executed by Contractor, or otherwise. Guarantor affirms that the Government shall not be required to first commence any action or obtain any judgment against Contractor before enforcing this Performance Guarantee Agreement against Guarantor, and that Guarantor will, upon demand, pay the Government any amount, the payment of which is guaranteed hereunder and the payment of which by Contractor is in default under the Contract or under any other document(s) or instrument(s) executed by Contractor as aforesaid, and that

Guarantor will, upon demand, perform all other obligations of Contractor, the performance of which by Contractor is guaranteed hereunder.

Guarantor agrees to assure that it shall cause this Performance Guarantee Agreement to be unconditionally binding upon any successor(s) to its interests regardless of (i) the reorganization, merger, or consolidation of Guarantor into or with another entity, corporate or otherwise, or the liquidation or dissolution of Guarantor, or the sale or other disposition of all or substantially all of the capital stock, business, or assets of Guarantor to any other person or party, or (ii) the institution of any bankruptcy, reorganization, insolvency, debt agreement, or receivership proceedings by or against Guarantor, or adjudication of Guarantor as a bankrupt.

Guarantor further warrants and represents to the Government that the execution and delivery of this Performance Guarantee Agreement is not in contravention of Guarantor's Articles of Organization, Charter, by-laws, and applicable law; that the execution and delivery of this Performance Guarantee Agreement, and the performance thereof, has been duly authorized by the Guarantor's Board of Directors, Trustees, or any other management board which is required to participate in such decisions; and that the execution, delivery, and performance of this Performance Guarantee Agreement will not result in a breach of, or constitute a default under, any loan agreement, indenture, or contract to which Guarantor is a party or by or under which it is bound.

No express or implied provision, warranty, representation or term of this Performance Guarantee Agreement is intended, or is to be construed, to confer upon any third person(s) any rights or remedies whatsoever, except as expressly provided in this Performance Guarantee Agreement.

In witness thereof, Guarantor has caused this Performance Guarantee Agreement to be executed by its duly authorized officer, and its corporate seal to be affixed hereto on July 21, 1999.

BATTELLE MEMORIAL INSTITUTE

BY: _____

TITLE: President and Chief Executive Officer

CORPORATE SEAL

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PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J – LIST OF ATTACHMENTS

APPENDIX D
REQUIREMENT CHANGE NOTICE PROCESS

Attached to this Appendix D is the process to be utilized for the incorporation of new and revised DOE Directives into the Appendix E List of Applicable Directives (List B).

Appendix D

Process for Incorporation of New and Revised DOE Directives into the List of Applicable Directives (List B)

Pursuant to the requirements of the DEAR clause in Section I of the contract entitled, *970.5204-2 Laws, Regulations and DOE Directives*," this Attachment describes the process for incorporation of new and revised DOE Directives into the Appendix E List of Applicable Directives (List B)

On behalf of the Contracting Officer (CO), the Contracting Officer's Representative (COR) will transmit notification of new or revised Directives to the contractor with a request for evaluation of the administrative and environment, safety and health requirements for impact to the contract.

DOE will also provide the contractor with the opportunity to comment on draft DOE Directives. Contractors must provide comments to DOE on draft DOE Directives by the stated deadline for their concerns to be recognized by DOE Headquarters.

NOTE: Contractor Directives Points of Contact must register on the DOE Directives Portal to receive notification of the publication of new/revised DOE Directives and the cancellation of DOE Directives.

As part of the impact assessment, the contractor determines (1) whether it agrees that the Directive is applicable, (2) if an Implementation Plan (IP) is required (i.e., the Directive cannot be implemented within existing funds and/or within 120 calendar days from the date of the COR's request for an impact assessment), and (3) other information required by DEAR 970.5204-2. The contractor provides written notification of the results of the impact assessment to the COR, with a copy to the CO and the Oak Ridge Office (ORO) Directives Management Group (DMG). The impact assessment is due within 30 calendar days of the date of the COR's request letter or as directed in the text of the letter.

Contractors shall ensure that Work Smart Standard (WSS) Sets and the associated development/maintenance processes meet the requirements of DOE M 450.3-1.

When the contractor cannot fully implement new or revised requirements of Administrative Directives within existing funds and/or within 120 calendar days from the date of the COR's letter requesting an impact assessment, the contractor shall prepare an Implementation Plan (IP) and provide it to the COR with a copy to the CO and the DMG.

IP revisions are required when the contractor makes substantive changes to an IP because of changing conditions, when deadlines established in the IP cannot be met, or when changes are requested by the COR. Revised IPs must be submitted before an existing commitment date is missed or within 30 calendar days from the date of the COR's request letter. Revised IPs are to be submitted in the same manner as the original plan.

Contractors must not delete uncompleted actions from an IP between one revision and the next. If multiple revisions of a plan are involved, completed items must be noted as such in at least one revision before being deleted.

Contractors send a letter to the COR, with a copy to the CO and the DMG, requesting closure and stating that the corrective actions in the IP have been completed. Any ongoing activities are noted in the letter.

Requirements are added to the contract via the Requirements Change Notice (RCN) process described herein. The contractor is responsible for initiation of the quarterly revisions to List B by submission of a draft RCN to the CO with a copy to the DMG.

Unless other arrangements have been made, the quarterly RCN shall include the following:

(a) The form (Attachment 1) entitled, "*U.S. Department of Energy, Requirements Change Notice*," which will provide an overall picture of changes currently effected in this update of List B.

(b) A *Summary of Changes* (Attachment 2) which identifies the authority for updating List B. The Summary of Changes delineates the following dates: (1) date of the COR impact assessment request; (2) date of contractor's impact assessment response; (3) date of COR's letter to contractor in response to contractor's request for clarification or guidance; and (4) if needed, implementation plan submission and/or approval dates.

When the implementation plans are developed, approved, or closed, the compliance is so annotated on the RCN. Environment Safety & Health (ES&H) Directives are required to be listed on List B as well as in the WSS Set. ES&H-related Directives will be annotated by italics and/or a footnote. DOE Directives cannot be added or removed from List B without approval by the CO or the COR.

The CO will update List B on a quarterly basis by the issuance of a contract modification which includes the approved RCN. The established schedule for issuance of RCNs is as follows:

SCHEDULE FOR ISSUANCE OF REQUIREMENTS CHANGE NOTICES		
Calendar Year Quarter	**Contractor's Submission Of Final Draft To CO**	**CO's Target Date To Issue Contract Mod**
First (Jan, Feb, Mar)	February 28	March 31
Second (Apr, May, Jun)	May 31	June 30
Third (Jul, Aug, Sep)	August 31	September 30
Fourth (Oct, Nov, Dec)	November 30	December 31

Attachment 1

(Rev. 02/2009) **U.S. Department of Energy** ***REQUIREMENTS CHANGE NOTICE***	RCN No. OR- Page 1 of XX
PROJECT: Contract Baseline Documentation	LOCATION: Oak Ridge, Tennessee
CONTRACTOR:	
CONTRACT NO.:	DATE OF CONTRACT:

This Requirements Change Notice (RCN) No. OR-XX incorporates into List B, Contract No. DE-XXXX – XXXXXX, the attached list of applicable documents, which have been assessed against the terms and conditions of the contract in accordance with the Clause in Section I entitled, "970.544-2 Laws, Regulations, and DOE Directives." This is a complete numbered list of administrative requirements and a representation of environment, safety, and health (ES&H) requirements. (In accordance with the Contractor's established procedure, information regarding ES&H-related directives and their applicability can only be obtained from specific WSS sets and S/RID functional areas sets.) ES&H-related directives in WSS sets and S/RIDs have an ES&H footnote in List B. Changes to List B are indicated by bold type. Below is a list of the directives incorporated herein:

EXECUTIVE SUMMARY OF DIRECTIVE CHANGES

ADDITIONS:

DELETIONS:

EXTENSIONS:

UPDATES:

IMPLEMENTATION PLANS (REVISED COMPLIANCE STATUS):

ADMINISTRATIVE CORRECTION:

DOE AUTHORIZING SIGNATURE: XXXXXX, Contracting Officer's Representative	DATE:

Attachment 2

Summary of Changes **Baseline List of Required Compliance Documents**			
Directive	Title	Action	Authority

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J - LIST OF ATTACHMENTS

APPENDIX E

LAWS, REGULATIONS, AND DOE DIRECTIVES

Summary of Changes for RCN-60
Baseline List of Required Compliance Documents

Directive	Title	Action	Authority
DOE O 475.2A	Identifying Classified Information	Deletion	OSO Letter 11/18/2014 ORNL Letter 12/04/2014
DOE O 475.2B	Identifying Classified Information	Addition Implementation Plan to be submitted to DOE by 03/18/2015	OSO Letter 11/18/2014 ORNL Letter 12/04/2014

Appendix E
Baseline List of
Required Compliance Documents

List B - List of Applicable Directives

DOE Directives may be found at the following address: http://www.directives.doe.gov/				
Required Compliance Document	**Document Date**	**Title**	**Through Change**	**Notes and Comments**
DOE O 130.1	09/29/1995	Budget Formulation		
DOE M 142.2-1, Administrative Change 1	06/27/2013	Manual for Implementation of Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency		
DOE O 142.2A, Administrative Change 1	06/27/2013	Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency		
DOE O 142.3A	10/14/2010	Unclassified Foreign Visits and Assignments Program		
DOE O 150.1	05/08/2008	Continuity Programs		
DOE O 151.1C, Attachment 2	11/02/2005	Comprehensive Emergency Management System		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 153.1	06/27/2007	Departmental Radiological Emergency Response Assets		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 200.1A	12/23/2008	Information Technology Management		
DOE M 205.1-3, Administrative Change 1	12/20/2012	Telecommunications Security Manual		
DOE O 205.1B, Change 2	03/11/2013	Department of Energy Cyber Security Program		
Implementation Plan to be submitted to DOE upon issuance of Senior DOE Management Risk Management Approach Implementation Plan.				
DOE O 206.1	06/11/2009	Department of Energy Privacy Program		
DOE O 206.2	02/19/2013	Identity, Credential, and Access Management (ICAM)		
Compliance Line: Implementation Plan, approved by DOE on 08/06/2013.				
DOE O 210.2A	04/08/2011	DOE Corporate Operating Experience Program		
DOE O 221.1A	04/19/2008	Reporting Fraud, Waste and Abuse to the Office of Inspector General		
DOE O 221.2A	02/25/2008	Cooperation with the Office of Inspector General		
DOE O 225.1B	03/04/2011	Accident Investigations		
DOE O 227.1	08/30/2011	Independent Oversight Program		
DOE O 231.1B, Administrative Change 1	11/28/2012	Environment, Safety and Health Reporting		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 232.2, Administrative Change 1	03/12/2014	Occurrence Reporting and Processing of Operations Information		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 241.1B	12/13/2010	Scientific and Technical Information Management		

Appendix E
Baseline List of
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List B - List of Applicable Directives

DOE Directives may be found at the following address: http://www.directives.doe.gov/				
Required Compliance Document	**Document Date**	**Title**	**Through Change**	**Notes and Comments**
DOE O 243.1B, Administrative Change 1	07/08/2013	Records Management Program		
Compliance Line: Implementation Plan, approved by DOE on 10/04/2013.				
DOE O 252.1A, Administrative Change 1	03/12/2013	Technical Standards Program		
DOE O 313.1	11/19/2009	Management and Funding of the Department's Overseas Presence		See Footnote (2)
DOE O 341.1A	10/18/2007	Federal Employee Health Services		See Footnote (2)
DOE O 350.1, Change 4	04/29/2013	Contractor Human Resource Management Programs		
DOE O 350.2B	05/31/2011	Use of Management and Operating or Other Facility Management Contractor Employees for Services to DOE in the Washington, D.C., Area		
DOE O 410.2, Administrative Change 1	04/10/2014	Management of Nuclear Materials		
DOE O 413.1B	10/28/2008	Internal Control Program		
DOE O 413.2B, Administrative Change 1	01/31/2011	Laboratory Directed Research and Development		
DOE O 413.3B	11/29/2010	Program and Project Management for the Acquisition of Capital Assets		
DOE O 414.1D, Administrative Change 1	05/08/2013	Quality Assurance		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 420.1C	12/04/2012	Facility Safety		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 420.2C	07/21/2011	Safety of Accelerator Facilities		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 422.1, Administrative Change 1	06/25/2013	Conduct of Operations		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 425.1D, Administrative Change 1	04/02/2013	Verification of Readiness to Start Up or Restart Nuclear Facilities		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 426.2, Administrative Change 1	07/29/2013	Personnel Selection, Training, Qualification, and Certification Requirements for DOE Nuclear Facilities		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 430.1B, Change 2	04/25/2011	Real Property Asset Management		
DOE O 433.1B, Administrative Change 1	03/12/2013	Maintenance Management Program for DOE Nuclear Facilities		ES&H-related Directive included in WSS. See Footnote (1).

Appendix E
Baseline List of
Required Compliance Documents

List B - List of Applicable Directives

DOE Directives may be found at the following address: http://www.directives.doe.gov/				
Required Compliance Document	**Document Date**	**Title**	**Through Change**	**Notes and Comments**
DOE M 435.1-1, Administrative Change 2	06/08/2011	Radioactive Waste Management Manual		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 435.1, Change 1	07/09/1999	Radioactive Waste Management	1 08/28/2001	
DOE O 436.1	05/02/2011	Departmental Sustainability		
DOE O 440.2C, Administrative Change 1	06/22/2011	Aviation Management and Safety		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 442.1A	06/06/2001	Department of Energy Employee Concerns Program		
DOE O 442.2	07/29/2011	Differing Professional Opinions for Technical Issues Involving Environmental, Safety and Health Technical Concerns		
DOE O 443.1B	03/17/2011	Protection of Human Subjects		
DOE M 450.3-1	01/25/1996	The Department of Energy Closure Process for Necessary and Sufficient Sets of Standards		
DOE O 456.1, Administrative Change 1	02/14/2013	The Safe Handling of Unbound Engineered Nanoparticles		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 458.1, Administrative Change 3	01/15/2013	Radiation Protection of the Public and the Environment		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 460.1C	05/14/2010	Packaging and Transportation Safety		ES&H-related Directive included in WSS. See Footnote (1).
DOE O 470.3B	08/12/2008	Graded Security Protection (GSP) Policy		
DOE O 470.4B, Administrative Change 1	02/15/2013	Safeguards and Security Program		
DOE O 470.5	06/02/2014	Insider Threat Program		
DOE O 471.1B	03/01/2010	Identification and Protection of Unclassified Controlled Nuclear Information		
DOE M 471.3-1, Administrative Change 1	01/13/2011	Manual for Identifying and Protecting Official Use Only Information		
DOE O 471.3, Administrative Change 1	01/13/2011	Identifying and Protecting Official Use Only Information		
DOE O 471.5	03/29/2011	Special Access Programs (Official Use Only)		
DOE O 471.6, Administrative Change 1	11/23/2012	Information Security		
DOE O 472.2, Change 1	07/09/2014	Personnel Security		
DOE O 473.3	06/27/2011	Protection Program Operations		
DOE O 474.2, Administrative Change 2	11/19/2012	Nuclear Material Control and Accountability		

Appendix E
Baseline List of
Required Compliance Documents

List B - List of Applicable Directives

DOE Directives may be found at the following address: http://www.directives.doe.gov/				
Required Compliance Document	**Document Date**	**Title**	**Through Change**	**Notes and Comments**
DOE O 475.1	12/10/2004	Counterintelligence Program		
DOE O 475.2B	**10/03/2014**	**Identifying Classified Information**		
Compliance Line: Implementation Plan, to be submitted to DOE by 03/18/2015.				
DOE M 481.1-1A	01/03/2001	Reimbursable Work For Non-Federal Sponsors Process Manual	1 09/28/2001	
DOE O 483.1A	11/06/2013	DOE Cooperative Research and Development Agreements		
DOE O 484.1, Administrative Change 2	6/30/2014	Reimbursable Work for the Department of Homeland Security		
DOE O 522.1	11/03/2004	Pricing of Departmental Materials and Services		
DOE O 534.1B	01/06/2003	Accounting		
DOE O 551.1D	04/02/2012	Official Foreign Travel		
DOE O 580.1A, Administrative Change 1	03/30/2013	Department of Energy Personal Property Management Program		See Footnote (2)
DOE O 5639.8A	07/23/1993	Security of Foreign Intelligence Information and Sensitive Compartmented Information Facilities		
DOE-STD-1090-2007 with exceptions	06/01/2007	Hoisting and Rigging Standard (Formerly Hoisting and Rigging Manual)		ES&H-related Directive included in WSS. See Footnote (1).
DOE-STD-1186-2004	08/01/2004	Specific Administrative Controls		ES&H-related Directive included in WSS. See Footnote (1).

Appendix E
Baseline List of
Required Compliance Documents

List B - List of Applicable Directives

Work Smart Standards (WSS) Sets may be found at the following address: https://sbms.ornl.gov/sbms/wsshome/wss.html				
Required Compliance Document	**Approval Date**	**Title**	**Change # Approval Date**	**Notes and Comments**
WSS Set 1	07/25/1996	Other Industrial, Radiological, and Non-Radiological Hazard Facilities	98 09/09/2014	
WSS Set 2	09/30/1996	Radiochemical Material Analytical Laboratory (RMAL), Building 2026	29 10/27/2014	
WSS Set 3	09/30/1996	Accelerator Facilities	7 10/16/2013	
WSS Set 4	12/17/1996	Radioisotope Development Laboratory (Building 3047)	28 10/27/2014	
WSS Set 5	12/17/1996	Radiochemical Engineering Development Center (Buildings 7920, 7930, and Support Areas)	27 10/27/2014	
WSS Set 7	05/07/1997	Irradiated Materials Examination and Testing Facility and Irradiated Fuels Examination Laboratory (Buildings 3025E, 3525, and Support Areas)	28 10/27/2014	
WSS Set 8	05/07/1997	Construction and Construction-like Activities	11 09/05/2013	
WSS Set 9	04/14/1998	Engineering Design of Standard Industrial, Radiological, Non-Reactor Category 2 and 3 Nuclear, and Accelerator Facilities	13 07/11/2014	
WSS Set 10	09/10/1998	High Flux Isotope Reactor and its associated facilities	31 10/27/2014	
WSS Set 13	04/18/2003	Spallation Neutron Source	6 10/16/2013	

FOOTNOTES:

(1) **This document is ES&H-related and appears in one or more of the current Work Standards (WSS) Sets. In a WSS Set, the document may be referenced in its entirety or only certain chapters, paragraphs, or sections. Additional information regarding directives and their applicability may be obtained from specific WSS sets.**

(2) **This Directive is incorporated with implementation assumptions. The implementation assumptions may be viewed at: https://sbms.ornl.gov/SBMS/WSSHome/listbias.htm**

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J – LIST OF ATTACHMENTS

APPENDIX F

SPECIAL FINANCIAL INSTITUTION ACCOUNT AGREEMENT

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SPECIAL FINANCIAL INSTITUTION ACCOUNT AGREEMENT FOR USE WITH THE PAYMENTS-CLEARED FINANCING ARRANGEMENT

Agreement entered into this 30th day of January, 2006, between the **UNITED STATES OF AMERICA**, represented by the Department of Energy (DOE), and **UT-BATTELLE, LLC**, a limited liability company organized and existing under the laws of the State of Tennessee (Contractor), and **SunTrust Bank, Inc.**, a financial institution organized and existing under the laws of the State of Georgia, located at 7610 Gleason Drive, Knoxville, TN 37919 (Financial Institution).

RECITALS

(a) On the effective date of April 12, 1999, DOE and the Contractor entered into Agreement No. DE-AC05-00OR22725, or a Supplemental Agreement(s) thereto, providing for the transfer of funds on a payments-cleared basis.

(b) DOE requires that amounts advanced to the Contractor thereunder be deposited in a special demand deposit account at a financial institution covered by the Department of the Treasury-approved Government deposit insurance organizations that are identified in I TFM 6-9000 (see Fig. IX-10).

These special demand deposits must be kept separate from the Contractor's general or other funds, and the parties are agreeable to so depositing said amounts with the Financial Institution.

(c) The special demand deposit account shall be designated UT-Battelle, LLC, [account title] Account.

COVENANTS

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

(1) The Government shall have title to the credit balance in said account to secure the repayment of all advance payments made to the Contractor, and said title shall be superior to any lien, title, or claim of the Financial Institution with respect to such accounts.

(2) The Financial Institution shall be bound by the provisions of said Agreement(s) between DOE and the Contractor 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 Financial Institution shall not be responsible for the application of funds withdrawn from said account. After receipt by the Financial Institution of directions from the Contractor, on behalf of DOE, the Financial Institution 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 Financial Institution from the Contractor acting on behalf of DOE and purporting to be signed by, or signed at the written direction of, the Contractor may, insofar as the rights, duties, and liabilities of the Financial Institution are concerned, be considered as having been properly issued and filed with the Financial Institution by the Contractor.

(3) DOE, or its authorized representatives, shall have access to financial records maintained by the Financial Institution with respect to such special demand deposit account at all reasonable times and for all reasonable purposes, including. but without limitation to, the inspection or copying of such financial records and any or all memoranda, checks, payment requests, correspondence, or documents pertaining thereto. Such financial records shall be preserved by the Financial Institution for a period of six years after the final payment under the 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 Financial Institution shall promptly notify DOE at:

U.S. Department of Energy
Oak Ridge Operations Office
Post Office Box 2001
Oak Ridge, Tennessee 37831-8759
Fax: (865).241-2549

(5) DOE shall authorize funds (in the form of a Letter of Credit) that are irrevocable to the extent that obligations have been incurred in good faith thereunder 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 all payments issued by the Contractor and to restrict Automated Standard Application for Payments (ASAP) 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.

If documentation furnished by the Financial Institution demonstrates that this withdrawal procedure would be inequitable to DOE or to the Financial Institution, Covenant 5 may be modified upon agreement of all parties concerned. The Financial Institution shall comply with the provisions contained in I TFM 6-2000, which states that payment vouchers (TFS form 5805) ordinarily should not be drawn more frequently than daily or for amounts less than $5,000 and in no case should they be drawn for more than $50,000,000 unless otherwise stated in the Letter of Credit. In the event that the balance remaining in the Letter of Credit limitation is not sufficient to cover the checks presented, the Department of the Treasury will, at the specific authorization of DOE, instruct the Federal Reserve Bank to immediately wire a transfer of funds from the Department of the Treasury account to the Financial Institution's account, for the benefit of the Contractor's special demand deposit account, in an amount sufficient to cover the check presented in excess of the available Letter of Credit balance.

The Financial Institution agrees to service the account in this manner based on the requirements and specifications contained in the Contractor's Solicitation No. AGS-08 dated September 22, 2005. The Financial Institution agrees that per-item costs detailed in the form *Schedule of Financial Institution Processing Charges* and contained in the Financial Institution's proposal dated October 26, 2005, will remain constant during the term of this Agreement. The Financial Institution shall calculate the monthly fees based on services rendered and invoice the Contractor. The Contractor shall issue a check or automated clearing house authorization transfer to the Financial Institution in payment thereof.

(6) The Financial Institution shall post collateral, acceptable under Title 31 CFR 202/Treasury Financial Manual Part 6, Chapter 9000, with the Federal Reserve Bank in an amount equal to the net balances in all of the accounts included in this Agreement, less the Department of the Treasury-approved deposit insurance.

(7) This Agreement, with all its provisions and covenants, shall be in effect for a term of five years beginning on the 1st day of February, 2006, and ending on the 31st day of January, 2011.

(8) DOE, the Contractor, or the Financial Institution may terminate this Agreement at any time within the Agreement period upon submitting written notification to the other parties 90 days prior to the desired termination date. The specific provisions for operating the account during this 90-day period are contained in Covenant 11.

(9) DOE or the Contractor may terminate this Agreement at any time upon 30 days written notice to the Financial Institution if DOE or the Contractor, or both parties, find that the Financial Institution has failed to substantially perform its obligations under this Agreement or that the Financial Institution is performing its obligations in a manner that 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 provisions of Covenants 8 and 9, in the event that the Agreement, referenced in Recital (a), between DOE and the Contractor is not renewed or is terminated, this Agreement between DOE, the Contractor, and the Financial Institution shall be terminated automatically upon the delivery of written notice to the Financial Institution.

(11) In the event of termination, the Financial Institution agrees to retain the Contractor's special demand deposit account for an additional 90-day period to clear outstanding payment items. During this 90-day period, DOE shall place on deposit in that account sufficient funds to cover all outstanding checks presented for payment.

During the 90-day period, it is further understood that:

(a) The Financial Institution shall maintain collateral in an amount sufficient to collateralize the highest balance in the account, less Federal Deposit Insurance Corporation (FDIC) coverage on the accounts, and that no cost of such collateralization shall accrue to the Contractor or DOE.

(b) All service charges shall be consistent with the amounts reflected in this Agreement as identified in *Schedule of Financial Institution Processing Charges*.

(c) No charge will be made for any FDIC or other depository insurance assessed.

(d) All terms and conditions of the Financial Institution's proposal dated October 26, 2005, which are not inconsistent with this 90-day additional term shall remain in effect.

(e) This Agreement shall continue in effect, with exception of the following:

1. Letter of Credit (Covenant 5)
2. The term of this Agreement (Covenant 7)
3. Termination of Agreement (Covenants 8 and 9)

(12)Administration of this Agreement may be transferred, in whole or in part, to DOE or its designee(s) and to the extent of such transfer and notice thereof to the Financial Institution, the Contractor shall have not further responsibilities hereunder.

The Financial Institution has submitted the forms entitled *Technical Representations and Certifications (Jul 2005), Schedule of Financial Institution Processing Charges*, and *Option*. These forms have been accepted by the Contractor and DOE and are incorporated herein with the document entitled *Statement of Work dated July 20, 2005*, as an integral part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

THE UNITED STATES OF AMERICA
U.S. DEPARTMENT OF ENERGY

BY: Beverly J. Harness
Beverly J. Harness, Contracting Officer

DATE: 1/30/2006

UT-BATTELLE, LLC

BY: Barry R. Miller
Barry R. Miller, Director, Contracts Division

DATE: 1/9/06

SUNTRUST BANK, INC.

BY: Bob L Whatley

DATE: 1/20/2006

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, _____, certify that I am the _____ of the corporation named as Contractor herein; that _____, who signed this Agreement on behalf of the Contractor, was then _____ 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 – The 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, Linda K. Larkin, certify that I am the Board Secretary of the corporation named as Financial Institution herein; that BOB L. WRATHER, who signed this Agreement on behalf of the Financial Institution, was then S.V.P. 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.

Linda K. Larkin
(Corporate Seal)(Signature)

STATEMENT OF WORK
July 20, 2005

General Requirements

Requirements include the establishment and maintenance of government fund demand deposit accounts and the accurate and timely processing of all banking services related to these accounts. Banking services that are required include, but are not limited to: zero balance accounts; controlled disbursement; positive pay; account reconciliation; Electronic Funds Transfer (EFT) including Automated Clearing House (ACH) and wires - domestic and foreign; Electronic Data Interchange (EDI); web-based inquiry and processing capabilities; miscellaneous services such as stop payments, cancels, issues and paid check imaging; and a variety of additional reporting and communication needs.

Bank Account Information and Requirements

Establish and maintain Government Fund Accounts (GFAs) for disbursement activities. At present, five government fund demand deposit accounts are utilized. UT-Battelle, LLC (Contractor), reserves the right to consolidate existing accounts or establish additional accounts as needed during the term of the Agreement. All accounts are established as zero balance accounts and are funded by the "payments cleared method of financing" as described in a subsequent section of this Statement of Work document. Descriptions of currently established disbursement accounts follow.

Master Account
Direct disbursements from this account are limited to all wire transfers and the ACH transmittals generated for payment of general liabilities. Additionally, this account is utilized to fund all other government fund accounts listed below. Under the payments-cleared method of financing, the Financial Institution will make a daily draw from the U.S. Department of the Treasury's (Treasury) Automated Standard Application for Payments (ASAP) System which will be credited to this master account in order to bring all accounts, including this master account, back to a zero ($0.00) balance. No paper checks are issued from the master account.

Note: The Financial Institution must be a Treasury-approved government deposit insurance organization as identified in I TFM 6-9000. Accordingly, the Financial Institution shall post collateral with the Federal Reserve Bank (FRB), in an amount equal to the net balance of federal funds deposited into this master account, less the Treasury-approved deposit insurance.

Sub-Account – General Payables
Disbursements are limited to paper checks issued in satisfaction of general vendor account liabilities. This account is established as a positive pay, controlled disbursement account.

Sub-Account – Worker's Compensation and General Liability
Disbursements are limited to paper checks issued in payment of liabilities under the Contractor's Worker's Compensation Self-Insurance plan. This account is established as a positive pay, controlled disbursement account. Special Note: Check payments for worker's compensation liabilities are issued by a third-party administrator; therefore, file transfers of issues will be presented to the Financial Institution by this party.

Sub-Account – Payroll Disbursements by Check
Disbursements are limited to paper checks issued in satisfaction of payroll liabilities. This account is established as a positive pay, controlled disbursement account.

Sub-Account – Payroll Disbursements by ACH
Disbursements are limited to ACH payments issued in satisfaction of payroll liabilities.

Special Note: Other than any credit(s) due to the receipt of a returned/rejected disbursement item(s), all sub-accounts receive only one credit (deposit) per day, resulting through funding from the master account for zero-balancing. As well, the master account receives only one credit per day, resulting from the daily ASAP draw. Any other credit(s) to the master account must be due to receipt of a returned/rejected disbursement issue(s). The "netting" of accounts by offsetting disbursements with deposit receipts, other than the ASAP draw, is not permitted.

See the "Depository and Cash Services" section of this Statement of Work for a more detailed explanation of general deposit requirements.

Payments-Cleared Method of Funding
As a Prime Contractor to the United States Department of Energy (DOE), the Contractor is wholly dedicated to the operation and management of the Oak Ridge National Laboratory (ORNL). As such, the Contractor receives full funding under the "payments cleared method of funding." The payments-cleared funding arrangement is a financing method utilized by the federal government for financing grants, contracts, and other programs and utilizes a payment system called the ASAP 1031 Account. In brief, this "on line" program is used by the Financial Institution to effect full reimbursement for all payments "paid" by the Financial Institution on behalf of the Contractor on a given day. Under this arrangement, the Contractor issues payments for program costs, utilizing controlled disbursement accounts as described above. The Financial Institution will honor the payments presented for collection without pre-funding of accounts. At the close of each business day, on an intraday basis, the Financial Institution will zero balance all sub-accounts with an offsetting charge to the master account to determine the total amount advanced during the day. The Financial Institution will then access the ASAP system, using software furnished by the Treasury's Financial Management Service (FMS), connecting it to the FRB of Richmond to advise Treasury of the amount advanced. The FRB will immediately arrange a "draw" against DOE's authorized funds for same day credit to the Financial Institution's reserve account at its FRB. Funds are provided by a repetitive Fed Wire. The daily draw should bring the Contractor's full chart of government account balances back to zero. To receive same day credit, the

payment request must be received by the FRB of Richmond by 5:45 p.m. Eastern time. The intraday cut-off time established must be sufficient to meet this deadline; however, it should be as late in the day as administratively possible in order to minimize the potential for overdrafts. The amount of the daily drawdown should be sufficient to maintain the account balance net positive and as close to zero as administratively possible. If the Financial Institution has a pattern of excess drawdowns and fails to correct the problem after written notice from DOE, 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. Penalties will be remitted to the cognizant DOE finance office.

Normally, the Financial Institution's daily ASAP draw requirement ranges from $1 Million to $8 Million and averages approximately $4 Million. However, at least once per month, upon issue of the monthly payroll, the draw requirement is approximately $20 Million. The Financial Institution must have sufficient reserves to cover this intraday overdraft pending end of day settlement/reimbursement through the Treasury's ASAP system.

After award, the DOE finance office will provide the Financial Institution with enrollment forms that will permit withdrawal of funds from the ASAP 1031 account at the FRB of Richmond. The Financial Institution will complete the forms and return them to DOE for further processing.

In-house Check Generation

Accept and process paper checks generated in-house by the Contractor. The Contractor uses commercially available, blank check stock to generate its paper checks. Paper checks are printed in-house and distributed daily.

On Line Communication and Processing

Provide a secure, web-based communication and processing system(s) for check imaging display, wire transfer processing, stop payment processing and inquiry, and file transmissions (ACH, EDI, Positive Pay). Unique user identifications and passwords, along with specified authorizations, will be issued for individual personnel as requested by the Contractor.

Positive Pay

Provide positive pay for all controlled disbursement accounts (currently three accounts as described above). Check issues are processed each business day. An approximate average of 2,000 checks are issued each month from the combined controlled disbursement accounts. The Contractor defines the positive pay function as follows: Each business day, the Contractor sends to the Financial Institution, an electronic file containing data representing checks issued or voided on the previous business day. For each controlled disbursement account, file data includes account number, check serial

number, and respective amounts. The Financial Institution will provide a web-based product to facilitate transmission of respective files. The check issue and void information will be used by the Financial Institution to create and maintain an outstanding check file. Newly issued checks are accumulated into the outstanding check file. Voided checks are removed from the outstanding check file. As checks are presented to the Financial Institution, the Financial Institution compares the encoded check information to the outstanding check file. Matching items are considered to be approved for payment and removed from the outstanding check file. Non-matching items are reviewed by the Financial Institution for encoding errors. Encoding errors are corrected by the Financial Institution, and the check is removed from the outstanding check file. Non-matching items not resulting from encoding errors are referred to the Contractor's Treasury Services personnel for resolution. The purpose of this function is to allow the Contractor sufficient time to return any unauthorized payments within 48 hours as provided by the Uniform Commercial Code. In addition to the mechanism for daily file processing for positive pay as described above, the Contractor requires web-based processing capabilities for transmission of manual issues and voids.

Stop-Payment Processing

Provide stop payment capability. Stop payment orders will be placed by the Contractor via the web-based communication and processing system provided by the Financial Institution. Stop payments shall not be labeled or treated as cancellations or voids on the bank reports or on the check inquiry system. Rather, the stop payment items should be clearly identified as such.

Electronic File Transfer/EDI Services

Submit Cash Concentration or Disbursement (CCD) and Pre-arranged Payments and Deposits (PPD) formatted payment files to the ACH on a daily basis. The Contractor creates National Automated Clearing House Association (NACHA) compliant CCD and PPD payment files on a daily basis. These files are transferred electronically to the Financial Institution who submits those files on the Contractor's behalf to the ACH.

Translate a payment file from a proprietary format into Corporate Trade Exchange (CTX) format and submit the file to the ACH on a daily basis. The Contractor creates an electronic file in a proprietary format to pay vendors requesting CTX payments via the ACH. These files are transferred to the Financial Institution who reads the file and translates it to a NACHA compliant CTX format and submits the file on the Contractor's behalf to the ACH.

As stated above, all file transfers to and from the Financial Institution will be executed via a secure, web-based platform provided by the Financial Institution.

Checks-Paid File

Provide paid item files, electronically, for each controlled disbursement account, no later than 7:00 a.m. on the first work day of each calendar month following the close of business for the previous month. To accommodate the Contractor's fiscal year end deadlines with DOE, the checks paid file for September business will be needed by 7:00 a.m. on the first calendar day subsequent to the Contractor's last working day in September, whether or not this falls on a work day. Provide individual files for each controlled disbursement account.

Testing Environment

Provide a test environment for file transfer transactions during implementation and on an on-going basis. During implementation and in the event program changes are made to the Contractor's software, system testing is desirable to the point that data files are passed to and reviewed by the Financial Institution.

Provide Magnetic Ink Character Recognition (MICR) document and image quality control services for testing of paper checks as requested by the Contractor on an as-needed basis.

Disaster Recovery

Sufficient disaster recovery plans must be in place to insure uninterrupted service to the Contractor's payees.

Account Reconciliation Services/ Information Requirements

Provide, by fax or on-line access, monthly bank statements for all accounts no later than 7:00 a.m. on the first work day of each calendar month following close of business for the previous month. To accommodate the Contractor's fiscal year end deadlines with DOE, statements for the September business will be needed by 7:00 a.m. on the first calendar day subsequent to the Contractor's last working day in September, whether or not this falls on a work day. Official hard copies of the statements should follow in the U.S. mail.

Provide both full and partial reconciliation reports/services for all disbursement accounts.

Provide web accessible reports, on a daily basis, providing the following information for all accounts: summary funding and reconcilement totals of daily account activity; daily and cumulative listing of un-matched checks; stop payments placed, revoked, or rejected; cancels/voids or corrected paid items; and same day and previous day balance reporting.

Check Imaging

Provide real-time, on-line access to paid item images via a web-based product. In addition, file(s) of the paid check images shall be routinely provided to the Contractor on CD-Rom.

Wire Transfers and Drafts

Foreign Drafts
Provide Contractor with in-house method for foreign denominated paper draft preparation and printing.

Wires
Contractor makes extensive use of Domestic FedWire transactions and foreign wire transactions using Society for Worldwide Interbank Financial Telecommunications (SWIFT). Financial Institution will provide on-line service for initiating wire transfers. Also, an alternative (manual) method must be available for processing wire transfers in the event of system problems. Contractor requires capabilities for making international wire transfers in U.S. and/or foreign currency denominations. Provide capability for transacting international wires through correspondent U.S. banks and wire transactions going through multiple foreign banks. Provide same-day clearing of all wire transfers transacted in U.S. currency. Provide real-time foreign exchange rates.

Depository and Cash Services

Depository Services
As described earlier, no deposits are made to any of the government fund accounts with the single exception of the daily draw through ASAP. Any deposits made by the Contractor on behalf of DOE must be credited to the Financial Institution's Treasury General Depository Account. All of the deposits are credited and reported daily on the Treasury's *Cashlink* Federal Deposit Reporting System. This system arranges for "same day" sweep of these accounts to the Federal Reserve for credit to the Treasury. Compensation for collection float is paid by the Treasury directly to the Financial Institution as a part of the Financial Institution's agency agreement with the Treasury. Therefore, in order to qualify to perform the services in this proposal, the Financial Institution must have entered into a separate agreement with Treasury's FMS, qualifying as a collection agency.

Although most collections for DOE are directed through a Treasury lockbox system (which is not part of this procurement), the Contractor does receive some direct mail and over-the-counter receipts that must be deposited regularly. As described in the paragraph above, these deposits must be credited to the Treasury General Account rather than to the GFA accounts for the Contractor. The current operating procedure calls for the Contractor to make separate deposits to a commercial clearing account which is part of the Financial Institution's sweep system. This account is subjected to electronic analysis to determine number of items deposited and, using American Banker's Association (ABA) Routing & Transit designations, establishes assigned float that is then incorporated into the Financial Institution's periodic billing to the Treasury's FMS. The Financial Institution is fully compensated for these services by the Treasury through the FMS billing. Therefore, there should not be any analysis charge assessed for these services under this procurement.

In summary of the above, the Financial Institution must be an "approved" depository agency having an established depository agreement with the Treasury's FMS. The

Financial Institution must have access to *Cashlink* and be willing to accept the Treasury's compensation for deposit and processing and float cost as full payment for depository services rendered. Further, the Contractor requires that returned deposit items, other than "no account," "account closed," or "payment stopped," shall be resubmitted one time before being charged back against the Treasury General Account.

Deposit Verification

The Financial Institution must provide for deposit verification and return of validated deposit receipts to the Contractor.

Change Order Services

The Contractor has limited change order requirements in support of miscellaneous employee services. On a weekly basis and based on a pre-determined schedule, the Financial Institution will provide a change order of cash funds as requested by Contractor.

Monthly Analysis Statement

The Financial Institution will provide the Contractor with an account analysis monthly. The account analysis will include the data necessary for the Contractor and/or the DOE finance office to determine that the costs of the services 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.

Data Mapping Services – OPTIONAL

Provide data mapping services to convert all input and output data in accordance with specifications as set by the Contractor. Reference the attached document entitled *Contractor's File Layout Specifications*.

SOLICITATION NO. AGS-08
LISTING OF ACRONYMS

ABA	American Banker's Association
ACH	Automated Clearing House
ASAP	Automated Standard Application for Payments
CCD	Cash Concentration or Disbursement
Contractor	UT-Battelle, LLC
CTX	Corporate Trade Exchange
DOE	United States Department of Energy
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
FDIC	Federal Deposit Insurance Corporation
FMS	Financial Management Service
FRB	Federal Reserve Bank
FRCS	Federal Reserve Communication System
GFA	Government Fund Account
MICR	Magnetic Ink Character Recognition
NACHA	National Automated Clearing House Association
ORNL	Oak Ridge National Laboratory
PPD	Pre-Arranged Payments and Deposits
SOW	Statement of Work
SWIFT	Society for Worldwide Interbank Financial Telecommunications
Treasury	United States Department of the Treasury

SOLICITATION NO. AGS-08
TECHNICAL REPRESENTATIONS AND CERTIFICATIONS (Jul 2005)

The Financial Institution makes the following technical representations and certifications as part of its offer to provide service under a payments-cleared financing arrangement. (Check parentheses and complete blanks, as appropriate. All information is necessary.)

1. **Financial Institution Fiscal Information**

   a. The Financial Institution is a ( ) national chartered financial institution (X) state chartered financial institution organized and existing in the State of Georgia.
   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 is 0 %. Normal rate is 10% but waived for UT Battelle.
   d. The Financial Institution (X) insures ( ) does not insure each time account for $100,000 under federally approved deposit insurance. Deposits (X) are ( ) are not insured by a Government deposit insurance organization approved by the Department of the Treasury. Explain negative responses, if any, below.

   e. The Financial Institution (X) has ( ) does not have direct on-line access to the Federal Reserve Communication System (FRCS). Explain negative response, if any, below.

   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 4:30 p.m. Eastern time.

2. **Minority Business Enterprises**

   a. The Financial Institution ( ) operates (X) does not operate as a minority-owned business enterprise with at least 50 percent ownership by minority group members. (For present purposes, minority group members are Asian Pacific Americans, Black Americans, Hispanic Americans, Indian Tribe, Native Hawaiian Organization, Native American, and Subcontinent Asian American).

   b. The Financial Institution ( ) operates (X) does not operate as a woman-owned business enterprise with at least 50 percent ownership by women members.

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*?

Service: (x) Yes ( ) No Reconciliation: (x) Yes ( ) No

b. What is the highest number of payments serviced and reconciled for a single account?

Service: Account Reconciliation

Reconciliation: 10,435

Bob L. Wrather
TYPED NAME

SIGNATURE

SunTrust Bank, Inc.
NAME OF FINANCIAL INSTITUTION

October 26, 2005
DATE

CORPORATE SEAL

SOLICITATION NO. AGS-08
Schedule of Financial Institution Processing Charges

TMA Code	Services	Contractor's Projected Monthly Quantity	Price Per Unit	Total
	DEMAND DEPOSIT SERVICES			
10100	Other Miscellaneous Debits	4	$ 0.16	$ 0.64
10000	Account Maintenance – Monthly	9	$13.00	$ 117.00
150100	Items Paid	1	$ 0.16	$ 0.16
250200	Electronic Debits Posted	71	$ 0.04	$ 2.84
250200	Electronic Credits Posted	2	$ 0.04	$ 0.08
100220	On-Us Items	1	$0.085	$ 0.085
100222	Clearinghouse Items	1	$0.095	$ 0.095
100223	Local Fed/In State Fed	1	$0.115	$ 0.115
100224	Out Of State Items	1	$ 0.15	$ 0.15
10310	Duplicate Statement	5	$ 2.00	$ 10.00
	CONTROLLED PAYMENT SERVICES			
150120	Control Payments-Check Paid	2163	$ 0.075	$162.23
150310	Controlled Payment-Mismatches	1	$ 2.00	$ 2.00
150030	Controlled Payment-Mth Maint	3	$ 60.00	$180.00
400199	CPR Auto D/T To Bank/Tran	22	$ 5.00	$110.00
400199	CPR Auto D/T To Bank/Rcrd	2187	$ 0.01	$ 21.87
400199	CPR Auto D/T To Client/Tran	1	$ 0.00	$ 0.00
400199	CPR Auto D/T To Client/Rcrd	1	$ 0.00	$ 0.00
	ZERO BALANCE SERVICES			
10020	ZBA Master Account	1	$ 10.00	$ 10.00
10021	ZBA Sub Account	4	$ 5.00	$ 20.00
	DISBURSEMENT IMAGE SERVICES*			
151350	Check Image-CD Rom Mth Maint	1	$ 32.00	$ 32.00
151351	Check Image CD-Rom Item	2184	$ .035	$ 76.44
151350	Check Image-Addl CD Mth Maint	1	$ 50.00	$ 50.00

SOLICITATION NO. AGS-08
Schedule of Financial Institution Processing Charges

	WIRE TRANSFER SERVICES			
350000	Wire Trsf Monthly Maint/Acct	2	$ 5.00	$ 10.00
350200	W/T Out Rep/Semi (Oper Assist)	1	$ 5.00	$ 5.00
350300	W/T Out Non-Rep (Oper Assist)	1	$ 5.00	$ 5.00
350560	W/T Incoming	23	$ 5.00	$115.00
350560	W/T Tracer/Reversal	1	$ 20.00	$ 20.00
350320	Internal Wire Transfer Credit	1	$ 2.50	$ 2.50
350530	Priority Processing-Account	1	$ 50.00	$ 50.00
350525	Draw Down Request	21	$ 5.00	$105.00
350100	W/T Out Rep (OTM PC Wire)	21	$ 5.00	$ 5.00
350104	W/T Out Non-Rep (OTM PC Wire)	18	$ 5.00	$ 90.00
350120	W/T Internal Rep (OTM PC Wire)	1	$ 1.00	$ 1.00
	ACH SERVICES*			
250302	ACH Return Item	3	$ 3.00	$ 9.00
250632	Excessive C/A Rejects	1	$ 20.00	$ 20.00
259999	Calendar Monitoring/Mo	1	$ 20.00	$ 20.00
250799	ACH Fax/Page	64	$ 1.00	$ 64.00
250629	ACH Deletions	1	$ 10.00	$ 10.00
250649	ACH Reversals	1	$ 10.00	$ 10.00
250000	ACH Collection Applic Maint	3	$ 7.00	$ 21.00
250509	ACH Collection Applic Process	46	$ 5.00	$230.00
250101	ACH Credits Orig	14986	$ 0.04	$599.44
400199	ACH Auto D/T To Bank/ Tran	26	$ 5.00	$130.00
400199	ACH Auto D/T To Bank/Rcrd	12720	$ 0.01	$127.20
	ACH FRAUD CONTROL SERVICES			
251050	AFC Monthly Maint Account	3	$ 0.00	$ 0.00
	ARP SERVICES			
400199	ARP Auto D/T To Client/Tran	3	$ 5.00	$ 15.00
400199	ARP Auto D/T To Client/Rcrd	4097	$ 0.01	$ 40.97
200020	Partial Recon-Base	2	$ 50.00	$100.00

SOLICITATION NO. AGS-08
Schedule of Financial Institution Processing Charges

	ONLINE TREASURY MANAGER*			
400210	IR Maintenance Fee	1	$ 50.00	$ 50.00
400002	PD Module Fee/Per Month	1	$ 10.00	$ 10.00
400220	PD Acct Maint/Per Acct [1-10]	8	$ 5.00	$ 40.00
400221	PD Detail Per Item [1-2500]	432	$ 0.025	$ 10.80
400221	PD Detail Per Item [2501-7500]	1	$ 0.025	$ 0.025
400223	SD Module Fee/Per Month	1	$ 10.00	$ 10.00
400223	SD Acct Maint/Per Acct [1-10]	8	$ 5.00	$ 5.00
400005	SD Detail/Per Item [1-1500]	2340	$ 0.025	$ 58.50
400005	SD Detail/Per Item [1501-5000]	1	$ 0.025	$ 0.025
40000Z	Special Report Module	1	$ 10.00	$ 10.00
400005	ACH/Per Acct/Day	1	$ 1.00	$ 1.00
400005	CAR Report/Per Acct/Day	1	$ 1.00	$ 1.00
400005	CPR Special Report(s)	21	$ 1.00	$ 21.00
151719	Stop Module/Per Month	1	$ 10.00	$ 10.00
150410	Stop Payment/Per Stop	1	$ 5.00	$ 5.00
251100	ACH Module/Per Month	1	$ 15.00	$ 15.00
250102	Acct Transfer/Per Transfer	1	$ 0.25	$ 0.25
251100	Acct Transfer Module/Per Month	1	$ 25.00	$ 25.00
350600	Wire Module/Per Month	1	$ 15.00	$ 15.00
151351	Image Acct Maint/Per Acct	1	$ 0.00	$ 0.00
151351	Image/Per Retrieval [1-250]	5	$ 2.50	$ 12.50
250509	OTM ACH Co App Processed	2	$ 5.00	$ 10.00
250101	OTM ACH Credits Originated	3	$ 0.04	$ 0.12
250120	OTM ACH Addenda Originated	2	$ 0.015	$ 0.03
	EDI SERVICES			
300221	EDI Translated Rpt-Faxed Page	19	$ 1.00	$ 19.00
300112	EDI Origination Per 1000 Char	433	$ 0.50	$216.50
300220	EDI Translated Rpt-per Item	19	$ 1.00	$ 19.00
300000	EDI Monthly Maintenance	1	$100.00	$100.00
400199	EDI Auto D/T To Bank/Trans	38	$ 5.00	$190.00
400199	EDI Auto D/T To Bank/Rcrd	7087	$ 0.01	$ 70.87

SOLICITATION NO. AGS-08
Schedule of Financial Institution Processing Charges

	INTERNATIONAL SERVICES			
350700	Intl W/T Out Non-Rep USD OTM	10	$ 5.00	$ 50.00
350700	Intl Outgoing Wire Transfer	7	$ 10.00	$ 70.00
	CASH VAULT SERVICES			
100154	Cash Vlt Monthly Maint 2-9 Location	1	$ 35.00	$ 35.00
100140	Cash Vault Man Order Proc	2	$ 10.00	$ 20.00
10014A	Currency Std Ord-Full Strap	1	$ 0.30	$ 0.30
100144	Rolled Coin Order/Roll	1	$ 0.08	$ 0.08
100148	Curr Std Order-Loose Curr	94	$ 0.15	$ 14.10
TOTAL PROJECTED MONTHLY PRICE				**$3,715.92**

***Changes in 2006 pricing configuration:**

TMA Code	Services	Contractor's Projected Monthly Quantity	Price Per Unit	Total
	ACH SERVICES			
250302	ACH Return Items	3	$ 5.00	$ 15.00
250632	Excessive C/A Rejects	1	$ 20.00	$ 20.00
259999	ACH Calendar Monitoring	1	$ 20.00	$ 20.00
250799	ACH Fax Page	64	$ 1.00	$ 64.00
250629	ACH Deletions-Item	1	$ 10.00	$ 10.00
252106	ACH Deletions Batch or File	1	$ 6.00	$ 6.00
250649	ACH Reversals-Item	1	$ 10.00	$ 10.00
254106	ACH Reversals Batch or File	1	$ 6.00	$ 6.00
250000	ACH Monthly Maintenance	3	$ 10.00	$ 30.00
250101	ACH File Trans Self Orig	46	$ 10.00	$ 460.00
250101	ACH Consumer PPD Credits Orig	14986	$ 0.04	$ 599.44
250601	Corp Credits Orig CCD, CCD+, CTX	0	$ 0.04	$ 0.00
	DISBURSEMENT IMAGE SERVICES			
151350	Ck Image Extra Copy/Month	1	$ 35.00	$ 35.00
151353	CD Rom Image Service	1	$ 30.00	$ 30.00

151351	CD Rom Images Per Item	2184	$ 0.0425	$ 92.82
	ONLINE TREASURY MANAGER			
400210	Info Rptg Maint. Fee	1	$ 50.00	$ 50.00
400002	PD Service/Per Month	1	$ 10.00	$ 10.00
	PD Acct Maint/Per Acct	8	$ 5.00	$ 40.00
	PD Detail/Per Item [1-2500]	432	$ 0.025	$ 10.80
	PD Detail/Per Item [2501-7500]	1	$ 0.025	$ 0.025
400005	SD Service/Per Month	1	$ 10.00	$ 10.00
	SD Acct Maint/Per Acct	8	$ 5.00	$ 5.00
	SD Detail/Per Item [1-1500]	1500	$ 0.025	$ 37.50
	SD Detail/Per Item [1501-5000]	840	$ 0.025	$ 21.00
40000Z	Special Rpt Service/Per Month	1	$ 10.00	$ 10.00
400005	ACH-EDI Report/Per Day	1	$ 1.00	$ 1.00
400005	Car Report/Per Day	1	$ 1.00	$ 1.00
400005	CPR-Report(s)/Per Day	21	$ 1.00	$ 21.00
151710	Stop Service/Per Month	1	$ 10.00	$ 10.00
150410	Stop Payment/Per Stop	1	$ 5.00	$ 5.00
251100	ACH Service/Per Month	1	$ 15.00	$ 15.00
250102	Acct Transfer/Per Transfer	1	$ 1.00	$ 1.00
251100	Acct Trans Service/Per Month	1	$ 0.00	$ 0.00
350600	Wire Service/Per Month	1	$ 15.00	$ 15.00
151350	Image Acct Maint/Per Mo	1	$ 0.00	$ 0.00
	Image-Per Retrieval [1-50]	5	$ 0.75	$ 3.75
	Image-Per Retrieval [51+]	0	$ 0.50	$ 0.00
250509	OTM ACH Batch Processing	2	$ 5.00	$ 5.00
250101	OTM Consumer PPD Credits Orig	0	$ 0.04	$ 0.00
250120	OTM ACH Addenda Originated	2	$ 0.0150	$ 0.03
250101	OTM ACH Corp Credits Orig	3	$ 0.04	$ 0.12

Bob Wrather
TYPED NAME

SIGNATURE

SunTrust Bank, Inc.
NAME OF FINANCIAL INSTITUTION

October 26, 2006
DATE

CORPORATE SEAL

SOLICITATION NO. AGS-08
OPTION

The Contractor shall have the option to purchase the services described below:

Option No.:	1
Description:	Map data to Contractor-designated file formats
Total Price:	$ 150.00 per hour of service used
Completion Date:	To be completed within 60 calendar days from date of Option exercise

In the event the Contractor does not exercise the above option at the time of award of the Special Financial Institution Account Agreement for Use with the Payments-Cleared Financing Arrangement, or any other date mutually agreed to, the Financial Institution shall be relieved of its obligation to perform these services.

Bob L. Wrather
TYPED NAME

Bob L Wrather
SIGNATURE

SunTrust Bank, Inc.
NAME OF FINANCIAL INSTITUTION

October 26, 2005
DATE

CORPORATE SEAL

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J – LIST OF ATTACHMENTS

APPENDIX G
PERFORMANCE EVALUATION AND MEASUREMENT PLAN

Attached to this Appendix G is the current Performance Evaluation and Measurement Plan (PEMP) which has been approved by the Department of Energy.

U.S. DEPARTMENT OF ENERGY | Office of Science

STANDARDS OF PERFORMANCE-BASED FEE

FY2015

UT-BATTELLE
PERFORMANCE EVALUATION
AND MEASUREMENT PLAN

Management and Operation of the
Oak Ridge National Laboratory

September 2014

Approval Page

Thomas E. Mason
President and Chief Executive Officer
UT-Battelle, LLC

9/19/2014
Date

Johnny O. Moore
ORNL Site Office Manager
U.S. Department of Energy

9/29/14
Date

Mark A. Million
Contracting Officer
U.S. Department of Energy

9/29/2014
Date

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INTRODUCTION

This document, the Performance Evaluation and Measurement Plan (PEMP), primarily serves as DOE's Quality Assurance/Surveillance Plan (QASP) for the evaluation of UT-Battelle, LLC (hereafter referred to as "the Contractor") performance regarding the management and operations of the Oak Ridge National Laboratory (hereafter referred to as "the Laboratory") for the evaluation period from October 1, 2014, through September 30, 2015. 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 contract clauses 970.5215-3, Conditional Payment of Fee, Profit, and Other Incentives—Facility Management Contracts, and 970.5215-1, Total Available Fee: Base Fee Amount and Performance Fee Amount. 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.

I. DETERMINING THE CONTRACTOR'S PERFORMANCE RATING, PERFORMANCE-BASED FEE AND AWARD TERM ELIGIBILITY (as applicable)

The FY2015 Contractor performance grades 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 Science and Technology (S&T) and for Management and Operations (M&O). 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) (i.e., 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 Office of Science (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. FY2015 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 three 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 sponsor's 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 has, 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) does not 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 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

Calculating Individual Goal Scores and Letter Grades:
Each Objective is assigned the earned numerical score by the evaluating office as stated above. The Goal rating is then computed by multiplying the numerical score by the weight of each Objective within a Goal. These values are then added together to develop an overall numerical score for each Goal. For the purpose of determining the final Goal grade, the raw numerical score for each Goal will be rounded to the nearest tenth of a point using the standard rounding convention discussed below and then compared to Figure I-1. A set of tables is provided at the end of each Performance Goal section of this document to assist in the calculation of Objective numerical scores to the Goal grade. No overall rollup grade shall be provided.

As stated above the raw numerical score from each calculation shall be carried through to the next stage of the calculation process. The raw numerical score for S&T and 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).

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

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 rollup of the 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 rollup of the 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				
2.0 Design, Fabrication, Construction and Operation of Research Facilities				
3.0 Science and Technology Program Management		25%		
			Initial S&T Score	

Table A: FY 2015 Contractor Evaluation Initial S&T Score Calculation

[1] For Goals 1.0 and 2.0, the weights are based on fiscal year costs for each program distributed between these two Goals. For Goal 3.0, the weight is set as a fixed percentage for all laboratories. A more defined methodology follows Table C.

M&O Performance Goal	Numerical Score	Weight		
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				
			Initial M&O Score	

Table B. FY 2015 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	

Table C. FY 2015 Final S&T and M&O Score Calculation

Weights for Goals 1-3 for program sponsors will be based on the FY15 spending for each program at ORNL as follows:

- For SC programs, user facility dollars (Goal 2) will be separated from other mission dollars (Goal 1) to determine the weights for Goals 1 and 2. For Goal 3, the weight for each SC program will be based on their total dollars at the laboratory.
- For non-SC programs, the weights for Goal 1 and Goal 3 will be based on total costs for each program at the laboratory.

Scores for Goals 1-3 will be calculated based on the weights described above. The goal scores are then averaged to give an overall S&T score with the weights described as follows:

- Goal 1 weight: (SC other mission dollars + non-SC dollars)/total dollars
- Goal 2 weight: SC research facility dollars/total dollars
- Goal 3 weight: Fixed percentage of 25%

The calculation for the initial S&T score is as follows:

- Initial S&T score = (Goal 1 score x Goal 1 weight + Goal 2 score x Goal 2 weight)(75%) + Goal 3 score (25%). The S&T score is then adjusted based on the Goal 4 score.

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 FY2015 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 recently modified to provide for a five-level adjectival grading system with associated levels of available fee.[2] SC has addressed the FAR 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 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 do 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.

[2] See Policy Flash 2010-05, *Federal Acquisition Circular 2005-37.*

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.

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 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 FY2015.

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 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, other cognizant HQ Program Offices, and other customers as identified below. The overall Goal score from each HQ Program Office and/or customer is computed by multiplying numerical scores earned by the weight of each Objective, and summing them (see Table 1.1). 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 FY2015.

- Office of Advanced Scientific Computing Research (ASCR)
- Office of Basic Energy Sciences (BES)
- Office of Biological and Environmental Research (BER)
- Office of Fusion Energy Sciences (FES)
- Office of Nuclear Physics (NP)
- Office of Defense Nuclear Nonproliferation (DNN)
- Office of Electricity Delivery and Energy Reliability (OE)
- Office of Energy Efficiency and Renewable Energy (EERE)
- Office of Fossil Energy (FE)
- Office of Intelligence (IN)
- Office of Nuclear Energy (NE)
- Department of Homeland Security (DHS)
- Nuclear Regulatory Commission (NRC)

The overall performance score and grade for this Goal will be determined by multiplying the overall score assigned by each of the offices identified above by the weightings identified for each and then summing them (see Table 1.2, below). 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, 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 FY2015 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 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 areas* 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.

Letter Grade	Definition
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 does 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.
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 and SC activities.
- Extent to which Laboratory staff members contribute thoughtful and thorough peer reviews and other research assessments as requested by DOE and SC.

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 pay-off/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.

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 sponsored workshops and strategic planning activities, for example, Laboratory staff members chair or co-chair DOE-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 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.
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 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 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.

Letter Grade	Definition
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 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 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 sponsored workshops and strategic planning activities. • Laboratory staff members contribute thoughtful and thorough peer review in a timely manner, when requested by DOE. • The Laboratory program consistently provides competitive proposals that challenge convention and open new avenues for research that are well aligned with DOE 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. • The Laboratory program consistently provides competitive proposals that challenge convention and open new avenues for research that are well aligned with DOE 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 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.*
B-	• Laboratory staff members contribute thoughtful and thorough peer review in a timely manner, when requested by DOE. 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 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 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.*

Letter Grade	Definition
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. • *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 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 Outcomes

- **BES**: Deliver impactful science for the "Energy Dissipation to Defect Evolution Center" Energy Frontier Research Center, as measured by the FY 2015 progress report, research publications and highlights, participation in periodic conference calls, and the first-year management review. (Objective 1.1)

Program Office[3]	Letter Grade	Numerical Score	Weight	Overall Score
Office of Advanced Scientific Computing Research				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall ASCR Total	
Office of Basic Energy Sciences				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall BES Total	
Office of Biological and Environmental Research				
1.1 Impact			60%	
1.2 Leadership			40%	
			Overall BER Total	
Office of Fusion Energy Sciences				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall FES Total	
Office of Nuclear Physics				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall NP Total	
Office of Defense Nuclear Nonproliferation				
1.1 Impact			56%	
1.2 Leadership			44%	
			Overall DNN Total	
Office of Electricity Delivery and Energy Reliability				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall OE Total	
Office of Energy Efficiency and Renewable Energy				
1.1 Impact			60%	
1.2 Leadership			40%	
			Overall EERE Total	
Office of Fossil Energy				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall FE Total	

[3]A complete listing of the Objectives weightings under the S&T Goals for the SC Programs and other customers is provided within Attachments I and II to this plan.

Office of Intelligence				
1.1 Impact			65%	
1.2 Leadership			35%	
			Overall IN Total	
Office of Nuclear Energy				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall NE Total	
Department of Homeland Security				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall DHS Total	
Nuclear Regulatory Commission				
1.1 Impact			50%	
1.2 Leadership			50%	
			Overall NRC Total	

Table 1.1 – Program Performance Goal 1.0 Score Development

Program Office[4]	**Letter Grade**	**Numerical Score**	**Funding Weight (cost)**	**Overall Weighted Score**
Office of Advanced Scientific Computing Research				
Office of Basic Energy Sciences				
Office of Biological and Environmental Research				
Office of Fusion Energy Sciences				
Office of Nuclear Physics				
Office of Defense Nuclear Nonproliferation				
Office of Electricity Delivery and Energy Reliability				
Office of Energy Efficiency and Renewable Energy				
Office of Fossil Energy				
Office of Intelligence				
Office of Nuclear Energy				
Department of Homeland Security				
Nuclear Regulatory Commission				
			Performance Goal 1.0 Total	

Table 1.2 – Overall Performance Goal 1.0 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 1.3 – Goal 1.0 Final Letter Grade

[4] 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 FY2015.

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 the required capabilities are present to meet today's and tomorrow's complex challenges. 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 overall Goal score from each Program Office is computed by multiplying numerical scores earned by the weight of each Objective, and summing them (see Table 2.1). 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 FY2015.

- Office of Advanced Scientific Computing Research (ASCR)
- Office of Basic Energy Sciences (BES)
- Office of Biological and Environmental Research (BER)
- Office of Fusion Energy Sciences (FES)
- Office of Nuclear Physics (NP)

The overall performance score and grade for this Goal will be determined by multiplying the overall score assigned by each of the offices identified above by the weightings identified for each and then summing them (see Table 2.2 below). The overall score earned is then compared to Table 2.3 to determine the overall letter grade for this Goal. Individual Program Office weightings for each of the Objectives identified below are provided within Table 2.1. 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 FY2015 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 413.3B, 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.

Letter Grade	Definition
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 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;

Letter Grade	Definition
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
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; and
- The quality of the process used to allocate facility time to 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;
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 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.
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 Outcomes

- **ASCR**: Working with LBNL and ANL, define a program review process to collect exascale application requirements from the Office of Science programs by the end of FY 2016 and present the plan to ASCR by February 27, 2015. The first exascale application program review should be held by September 30, 2015. (Objective 2.1)
- **ASCR**: Working with ANL, define a process to collect application requirements from the other Federal agencies for the anticipated LCF upgrades between 2019-2024 and present the plan to ASCR by February 27, 2015. (Objective 2.1)
- **FES**: For the ITER project, using all resources within the laboratory's control (1) complete sufficient implementation of the ITER Organization staffing plan necessary to effectively manage the work to be performed under the Tokamak Cooling Water System (TCWS) Arrangement, (2) complete the award of design subcontracts needed for the TCWS captive piping Final Design, and (3) complete the functional analysis of the TCWS component design and integration. (Objective 2.1)
- **FES**: Operate the proto-Material Plasma Exposure Experiment (MPEX) with greater than 100kW of injected power, measure the electron density and temperature using Thomson scattering, and expose the first materials sample to plasma. (Objective 2.1)
- **FES:** Conduct a successful Preliminary Design Review for the Test Divertor Unit Scraper Element to be used on the Wendelstein 7-X stellarator. (Objective 2.1)
- **FES**: For the ITER project, (1) begin winding the first of six Central Solenoid Modules, (2) award the contract for the Central Solenoid structures tie plates first articles, (3) ship 800 meters of Oxford and 100 meters of Luvata Toroidal Field superconducting conductors to the European Union Domestic Agency coil winding facility, (4) ship the fourth and final Steady State Electrical Network high voltage substation transformers, and (5) deliver the five TCWS cooling water drain tanks to the ITER site. (Objective 2.2)

Program Office[5]	Letter Grade	Numerical Score	Weight	Overall Score
Office of Advanced Scientific Computing Research				
2.1 Provide Effective Facility Design(s)			10%	
2.2 Provide for the Effective and Efficient Construction of Facilities and/or Fabrication of Components			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 ASCR Total	
Office of Basic Energy Sciences				
2.1 Provide Effective Facility Design(s)			0%	
2.2 Provide for the Effective and Efficient Construction of Facilities and/or Fabrication of Components			0%	
2.3 Provide Efficient and Effective Operation of Facilities			50%	
2.4 Utilization of Facility(ies) to Provide Impactful S&T Results and Benefits to External User Communities			50%	
			Overall BES Total	
Office of Biological and Environmental Research				
2.1 Provide Effective Facility Design(s)			0%	
2.2 Provide for the Effective and Efficient Construction of			0%	

[5] A complete listing of the Objectives weightings under the S&T Goals for the SC Programs and other customers is provided within Attachments I and II to this plan.

Program Office[5]	Letter Grade	Numerical Score	Weight	Overall Score
Facilities and/or Fabrication of Components				
2.3 Provide Efficient and Effective Operation of Facilities			90%	
2.4 Utilization of Facility(ies) to Provide Impactful S&T Results and Benefits to External User Communities			10%	
			Overall BER Total	
Office of Fusion Energy Sciences				
2.1 Provide Effective Facility Design(s)			40%	
2.2 Provide for the Effective and Efficient Construction of Facilities and/or Fabrication of Components			60%	
2.3 Provide Efficient and Effective Operation of Facilities			0%	
2.4 Utilization of Facility(ies) to Provide Impactful S&T Results and Benefits to External User Communities			0%	
			Overall FES Total	
Office of Nuclear Physics				
2.1 Provide Effective Facility Design(s)			0%	
2.2 Provide for the Effective and Efficient Construction of Facilities and/or Fabrication of Components			0%	
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			30%	
			Overall NP Total	

Table 2.1 – Program Performance Goal 2.0 Score Development

Program Office	Letter Grade	Numerical Score	Funding Weight (cost)	Overall Weighted Score
Office of Advanced Scientific Computing Research				
Office of Basic Energy Sciences				
Office of Biological and Environmental Research				
Office of Fusion Energy Sciences				
Office of Nuclear Physics				
			Performance Goal 2.0 Total	

Table 2.2 – Overall Performance Goal 2.0 Score Development[6]

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

[6] 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 FY2015.

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, other cognizant HQ Program Offices, and other customers as identified below. The overall Goal score from each HQ Program Office and/or customer is computed by multiplying numerical scores earned by the weight of each Objective, and summing them (see Table 3.1). 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 FY2015 provided by the Program Offices listed below.

- Office of Advanced Scientific Computing Research (ASCR)
- Office of Basic Energy Sciences (BES)
- Office of Biological and Environmental Research (BER)
- Office of Fusion Energy Sciences (FES)
- Office of Nuclear Physics (NP)
- Office of Defense Nuclear Nonproliferation (DNN)
- Office of Electricity Delivery and Energy Reliability (OE)
- Office of Energy Efficiency and Renewable Energy (EERE)
- Office of Fossil Energy (FE)
- Office of Intelligence (IN)
- Office of Nuclear Energy (NE)
- Department of Homeland Security (DHS)
- Nuclear Regulatory Commission (NRC)

The overall performance score and grade for this Goal will be determined by multiplying the overall score assigned by each of the offices identified above by the weightings identified for each and then summing them (see Table 3.2 below). 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, 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 FY2015 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 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 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; and
- 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.
- 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 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 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.); and
- The use of LDRD and other Laboratory investments and overhead funds to improve the competitiveness of the Laboratory.

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 the all expectations under A, • The Laboratory has taken extraordinary measures to deliver an extraordinary result of critical importance to DOE 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-.

Letter Grade	Definition
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 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 initiatives and/or national emergencies;
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 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 the 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 mission objectives
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; and • 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; • 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; • 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 instances*
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.

Letter Grade	Definition
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**: All communications related to Exascale between ORNL and SC, DOE, vendors, the Administration, and Congress must be aligned fully with DOE/ASCR goals, strategies and guidance. A report on all exascale related communications must be provided to the ASCR Associate Director on a quarterly basis. (Objective 3.3)
- **BES**: Continue development of the overall scientific directions and impact of the Neutron Sciences Directorate, building on the principles outlined in the 2014 Science Strategic Plan. (Objective 3.1)
- **BES**: Successfully execute the Laboratory's plan to provide permanent leadership for the Neutron Sciences Directorate. (Objective 3.2)
- **NP**: Develop and submit within the first quarter of FY2015 for NP consideration, a transition plan that identifies viable options for the disposition of HRIBF into a safe and stable surveillance condition. (Objective 3.3)
- **FES**: Ensure continued effective leadership for the U.S. Contributions to ITER project in a challenging and dynamic planning environment. (Objective 3.1)

Program Office[7]	Letter Grade	Numerical Score	Weight	Overall Score
Office of Advanced Scientific Computing Research				
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	

[7] A complete listing of the Objectives weightings under the S&T Goals for the SC Programs and other customers is provided within Attachments I and II to this plan.

Office of Basic Energy Sciences				
3.1 Effective and Efficient Strategic Planning and Stewardship			40%	
3.2 Project/Program /Facilities Management			30%	
3.3 Communications and Responsiveness			30%	
			Overall BES Total	
Office of Biological and Environmental Research				
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 Fusion Energy Sciences				
3.1 Effective and Efficient Strategic Planning and Stewardship			25%	
3.2 Project/Program /Facilities Management			25%	
3.3 Communications and Responsiveness			50%	
			Overall FES Total	
Office of Nuclear Physics				
3.1 Effective and Efficient Strategic Planning and Stewardship			40%	
3.2 Project/Program /Facilities Management			35%	
3.3 Communications and Responsiveness			25%	
			Overall NP Total	
Office of Defense Nuclear Nonproliferation				
3.1 Effective and Efficient Strategic Planning and Stewardship			36%	
3.2 Project/Program /Facilities Management			39%	
3.3 Communications and Responsiveness			25%	
			Overall DNN Total	
Office of Electricity Delivery and Energy Reliability				
3.1 Effective and Efficient Strategic Planning and Stewardship			15%	
3.2 Project/Program /Facilities Management			60%	
3.3 Communications and Responsiveness			25%	
			Overall OE Total	
Office of Energy Efficiency and Renewable Energy				
3.1 Effective and Efficient Strategic Planning and Stewardship			35%	
3.2 Project/Program /Facilities Management			25%	
3.3 Communications and Responsiveness			40%	
			Overall EERE Total	
Office of Fossil Energy				
3.1 Effective and Efficient Strategic Planning and Stewardship			34%	
3.2 Project/Program /Facilities Management			33%	
3.3 Communications and Responsiveness			33%	
			Overall FE Total	
Office of Intelligence				
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				
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				
3.1 Effective and Efficient Strategic Planning and Stewardship			20%	
3.2 Project/Program /Facilities Management			40%	
3.3 Communications and Responsiveness			40%	
			Overall DHS Total	
Nuclear Regulatory Commission				
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

HQ Program Office	Letter Grade	Numerical Score	Funding Weight (cost)	Overall Weighted Score
Office of Advanced Scientific Computing Research				
Office of Basic Energy Sciences				
Office of Biological and Environmental Research				
Office of Fusion Energy Sciences				
Office of Nuclear Physics				
Office of Defense Nuclear Nonproliferation				
Office of Electricity Delivery and Energy Reliability				
Office of Energy Efficiency and Renewable Energy				
Office of Fossil Energy				
Office of Intelligence				
Office of Nuclear Energy				
Department of Homeland Security				
Nuclear Regulatory Commission (NRC)				
			Performance Goal 3.0 Total	

Table 3.2 – Overall Performance Goal 3.0 Score Development[8]

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

[8] 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 FY2015.

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; Laboratory and Corporate Office 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,
- Establish and maintain long-term partnerships/relationships that maintain appropriate relations with the scientific and local communities, and
- Develop and leverage appropriate relations with private industry to the benefit of the laboratory and the U.S. taxpayer.

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 been faced very difficult challenges and plotted, successfully, its own course through the difficulty, with minimal hand-holding 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.

Letter Grade	Definition
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.
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 back-slid 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 back-slid 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;
- 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. The laboratory can 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 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 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 to deal with challenges at the laboratory;
- Using corporate resources to establish joint appointments or other programs/projects/activities that strengthen the lab, and
- Providing other contributions to the laboratory that that enable the lab to do things that are good for 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 lab as a result of this contractor's operation of the laboratory.
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 lab as a result of this contractor's operation of the laboratory.
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 operation of the laboratory.
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.
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:

- **OSO:** Leadership must drive timely and systemic improvements in the Laboratory's safety and security culture. (Objective 4.2)
- **OSO:** Demonstrate improvements in front line supervisor field presence and engagement of staff. (Objective 4.2)
- **OSO:** Make significant progress in transition of the AMSE to a community based activity. (Objective 4.3)

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			33%	
4.2 Management and Operation of the Laboratory			33%	
4.3 Contractor Value-Added			34%	
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 30%.

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, 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, feedback, and improvement processes; the strength of the safety culture throughout the Laboratory; 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 Outcomes

- **OSO:** Through execution of recent corrective action commitments, demonstrate enhancements in work planning and control. (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 Management System and Diversity Program
6.4 Provide Efficient, Effective, and Responsive Contractor Assurance Systems, including Internal Audit and Quality
6.5 Demonstrate Effective Transfer of Technology and 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., Contractor Assurance, Quality, Financial Management, Acquisition Management, Property Management, and Human Resource Management) systems across the Laboratory. 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, and other performance information; the integration of system performance metrics and trends; the degree of knowledge and appropriate utilization of established system processes/procedures by Contractor management and staff; benchmarking and performance trending analysis. 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

- **OSO:** Demonstrate improvement in elements of contractor assurance systems that reflects enhanced issue management, learning and continuous improvement. (Objective 6.4)

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 Management System and Diversity Program			20%	
6.4 Provide Efficient, Effective, and Responsive Contractor Assurance Systems, including Internal Audit and Quality			30%	
6.5 Demonstrate Effective Transfer of Technology and 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 Acquiring, Constructing, Operating, Maintaining, and Renewing the Facility and Infrastructure Portfolio to Meet Laboratory Needs

The weight of this Goal is 20%.

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 today's and tomorrow's mission(s) and complex challenges.

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; 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; 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 Outcomes

- **OSO:** Effectively manage the Liquid Low Level Waste challenges to minimize impact to Laboratory operations and facilitate Laboratory self-sufficiency. (Objective 7.1)
- **OSO:** Execute the RH TRU Waste Loading Station IGPP to enable direct waste packaging in FY 2016. (Objective 7.2)

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			60%	
7.2 Provide Planning for and Acquire the Facilities and Infrastructure Required to Support the Continuation and Growth of Laboratory Missions and Programs			40%	
			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 Outcomes

- **OSO:** Effectively prioritize and integrate enhanced performance in physical security. (Objective 8.3)

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			15%	
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			50%	
			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

Attachment I

Program Office Objective Weightings
Office of Science

	ASCR	BER	BES	FES	NP
	Weight	Weight	Weight	Weight	Weight
Goal 1.0 Mission Accomplishment					
1.1 Impact	50.00%	60.00%	50.00%	50.00%	50.00%
1.2 Leadership	50.00%	40.00%	50.00%	50.00%	50.00%
Goal 2.0 Design, Fabrication, Construction and Operation of Facilities					
2.1 Design of Facility (the initiation phase and the definition phase, i.e. activities leading up to CD-2)	10.00%	0.00%	0.00%	40.00%	0.00%
2.2 Construction of Facility / Fabrication of Components (execution phase, Post CD-2 to CD-4)	10.00%	0.00%	0.00%	60.00%	0.00%
2.3 Operation of Facility	70.00%	90.00%	50.00%	0.00%	70.00%
2.4 Utilization of Facility to Grow and Support Lab's Research Base and External User Community	10.00%	10.00%	50.00%	0.00%	30.00%
Goal 3.0 Program Management					
3.1 Effective and Efficient Strategic Planning and Stewardship	30.00%	20.00%	40.00%	25.00%	40.00%
3.2 Project/Program/Facilities Management	40.00%	30.00%	30.00%	25.00%	35.00%
3.3 Communications and Responsiveness	30.00%	50.00%	30.00%	50.00%	25.00%

Attachment II

Program Office Objective Weightings
All Other Customers[9]

	DNN Weight	DHS Weight	EERE Weight	IN Weight	FE Weight	NE Weight	NRC Weight	OE Weight
Goal 1.0 Mission Accomplishment								
1.1 Impact	56.00%	50.00%	60.00%	65.00%	50.00%	50.00%	50.00%	50.00%
1.2 Leadership	44.00%	50.00%	40.00%	35.00%	50.00%	50.00%	50.00%	50.00%
Goal 3.0 Program Management								
3.1 Effective and Efficient Strategic Planning and Stewardship	36.00%	20.00%	35.00%	25.00%	34.00%	20.00%	34.00%	15.00%
3.2 Project/Program/Facilities Management	39.00%	40.00%	25.00%	40.00%	33.00%	30.00%	33.00%	60.00%
3.3 Communications and Responsiveness	25.00%	40.00%	40.00%	35.00%	33.00%	50.00%	33.00%	25.00%

[9] Objective weightings indicated for non-science customers are reflective of FY2015 weightings and will be updated as those customers provide their weightings. Final Objective weightings will be incorporated, as appropriate, once they are determined by each HQ Program Office and provided to the Site Office. Should a HQ Program Office fail to provide final Objective weightings before the end of the first quarter FY2015 the preliminary weightings provided shall become final.

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J – LIST OF ATTACHMENTS

APPENDIX H

ANNEX OF INFORMATION AND INTELLECTUAL PROPERTY

Annex on Information and Intellectual Property

Article 1

Subject Matter and Definitions

1.1 This Annex covers the dissemination, exchange, use and protection of information and intellectual property pertaining to protectable subject matter, in the execution of this Agreement. Unless otherwise provided, the terms used in this Annex shall have the same meaning as in this Agreement.

1.2 **Information** shall mean published data, drawings, designs, computations, reports and other documents, documented data or methods of research and development, as well as the description of inventions and discoveries, whether or not protectable, which are not covered by the term Intellectual Property as defined in paragraph 1.3 below.

1.3 **Intellectual Property** shall have the meaning defined in Article 2 of the Convention Establishing the World Intellectual Property Organization, done at Stockholm on July 14, 1967. For the purposes of this Annex, Intellectual Property may include confidential information such as know-how or trade secrets provided that they are unpublished, and in written or otherwise documented form, and

a) have been held in confidence by their owner,

b) are not generally known or available to the public from other sources, and/or are not generally available to the public in printed publications and/or other readable documents,

c) have not been made available by their owner to other parties without an obligation concerning confidentiality, and

d) are not available to the receiving party without an obligation concerning confidentiality.

1.4 **Background Intellectual Property** shall mean Intellectual Property that has been or is acquired, developed or produced, before the entry into force of this Agreement, or outside of the scope of this Agreement.

1.5 **Generated Intellectual Property** shall mean Intellectual Property that is generated or acquired with full ownership by a Member, acting through a Domestic Agency or Entity, or by the ITER Organization or jointly pursuant to and in the course of the performance of this Agreement.

1.6 **Improvements** shall mean any technological advancement to existing Intellectual Property, including derivative works.

1.7 **Entity** or **Entities** shall mean any entity with which a Domestic Agency or the ITER Organization has entered into a contract for the supply of goods or services for the purposes of this Agreement.

Article 2

General Provisions

2.1. Subject to the provisions of this Annex, the Members support the widest possible dissemination of Generated Intellectual Property.

2.2. Each Member shall ensure that the other Members and the ITER Organization can obtain the rights to Intellectual Property allocated in accordance with this Annex. Contracts placed by each Member or the ITER Organization with any Entity shall be consistent with the provisions of this Annex. In particular, appropriate public procurement procedures must be followed by all Members and the ITER Organization in order to ensure compliance with this Annex.

The ITER Organization shall properly identify in a timely manner the Background Intellectual Property of the contracting Entities with a view to obtaining for the ITER Organization and the Members access to this Background Intellectual Property in conformity with this Annex.

Each Member shall properly identify in a timely manner the Background Intellectual Property of the contracting Entities with a view to obtaining for the ITER Organization and the Members access to this Background Intellectual Property in conformity with this Annex.

Each Member and the ITER Organization shall ensure access for the ITER Organization and the other Members to inventions and other Intellectual Property generated or incorporated in the execution of the contracts provided that inventors' rights are respected, in conformity with this Annex.

2.3 This Annex does not alter or prejudice the allocation of rights between a Member and its nationals. Whether the rights concerning Intellectual Property shall be held by a Member or its nationals shall be determined as between themselves in accordance with their applicable laws and regulations.

2.4 If a Member generates or acquires full ownership of Intellectual Property in the course of the execution of this Agreement, the Member shall notify all other Members and the ITER Organization in a timely manner and provide details of such Intellectual Property.

Article 3

Dissemination of Information and Scientific Publications whether or not Copyrighted

Each Member shall be entitled, for non commercial uses, to translate, reproduce, and publicly distribute Information directly arising from the execution of this Agreement. All publicly distributed copies of a copyrighted work prepared under this provision shall indicate the names of the authors of the work unless an author explicitly declines to be named.

Article 4

Intellectual Property Generated or Incorporated by a Member, a Domestic Agency or Entity

4.1. Generated Intellectual Property:

4.1.1 If protectable subject matter is generated by a Member, a Domestic Agency or Entity in the course of the execution of this Agreement, the Member, the Domestic Agency or Entity shall be entitled to acquire all rights, title and interest in all countries in and to such intellectual property according to applicable laws and regulations.

4.1.2 Any Member, acting through a Domestic Agency or Entity, which has generated Intellectual Property in the course of the execution of this Agreement shall grant on an equal and non-discriminatory basis an irrevocable, non-exclusive, royalty-free license to such Generated Intellectual Property to other Members and the ITER Organization, with the right of the ITER Organization to sub-license, and the right of the other Members to sub-license within their respective territory, for the purposes of publicly sponsored fusion research and development programmes.

4.1.3 Any Member, acting through a Domestic Agency or Entity, which has generated Intellectual Property in the course of the execution of this Agreement shall make available on an equal and non-discriminatory basis a non-exclusive license to such Generated Intellectual Property to the other Members for commercial fusion use, with the right to sub-license for such use by such Members' own domestic third parties within such Members' own territory on terms no less favorable than the basis upon which such Member licenses such Generated Intellectual Property to third parties within or outside such Member's own territory. As long as such terms have been offered such license shall not be denied. The above license may be revoked only in case the licensee does not fulfil its contractual obligations.

4.1.4 Any Member, acting through a Domestic Agency or Entity, which has generated Intellectual Property pursuant to this Agreement is encouraged to enter into commercial arrangements with the other Members, Domestic Agencies, Entities and third parties in order to allow use of Generated Intellectual Property in fields other than fusion.

4.1.5. Members, and their Domestic Agencies or Entities, that license or sub-license Generated or Background Intellectual Property pursuant to this Annex, will maintain records of any such licensing, which records will be available to other Members, such as through the ITER Organization.

4.2. Background Intellectual Property:

4.2.1. Background Intellectual Property shall remain the property of the party that owns this intellectual property.

4.2.2. Any Member, acting through a Domestic Agency or Entity, which has incorporated Background Intellectual Property, except confidential information such as know-how and trade secrets into the items provided to the ITER Organization which Background Intellectual Property is required:

- to construct, operate, use or integrate technology for research and development in relation to the ITER facilities,
- to maintain or repair the item provided, or
- when decided necessary by the Council, in advance of any public procurement,

shall grant on an equal and non-discriminatory basis an irrevocable, non-exclusive, royalty-free license to such Background Intellectual Property to other Members and to the ITER Organization, with the right of the ITER Organization to sub-license and the right of Members to sub-license to their research institutes and institutes of higher education within their respective territory for the purposes of publicly sponsored fusion research and development programmes.

4.2.3. (a) Any Member, acting through a Domestic Agency or Entity, which has incorporated background confidential information into the items provided to the ITER Organization which background confidential information is required:

- to construct, operate, use or integrate technology for research and development in relation to the ITER facilities,
- to maintain or repair the item,
- when decided necessary by the Council, in advance of any public procurement, or
- for safety, for quality assurance and quality control reasons as required by regulatory authorities,

shall ensure that the ITER Organization has an irrevocable, non-exclusive, royalty-free license available to use such background confidential information including manuals or instructional training materials for the construction, operation, maintenance and repair of the ITER facilities.

(b) When confidential information is made available to the ITER Organization, it must be clearly marked so, and transmitted pursuant to an arrangement for confidentiality. The recipient of such information shall use it only for purposes set forth in 4.2.3 (a) and shall preserve its confidentiality to the extent provided in that arrangement. Compensation for damages arising from the misuse of such background confidential information by the ITER Organization shall be paid by the ITER Organization.

4.2.4. Any Member, acting through a Domestic Agency or Entity, which has incorporated background confidential information such as know how or trade secrets into the items provided to the ITER Organization which background confidential information is required:

- to construct, operate, use or integrate technology for research and development in relation to the ITER facilities,
- to maintain or repair the item provided, or

- when decided necessary by the Council, in advance of any public procurement,

shall use its best efforts to either grant a commercial license to such background confidential information or supply the same items incorporating the background confidential information to the receiving party by means of private contracts with financial compensation for publicly sponsored fusion research and development programmes of a Member on terms no less favorable than the basis upon which such Member licenses such background confidential information or supplies the same items to third parties within or outside such Member's own territory. As long as such terms have been offered, such license or supply of such item shall not be denied. The license, if granted, may be revoked only in case the licensee does not fulfil its contractual obligations.

4.2.5. Any Member, acting through a Domestic Agency or Entity, which has incorporated Background Intellectual Property, including background confidential information, in the execution of this Agreement shall use its best efforts to make sure that the component incorporating the Background Intellectual Property is available on reasonable terms and conditions, or use its best efforts to grant on an equal and non-discriminatory basis a non-exclusive license to the other Members for commercial fusion use, with the right to sub-license for such use by such Members' own domestic third parties within such Members' own territory, on terms no less favorable than the basis upon which such Member licenses such Background Intellectual Property to third parties within or outside such Member's own territory. As long as such terms have been offered, such license shall not be denied. The above license may be revoked only in case the licensee does not fulfil its contractual obligations.

4.2.6. Any Member, acting through a Domestic Agency or Entity, is encouraged to make available for commercial purposes other than those set out in article 4.2.5. to the other Members, any Background Intellectual Property incorporated into the items provided to the ITER Organization which Background Intellectual Property was required:

- to construct, operate, use or integrate technology for research and development in relation to the ITER facilities,
- to maintain or repair the item provided, or
- when decided necessary by the Council, in advance of any public procurement.

Such Background Intellectual Property, if licensed by the owners to the Members, shall be licensed on an equal and non-discriminatory basis.

4.3. Licensing to Third Parties of Non-Members:

Any license on Generated Intellectual Property granted by the Members to third parties of non-Members shall be subject to the rules on licensing to third parties determined by the Council. Such rules shall be determined by unanimous decision of the Council.

Article 5

Intellectual Property Generated or Incorporated by the ITER Organization

5.1 Generated Intellectual Property:

5.1.1 Where intellectual property is generated by the ITER Organization, in the course of the execution of this Agreement, it shall be owned by the ITER Organization. The ITER Organization shall develop appropriate procedures for the recording, reporting and protection of the Intellectual Property.

5.1.2 Such intellectual property shall be licensed by the ITER Organization to the Members on an equal, non-discriminatory, irrevocable, non-exclusive, royalty-free basis, with the right of the Members to sub-license within their territory for the purpose of fusion research and development.

5.1.3 Generated Intellectual Property that has been developed or acquired by the ITER Organization in the course of the execution of this Agreement shall be licensed to the Members on an equal, non-discriminatory, non-exclusive basis for commercial use, with the right to sub-license for such use by such Members' own domestic third parties within such Members' own territory on terms no less favorable than the basis upon which the ITER Organization licenses such Generated Intellectual Property to third parties. As long as such terms have been offered, such license shall not be denied. The above license may be revoked only in case the licensee does not fulfil its contractual obligations.

5.2. Background Intellectual Property:

5.2.1. Provided that it has the pertinent rights, when the ITER Organization incorporates Background Intellectual Property which is required:

- to construct operate, use or integrate technology for research and development in relation to the ITER facilities,
- to create improvements and derivative works,
- to repair and maintain the ITER facilities, or
- when decided necessary by the Council, in advance of any public procurement,

the ITER Organization shall make the necessary arrangements in order to sub-license that Background Intellectual Property on an equal and non-discriminatory basis by an irrevocable, non-exclusive, royalty-free license to the Members, with the right of the Members to sub-license within their respective territory for the purpose of fusion research and development. The ITER Organization shall make its best efforts to acquire the pertinent rights.

5.2.2. For Background Intellectual Property, including background confidential information, incorporated by the ITER Organization in the course of the execution of this Agreement, the ITER Organization shall use its best efforts to make available on an equal and non-discriminatory basis a non-exclusive license to the Members for commercial fusion use, with the right to sub-license for such use by such Members'

own domestic third parties within such Members' own territory on terms no less favorable than the basis upon which the ITER Organization licenses such Background Intellectual Property to third parties. As long as such terms have been offered, such license shall not be denied. The above license may be revoked only in case the licensee does not fulfil its contractual obligations.

5.2.3. The ITER Organization shall use its best efforts to make available to the Members any Background Intellectual Property, including background confidential information, for purposes other than those set out in article 5.2.2. Such Background Intellectual Property, if licensed by the ITER Organization to the Members, shall be licensed on an equal and non-discriminatory basis.

5.3 Licensing to third parties of a non-Member:

Any license granted by the ITER Organization to third parties of a non-Member shall be subject to the rules on licensing to third parties determined by the Council. Such rules shall be determined by unanimous decision of the Council.

Article 6

Intellectual Property Generated by the ITER Organization's Staff and other Researchers

6.1. Intellectual Property generated by directly employed and seconded staff of the ITER Organization shall be owned by the ITER Organization and treated in corresponding employment contracts or regulations consistent with the provisions set out herein.

6.2. Intellectual Property generated by visiting researchers who are participating in the activities of the ITER Organization through an arrangement with the ITER Organization for undertaking specific activities and who are directly involved in general programmes of the ITER Organization exploitation, shall be owned by the ITER Organization unless otherwise agreed by the Council.

6.3. Intellectual Property generated by visiting researchers not involved in general programmes of the ITER Organization exploitation shall be subject to an arrangement with the ITER Organization pursuant to conditions established by the Council.

Article 7

Protection of Intellectual Property

7.1. When a Member acquires or seeks protection for Generated Intellectual Property developed or acquired by that Member, such Member shall notify in a timely manner and provide details of such protection to all other Members and to the ITER Organization. If a Member decides not to exercise its right to seek protection for Generated Intellectual Property in any country or region, it shall notify the ITER Organization in a timely manner of its decision, and the ITER Organization may then seek to obtain such protection either directly or via the Members.

7.2. For Generated Intellectual Property developed or acquired by the ITER Organization, the Council shall adopt, as soon as practicable, appropriate procedures for the reporting, protection and recording of such Intellectual Property for example through the creation of a database to which the Members may have access.

7.3. In the event of a joint creation, the participating Members and/or the ITER Organization shall have the right to seek to obtain in co-ownership Intellectual Property in any State they choose.

7.4. There shall be co-ownership of Intellectual Property when created by two or more Members or by one or more Members together with the ITER Organization and when the features of such intellectual property are not capable of being separated for the purpose of applying for, obtaining and/or maintaining in force the protection of the relevant intellectual property right. In such a case the joint creators shall agree among themselves by means of a co-ownership arrangement on the allocation of and the terms of exercising the ownership of the said Intellectual Property.

Article 8

Decommissioning

8.1. For the decommissioning phase after the transfer of the facilities to the Host State, the Host Party shall provide to the other Members all relevant information, whether published or not, generated or used during the decommissioning of the ITER facilities.

8.2. Intellectual Property generated by the Host State during the decommissioning phase shall not be affected by this Annex.

Article 9

Termination and Withdrawal

9.1. The Council shall, as necessary, address any issues relating to the termination of this Agreement or the withdrawal of a Party in so far as they relate to Intellectual Property, that are not fully addressed in this Agreement.

9.2. The Intellectual Property rights conferred and obligations imposed upon the Members and the ITER Organization by the provisions of this Annex, in particular all granted licenses, shall subsist after the termination of this Agreement, or after the withdrawal of a Party.

Article 10

Royalties

Royalties received from the licensing of Intellectual Property by the ITER Organization shall be a resource of the ITER Organization.

Article 11

Settlement of Disputes

Any dispute arising out of or in connection with this Annex shall be settled in accordance with Article 25 of this Agreement.

Article 12

Awards to Inventors

The Council shall determine appropriate terms and conditions for the remuneration of the Staff when such Staff generates Intellectual Property.

Article 13

Liability

When negotiating license arrangements, the ITER Organization and the Members shall, as appropriate, include suitable provisions governing their respective liabilities, rights and obligations arising from the execution of those license arrangements.

TKH

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J – LIST OF ATTACHMENTS

APPENDIX I
INTELLECTUAL PROPERTY MANAGEMENT PLAN

In accordance with paragraph (a)(3) of the Section H clause entitled "Intellectual Property-BioEnergy Science Center", attached is the Intellectual Property Management Plan which has been approved by the Department of Energy.

October 18, 2007

BioEnergy Science Center IP Management Plan

1. Introduction

The principal goals of this intellectual property management plan for the BioEnergy Science Center (BESC) include:

- Broad and rapid dissemination of information among the BESC team members to maximize productivity and progress;
- Timely and equitable distribution of the new technology to researchers in relevant fields including, but not necessarily limited to biofuels development; and
- Effective, coordinated commercialization of technologies through formation of promising start-up ventures as well as licensing to corporate entities pursuing biofuels development.

The BESC is comprised of researchers at the following member institutions which are universities, DOE National Laboratories, a non-profit research foundation, or industrial research partners.

DOE National Labs

- Oak Ridge National Laboratory
- National Renewable Energy Research Laboratory
- Brookhaven National Laboratory

Non-profit Research Foundation

- Samuel Roberts Noble Foundation

Universities

- The University of Tennessee:
- University of Georgia
- Georgia Institute of Technology
- Dartmouth College
- University of California at Riverside
- Washington State University
- University of Minnesota
- Virginia Polytechnic Institute and State University
- North Carolina State University
- Cornell University

Industrial Team Members

- ArborGen, LLC
- Mascoma Corporation
- Verenium Corporation

2. Definitions

2.1 The BioEnergy Science Center ("BESC") is a program funded under BESC Funding. The research of BESC is performed by employees of BESC member institutions: Oak Ridge National Laboratory, National Renewable Energy Laboratory, Georgia Institute of Technology, University of Georgia, University of Tennessee, Dartmouth College, ArborGen LLC, Verenium Corporation, Mascoma Corporation, The Samuel Roberts Noble Foundation, Inc., Brookhaven National Laboratory, Cornell University, North Carolina State University, University of California-Riverside, University of Minnesota, Virginia Polytechnic Institute and State University, and Washington State University, and, such other industry and non-profit participants as may be added from time to time by BESC (collectively referred to as BESC members or member institutions.)

2.2 "BESC Funding" means the funding for BESC that was awarded by DOE to ORNL under Contract No. DE-AC02-00OR22725 in connection with Funding Opportunity Announcement number DE PS02-06ER64304.

2.3 "BESC Invention" means an invention conceived or first actually reduced to practice under BESC Funding. Title to BESC Inventions follows inventorship as per Federal law. The BESC member institution which employs the inventors will have the right to elect title to BESC Inventions.

2.4 "Core Technology" means the following application areas:

a) Formation of biomass with reduced recalcitrance
b) New tools for biomass characterization
c) Microbial/enzymatic hydrolysis of lignocellulose

For the avoidance of doubt, these Core Technology areas do not include applications that are not related to biomass modification for biofuels production. For example, if an invention has applications both in biofuel production and in the pharmaceutical industry or in the non-biofuel specialty chemicals industry, those non-biofuel applications would be outside the core technical areas. Licensing in fields other than the Core Technologies shall be at the discretion of the party or parties owning the invention.

2.5 "BESC IP" means BESC Inventions, non-patentable materials (including biological materials), mask works, trademarks and copyrighted works that arise under BESC Funding.

3. BESC Commercialization Council

BESC will form a Commercialization Council to oversee rapid dissemination of invention disclosures as well as to consolidate licensing of BESC IP in the Core Technologies to a single, streamlined "one stop shop." The Council will be comprised of one representative from each of the BESC member institutions for as long as that institution is an active member of the BESC, i.e., for the time that member continues to receive BESC Funding. In addition, the invention owner's institution, regardless of its current status as a subcontractor, will be included on the BESC Commercialization Council for purposes of licensing the BESC IP that it owns, solely or jointly.

The function of this Council is to review and evaluate new BESC IP, and consider the technical merit and commercial potential of each. The Council is intended as a forum for discussion regarding further maturation of technologies and sharing of insights about market opportunities. It may also provide recommendations to the IP owners regarding filing of patent applications. This forum will serve as a communications means and a clearing house for distribution of information about BESC inventions

throughout the team. The decision to commit resources for patent filing will remain with the owning institution(s),

The progress of any patent application preparation and prosecution will be monitored by this Council. As IP strategies are developed and market analyses are conducted, this group will explore licensing leads and commercialization opportunities in the Core Technology areas. Licensing inquiries will be communicated to the Council by any BESC member who receives such expressions of interest.

ORNL will serve as coordinator for the Commercialization Council.

4. Ownership of inventions

The statutes governing disposition of title to new inventions under Government agreements will be followed:

i. The Bayh-Dole Act, 35 U.S.C. 200 et seq., requires that Universities, Non-Profits and small business who are participating under a funding agreement (as defined in the Bayh-Dole Act) will have the option to retain title to their own employees' inventions.

ii. The Federal Non Nuclear Energy Act of 1974, 42 U.S.C. 5908, will govern disposition of title for all other parties, regardless of whether they receive government funding, and it requires that the Government obtains title to new inventions unless a waiver is granted.

iii. Inventions made by employees of ORNL, NREL and Brookhaven National Laboratory will be subject to the M&O contract terms and conditions with respect to ownership of inventions made by lab employees. The M&O contract generally provides that the lab has the right to elect to retain title to inventions made by their lab employees.

5. Filing of Patent Applications

Each owner institution will protect its BESC Inventions according to its standard practices and is responsible for the costs of any domestic and foreign protection. DOE will have the right to file patent applications if the owner institution does not wish to do so, and has indicated a willingness to use its waiver authority to allow others to file in such situations.

6. IP Management

BESC will provide a simplified means for industry to negotiate licenses and other agreements relating to BESC IP (e.g., CRADA, WFO, bailment, option) by centralizing these activities with a lead institution, (normally ORNL but another BESC member may be designated as the lead by the Commercialization Council, depending on the circumstances), so as to provide a "One Stop Shop." The University of Georgia Research Foundation will be the normal lead institution for negotiating sponsored research contracts with industrial sponsors on behalf of the BESC members and will distribute funds as appropriate using normal subcontracting mechanisms.

BESC members will enter into a separate inter-institutional (IIA) licensing/royalty-sharing / commercialization agreement with ORNL for the implementation of centralized licensing and subsequent royalty distributions. The IIA will allow ORNL, or another designated lead licensing institution, to negotiate commercial licenses or sublicenses to any/all BESC IP. The IIA will also address the details of royalty distribution from the licensing of bundled or jointly owned patents. Licensing and partnering shall be conducted in a manner that maximizes benefit to the US economy and

provides fairness of opportunity with respect to third party access to lab partnering and licensing opportunities. M&O (Management and Operating) contract provisions (e.g., fairness of opportunity, US manufacturing) continue to apply to inventions of NREL, ORNL and Brookhaven.
On behalf of the IP owners, the lead licensing institution will manage all licensing matters, including contract management, licensing income distribution within BESC (according to allocation decisions made by the BESC IP/Licensing Investment Committee) and to each IP owner, and reporting. The lead licensing institution shall not license BESC IP outside of the Core Technology areas, except with the concurrence of the IP owner(s), allowing those owners to license to third parties in fields other than Core Technologies at their sole discretion.

Other activities with third parties relating to access to BESC IP (e.g., NDAs, Material Transfer Agreements, etc.) will be coordinated through the BESC Commercialization Council which will designate a lead institution as needed.

For industrial team members who intend to utilize their own IP in their own commercial activities, such IP will be available for licensing to third parties by a BESC lead licensing institution if the industrial team member is not meeting a contractually agreed to business plan to commercialize such inventions.

7. Licensing in the Core Technology areas

BESC (through ORNL or another team member who may be designated by the Commercialization Council as the lead institution for licensing) will have the capability to license BESC IP and to bail tangible research products, including biological materials, in the Core Technology areas. The lead licensing institution shall not license BESC IP outside of the Core Technology areas, except with the concurrence of the IP owner(s), allowing those owners to license to third parties in fields other than Core Technology areas at their sole discretion.

For licensing of any BESC IP in these Core Technology areas the following licensing principles will apply:

a) Credible business plans shall be required for all commercial licensing. Before executing any license agreement for a field of use within the Core Technologies, the lead licensing institution will evaluate the capabilities of the potential licensee, and the company must demonstrate that it has the expertise and capital needed to further the development of the technology and successfully bring the technology to market in the fields of use in which a license would be granted. BESC will obtain information about the potential licensee's plan for the commercialization of the BESC IP through BESC's independent research, discussions or meetings with the potential licensee, and/or a formal business plan. BESC IP in Core Technologies will be licensed on a non-exclusive basis when, in the reasonable judgment of the lead licensing institution, this allows the technology to be adopted most successfully by the market. BESC will license IP to companies only in the fields of use (FOU) in which the company is capable and committed to bringing the technology to market, saving other FOUs for additional licensees; alternatively, BESC may include a provision for mandatory sublicensing of BESC IP to reasonably ensure that various applications can be commercialized rather than remaining fallow.

b) All potential licensees requesting any degree of exclusivity for BESC IP must demonstrate their capability to successfully bring the technology to market. For any license negotiated on behalf of BESC that grants exclusive rights in BESC IP in any field of use in a Core Technology area, the licensee must agree to and meet diligence (performance) requirements marking the development and successful market introduction of the technology. If a

company fails to meet diligence requirements, it will be given a reasonable opportunity to comply and the lead licensing institution will negotiate substitute diligence provisions and amend the license. If the licensee is not able to meet these requirements, the license will be reduced to a nonexclusive license or be terminated.

c) For BESC IP which is within the Core Technologies, BESC members agree that they will not enter into or be subject to any future agreements with third parties which provide preferential licensing of BESC IP to any third party without prior approval by DOE.

8. Licensing Revenue Allocations

Each BESC member institution that is an IP owner of licensed BESC IP is entitled to a percentage of any royalties or other income from such licenses. BESC members agree that for licenses of BESC Inventions in the Core Technology areas a percentage of licensing income as set forth below, will be allocated by BESC for the support of scientific research or education to further the efforts of BESC at the BESC member institutions.

Licensing income from each license in Core Technology areas will be distributed annually as follows ("BESC Distribution"):

a) A standard 15% administrative fee will go to the lead licensing institution to offset the cost of license administration.
b) Next, licensing income is used to reimburse IP owners for patent expenses; Until the licensing income reaches $200,000, the balance of licensing income after expenses will be distributed to IP owner(s). (if there are several co-owners of IP in a license this distribution will be made in a proportionate way as specified in the IIA)
c) After licensing income reaches $200,000, 60% of net licensing income received thereafter (after above expenses) is sent to BESC, per DOE requirement; allocation of these funds to BESC member institution for biofuels-related research is determined by the BESC IP Licensing/Investment Committee.
d) The remaining 40% of net licensing income is distributed to the IP owner(s); and
e) any royalty sharing with inventors is made from that remaining 40%.
f) Any remaining net licensing income may be used by the BESC member institution in accordance with its own policies, subject to restrictions in its M&O contract, Bayh-Dole, etc.
g) The disposition of royalties or other income, including liquidated equity, set forth in c), d) and e) above, remains in effect so long as BESC Funding continues. If the BESC no longer exists due to lack of DOE funding, or for any other termination of BESC, then the special allocation of funds in c), d) and e) is no longer applicable.

Licensing income includes fees (such as license issue fees, license maintenance or milestone fees), royalties, and liquidation of any equity received for the license grant, but for the purpose of clause c) above, does not include reimbursement of patent costs by licensees. Furthermore, for purposes of the BESC Distribution, if BESC grants two or more licenses to a specific company for members of the same patent family (i.e., an initial patent application and any subsequent application claiming priority to that application, such as conversions, continuations or divisionals, or any patents issuing thereon), the licensing income from those licenses will be aggregated for the purposes of the $200,000 threshold set forth in clause c). Where the BESC member institution owning such equity has an official policy specifying the time for liquidation of such equity, that official policy shall apply to the timing of the liquidation of such equity. Negotiations for continued utilization of BESC will include a plan for the future management and disposition of any such remaining unliquidated equity.

The royalties described in paragraph a) which comprise the 60% utilized for the support of scientific research or education in support of BESC will be allocated to projects approved by a BESC IP/Licensing Investment Committee[1]. BESC researchers will be invited to propose scientific research and education-related tasks to which these funds may be allocated by this Committee. Allocation decisions by this Committee will be made available for review and comment by BESC team members for at least ten days for review and comment before funds are distributed. The BESC Board of Directors[2] will monitor the allocation process to assure that research proposals from the researchers employed by the intellectual property owner(s) receive higher priority for this funding.

Royalties reserved for use in support of BESC research will be tracked so that at the end of the 5 years, remaining funds can be distributed to the IP owners if the BESC contract is not renewed or if other funds to continue BESC are not secured.

9. Information Sharing

It is the intention of the BESC that the fruits of its research be widely and promptly disseminated, with a goal of maximizing the impact of the research and its long-term benefit to the U.S. and to society. Even in those situations in which protection of inventions is desirable, e.g., to induce further commercial development, or is required under specific funding obligations, such inventions are also expected to be widely and promptly disseminated.

All BESC Team Members have executed a mutual NDA to be able to interact fully with each other. Technical data will also be shared appropriately with the other two Bioenergy Research Centers (JBEI and GLBRC) and with any DOE advisory committee assisting with the evaluation of BESC activities. Subject to DOE approval, a list will be mutually developed of the types of data first produced by the BESC that must be immediately released to the public.

To facilitate the mutual exchange of reagents and biological materials among BESC researchers, a master Materials Transfer Agreement will be implemented. Individual transactions for exchange of reagents and other biological materials will be documented electronically using secure information technology.

BESC team members agree to have safeguards in place to manage personal and organizational conflicts of interest that may arise from the licensing of BESC IP.

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[1] The BESC IP/Licensing Investment Committee consists of the BESC Program Director, the leads in each of the Scientific Focus Areas, and a representative of each IP owner whose IP was licensed in the Core Technologies.

[2] The BESC Board of Directors (BOD) consists of representatives of the executive leadership of BESC institutional members plus a group of up to three internationally known R&D leaders with extraordinary entrepreneurial records of achievement, or biotechnology industry leaders. This BOD serves (1) to approve BESC strategic directions and annual project and budget plans, (2) to approve annual performance goals for the BESC leadership team and to evaluate the performance of the team, and (3) to support BESC leadership in managing effective interfaces with translational and applied R&D, technology transfer, and commercialization.

10. Reporting to DOE

Each BESC member institution shall require its researchers to report all inventions in a manner consistent with reporting of other intellectual property resulting from federally funded research. No later than sixty (60) days from receipt of disclosure, each BESC member institution shall disclose to BESC, through the BESC Commercialization Council, all BESC inventions, software, and tangible research products resulting from BESC Funding.

ORNL will report all such invention disclosures to DOE promptly, along with information about any BESC technology transfer transactions that the team members may have had. IP management and technology transfer activities of the BESC in the Core Technology areas are subject to DOE appraisal.

Accepted by:

BESC Member Institution: **UT-Battelle, LLC (managing the Oak Ridge National Laboratory)**

JAH By: _____
Casey Porto, Director of Technology Transfer

Date: 11-1-07