



GENERAL PROVISIONS – FIXED-PRICE CONTRACTS
Supplies/Services
 Applicable to Contracts for **Commercial Items**
 For the Pacific Northwest National Laboratory
 Operated by Battelle Memorial Institute

Battelle Memorial Institute has executed and is engaged in the performance of Prime Contract DE-AC05-76RL01830 with the United States Department of Energy (DOE), for the management, operation, and maintenance of the Pacific Northwest National Laboratory (PNNL) in Richland, Washington. This contract is entered into in furtherance of the performance of the work provided in the Prime Contract, and is subject to the following general provisions:

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GENERAL PROVISIONS

DEFINITIONS *(cl. 301 – Apr 2000)*

- A. The terms “Battelle,” “Pacific Northwest National Laboratory,” “PNNL,” and “Laboratory” mean Battelle Memorial Institute, Pacific Northwest Division.
- B. The term “Government” means the Government of the United States of America.
- C. The term “DOE” means the U.S. Department of Energy.
- D. “Battelle Contracts Representative” means an employee of Battelle Memorial Institute, Pacific Northwest Division, acting within the limits of a written authorization to execute legally binding commitments on behalf of Battelle.
- E. Except as otherwise provided in this contract, the term “Subcontracts” includes purchase orders under this contract.

CHANGES - FIXED PRICE *(cl. 346b - Aug 1987)*

- A. A Battelle Contracts Representative may at any time, by a written order, and without notice to the sureties, if any, make changes within the general scope of this contract, in any one or more of the following: 1) description of services, drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for Battelle in accordance with the drawings, designs, or specifications; 2) method of shipment, packing, or routing; 3) place of delivery .
- B. If such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this contract, whether changed or not changed by any such order, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly.
- C. The Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt by the Contractor of the written order. However, if the Battelle Contracts Representative decides that the facts justify it, the Battelle Contracts Representative may receive and act upon a proposal submitted before final payment of the contract.
- D. If the Contractor’s proposal includes the cost of property made obsolete or excess by the change, Battelle shall have the right to prescribe the manner of the disposition of the property.
- E. Failure to agree to any adjustment shall be a dispute within the meaning of the clause of this contract entitled Disputes”. Nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
- F. No communication, written or oral, from any person other than a Battelle Contracts Representative, shall constitute a change order in accordance with this provision.
- G. Where the cost of property made obsolete or excess as a result of a change is included in the Contractor’s proposal for adjustment, Battelle shall have the right to prescribe the manner of disposition of such property.

FEDERAL, STATE, AND LOCAL TAXES – FIXED PRICE *(cl. 354b - Apr 1984)*

Except as may be otherwise provided in this contract, the contract price includes all applicable Federal, State, and local taxes and duties. (Washington State Contractors Note: The supplies/services specified herein are deemed to be for resale to DOE and are exempt from Washington Retail Sales Tax.)

PAYMENTS - FIXED PRICE *(cl. 350 – Aug 1984)*

Battelle shall pay the Contractor upon submission of a proper invoice the prices stipulated in this contract for supplies delivered and accepted or services rendered and accepted, less any deductions provided in this contract. Unless otherwise specified, payment shall be made upon acceptance of any portion of the supplies delivered or services rendered for which a price is separately stated in the contract. Payment date and discount period, if any, shall be calculated from the date of acceptance or receipt of a proper invoice whichever is later.

PATENT INDEMNITY *(cl. 367a / Apr 1984)*

- A. The Contractor shall indemnify Battelle and the Government and their officers, agents, and employees against liability, including costs, for infringement of any United States patent (except a patent issued upon an application that is now or may hereafter be withheld from issue pursuant to a Secrecy Order under 35 U.S.C. 181) arising out of the manufacture or

delivery of supplies, the performance of services, or the construction, alteration, modification, or repair of real property (hereinafter referred to as "construction work") under this contract, or out of the use or disposal by or for the account of the Government of such supplies or construction work.

- B. This indemnity shall not apply unless the Contractor shall have been informed as soon as practicable by Battelle of the suit or action alleging such infringement and shall have been given such opportunity as is afforded by applicable laws, rules, or regulations to participate in its defense. Further, this indemnity shall not apply to—
1. An infringement resulting from compliance with specific written instructions of the Battelle Contracts Representative directing a change in the supplies to be delivered or in the materials or equipment to be used, or directing a manner of performance of the contract not normally used by the Contractor;
 2. An infringement resulting from addition to or change in supplies or components furnished or construction work performed that was made subsequent to delivery or performance; or
 3. A claimed infringement that is unreasonably settled without the consent of the Contractor, unless required by final decree of a court of competent jurisdiction.

PACIFIC NORTHWEST NATIONAL LABORATORY OR BATTELLE NAME *(cl. 374 – June 2006)*

The Contractor agrees not to use Pacific Northwest National Laboratory's or Battelle's name or identifying characteristics for advertising, sales promotion, or other publicity purposes without the prior written consent of Battelle. This clause shall survive the termination or expiration of this contract.

RESPONSIBILITY FOR SUPPLIES *(cl 382 - Apr 1984)*

- A. Title to supplies furnished under this contract shall pass directly to the Government upon formal acceptance, regardless of when or where Battelle takes physical possession, unless the contract specifically provides for earlier passage of title.
- B. Unless the contract specifically provides otherwise, risk of loss of or damage to supplies shall remain with the Contractor until, and shall pass directly to the Government upon -
1. Delivery of the supplies to a carrier, if transportation is f.o.b. origin; or
 2. Acceptance by Battelle or delivery of the supplies to Battelle at the destination specified in the contract, whichever is later, if transportation is f.o.b. destination.
- C. Paragraph B above shall not apply to supplies that so fail to conform to contract requirements as to give a right of rejection. The risk of loss of or damage to such nonconforming supplies remains with the Contractor until cure or acceptance. After cure or acceptance, paragraph B above shall apply.
- D. Under Paragraph B above, the Contractor shall not be liable for loss of or damage to supplies caused by the gross negligence of Battelle's officers, agents or employees acting within the scope of their employment.

INSPECTION OF SUPPLIES – FIXED PRICE *(cl 379c - Aug 1996)*

- A. Definition. "Supplies," as used in this clause, includes but is not limited to raw materials, components, intermediate assemblies, end products, and lots of supplies.
- B. The Contractor shall provide and maintain an inspection system acceptable to Battelle covering supplies under this contract and shall tender to Battelle for acceptance only supplies that have been inspected in accordance with the inspection system and have been found by the Contractor to be in conformity with contract requirements. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to Battelle during contract performance and for as long afterwards as the contract requires. Battelle may perform reviews and evaluations as reasonably necessary to ascertain compliance with this paragraph. These reviews and evaluations shall be conducted in a manner that will not unduly delay the contract work. The right of review, whether exercised or not, does not relieve the Contractor of the obligations under the contract.
- C. Battelle has the right to inspect and test all supplies called for by the contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. Battelle shall perform inspections and tests in a manner that will not unduly delay the work. Battelle assumes no contractual obligation to perform any inspection and test for the benefit of the Contractor unless specifically set forth elsewhere in this contract.

- D. If Battelle performs inspection or test on the premises of the Contractor or a subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, at no increase in contract price, all reasonable facilities and assistance for the safe and convenient performance of these duties. Except as otherwise provided in the contract, Battelle shall bear the expense of inspections or tests made at other than the Contractor's or subcontractor's premises; provided, that in case of rejection, Battelle shall not be liable for any reduction in the value of inspection or test samples.
- E. 1. When supplies are not ready at the time specified by the Contractor for inspection or test, the Battelle Contracts Representative may charge to the Contractor the additional cost of inspection or test.
2. The Battelle Contracts Representative may also charge the Contractor for any additional cost of inspection or test when prior rejection makes reinspection or retest necessary.
- F. Battelle has the right either to reject or to require correction of nonconforming supplies. Supplies are nonconforming when they are defective in material or workmanship or are otherwise not in conformity with contract requirements. Battelle may reject nonconforming supplies with or without disposition instructions.
- G. The Contractor shall remove supplies rejected or required to be corrected. However, the Battelle Contracts Representative may require or permit correction in place, promptly after notice, by and at the expense of the Contractor. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and, when required, shall disclose the corrective action taken.
- H. If the Contractor fails to promptly remove, replace, or correct rejected supplies that are required to be removed or to be replaced or corrected, Battelle may either (1) by contract or otherwise, remove, replace, or correct the supplies and charge the cost to the Contractor or (2) terminate the contract for default. Unless the Contractor corrects or replaces the supplies within the delivery schedule, the Battelle Contracts Representative may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.
- I. 1. If this contract provides for the performance of Battelle quality assurance at source and if requested by Battelle, the Contractor shall furnish advance notification of the time—
- a. When Contractor inspection or tests will be performed in accordance with the terms and conditions of the contract; and
- b. When the supplies will be ready for Battelle inspection.
2. Battelle's request shall specify the period and method of the advance notification and the Battelle representative to whom it shall be furnished. Requests shall not require more than 2 workdays of advance notification if the Battelle representative is in residence in the Contractor's plant, nor more than 7 workdays in other instances.
- J. Battelle shall accept or reject supplies as promptly as practicable after delivery, unless otherwise provided in the contract. Battelle's failure to inspect and accept or reject the supplies shall not relieve the Contractor from responsibility, nor impose liability on Battelle, for nonconforming supplies.
- K. Inspections and tests by Battelle do not relieve the Contractor of responsibility for defects or other failures to meet contract requirements discovered before acceptance. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the contract.
- L. If acceptance is not conclusive for any of the reasons in Paragraph K hereof, Battelle, in addition to any other rights and remedies provided by law, or under other provisions of this contract, shall have the right to require the Contractor—
1. At no increase in contract price, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor's plant at Battelle's election, and in accordance with a reasonable delivery schedule as may be agreed upon between the Contractor and the Battelle Contracts Representative; provided, that the Battelle Contracts Representative may require a reduction in contract price if the Contractor fails to meet such delivery schedule, or
2. Within a reasonable time after receipt by the Contractor of notice of defects or nonconformance, to repay such portion of the contract as is equitable under the circumstances if Battelle elects not to require correction or replacement.

When supplies are returned to the Contractor, the Contractor shall bear the transportation cost from the original point of delivery to the Contractor's plant and return to the original point when that point is not the Contractor's plant. If the Contractor fails to perform or act as required in Paragraph L.1. or L.2. of this clause and does not cure such failure within a period of 10 days (or such longer period as the Battelle Contracts Representative may authorize in writing) after receipt

of notice from Battelle specifying such failure, Battelle shall have the right by contract or otherwise to replace or correct such supplies and charge to the Contractor the cost occasioned Battelle thereby.

INSPECTION OF SERVICES –FIXED-PRICE *(cl 379b - Aug 1996)*

- A. *Definition.* "Services," as used in this clause, includes services performed, workmanship, and material furnished or utilized in the performance of services.
- B. The Contractor shall provide and maintain an inspection system acceptable to Battelle covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to Battelle during contract performance and for as long afterwards as the contract requires.
- C. Battelle has the right to inspect and test all services called for by the contract, to the extent practicable at all times and places during the term of the contract. Battelle shall perform inspections and tests in a manner that will not unduly delay the work.
- D. If Battelle performs inspections or tests on the premises of the Contractor or a subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, at no increase in contract price, all reasonable facilities and assistance for the safe and convenient performance of these duties.
- E. If any of the services do not conform to contract requirements, Battelle may require the Contractor to perform the services again in conformity with contract requirements, at no increase in contract amount. When the defects in services cannot be corrected by reperformance, Battelle may—
 - 1. Require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and
 - 2. Reduce the contract price to reflect the reduced value of the services performed.
- F. If the Contractor fails to promptly perform the services again or to take the necessary action to ensure future performance in conformity with contract requirements, Battelle may—
 - 1. By contract or otherwise, perform the services and charge to the Contractor any cost incurred by the Government that is directly related to the performance of such service; or
 - 2. Terminate the contract for default.

WARRANTY OF SUPPLIES OF A NONCOMPLEX NATURE *(cl 383b / June 2003)*

- A. *Definitions:* As used in this clause, "Acceptance" means the act of an authorized representative of Battelle by which Battelle assumes for itself, or as an agent of another, ownership of existing supplies, or approves specific services as partial or complete performance of the contract. "Supplies" means the end items furnished by the Contractor and related services required under this contract. The word does not include "data."
- B. Contractor's obligations.
 - 1. Notwithstanding inspection and acceptance by Battelle of supplies furnished under this contract, or any condition of this contract concerning the conclusiveness thereof, the Contractor warrants that for 365 days—
 - a. All supplies furnished under this contract will be free from defects in material or workmanship and will conform with all requirements of this contract; and
 - b. The preservation, packaging, packing, and marking, and the preparation for, and method of, shipment of such supplies will conform with the requirements of this contract.
 - 2. When return, correction, or replacement is required, transportation charges and responsibility for the supplies while in transit shall be borne by the Contractor. However, the Contractor's liability for the transportation charges shall not exceed an amount equal to the cost of transportation by the usual commercial method of shipment between the place of delivery specified in this contract and the Contractor's plant, and return.
 - 3. Any supplies or parts thereof, corrected or furnished in replacement under this clause, shall also be subject to the terms of this clause to the same extent as supplies initially delivered. The warranty, with respect to supplies or parts thereof, shall be equal in duration to that in paragraph B.1. of this clause and shall run from the date of delivery of the corrected or replaced supplies.

4. All implied warranties of merchantability and "fitness for a particular purpose" are excluded from any obligation contained in this contract.
- C. Remedies available to Battelle.
1. The Battelle Contracts Representative shall give written notice to the Contractor of any breach of warranties in paragraph B.1 of this clause within 30 days.
 2. Within a reasonable time after the notice, the Battelle Contracts Representative may either –
 - a. Require, by written notice, the prompt correction or replacement of any supplies or parts thereof (including preservation, packaging, packing, and marking) that do not conform with the requirements of this contract within the meaning of paragraph B.1 of this clause; or
 - b. Retain such supplies and reduce the contract price by an amount equitable under the circumstances.
 3. a. If the contract provides for inspection of supplies by sampling procedures, conformance of supplies or components subject to warranty action shall be determined by the applicable sampling procedures in the contract. The Battelle Contracts Representative –
 - (i) May, for sampling purposes, group any supplies delivered under this contract;
 - (ii) Shall require the size of the sample to be that required by sampling procedures specified in the contract for the quantity of supplies on which warranty action is proposed;
 - (iii) May project warranty sampling results over supplies in the same shipment or other supplies contained in other shipments even though all of such supplies are not present at the point of reinspection; provided, that the supplies remaining are reasonably representative of the quantity on which warranty action is proposed; and
 - (iv) Need not use the same lot size as on original inspection or reconstitute the original inspection lots.
 - b. Within a reasonable time after notice of any breach of the warranties specified in paragraph B.1 of this clause, the Battelle Contracts Representative may exercise one or more of the following options:
 - (i) Require an equitable adjustment in the contract price for any group of supplies.
 - (ii) Screen the supplies grouped for warranty action under this clause at the Contractor's expense and return all nonconforming supplies to the Contractor for correction or replacement.
 - (iii) Require the Contractor to screen the supplies at locations designated by Battelle or the Government within the continuous United States and to correct or replace all nonconforming supplies.
 - (iv) Return the supplies grouped for warranty action under this clause to the Contractor (irrespective of the f.o.b. point or the point of acceptance) for screening and correction or replacement.
 4. a. The Battelle Contracts Representative may, by contract or otherwise, correct or replace the nonconforming supplies with similar supplies from another source and charge to the Contractor the cost occasioned to Battelle thereby if the Contractor-
 - (i) Fails to make redelivery of the corrected or replaced supplies within the time established for their return; or
 - (ii) Fails either to accept return of the nonconforming supplies or fails to make progress after their return to correct or replace them so as to endanger performance of the delivery schedule, and in either of these circumstances does not cure such failure within a period of 10 days (or such longer period as the Battelle Contracts Representative may authorize in writing) after receipt of notice from the Battelle Contracts Representative specifying such failure.
 - b. Instead of correction or replacement by Battelle, the Battelle Contracts Representative may require an equitable adjustment of the contract price. In addition, if the Contractor fails to furnish timely disposition instructions, the Battelle Contracts Representative may dispose of the nonconforming supplies for the Contractor's account in a reasonable manner. Battelle is entitled to reimbursement from the Contractor, or from the proceeds of such disposal, for the reasonable expenses of the care and disposition of the nonconforming supplies, as well as for excess costs incurred or to be incurred.

5. The rights and remedies of Battelle provided in this clause are in addition to and do not limit any rights afforded to Battelle by any other clause of this contract.

WARRANTY OF SERVICES *(cl. 383a - May 2001)*

- A. *Definition.* "Acceptance," as used in this clause, means the act of an authorized representative of Battelle by which the Government assumes for itself, or as an agent of another, ownership of existing and identified supplies, or approves specific services, as partial or complete performance of the contract.
- B. Notwithstanding inspection and acceptance by Battelle or any provision concerning the conclusiveness thereof, the Contractor warrants that all services performed under this contract will, at the time of acceptance, be free from defects in workmanship and conform to the requirements of this contract. The Contracting Officer shall give written notice of any defect or nonconformance to the Contractor within 30 days from the date of acceptance by Battelle. This notice shall state either—
 1. That the Contractor shall correct or reperform any defective or nonconforming services; or
 2. That Battelle does not require correction or reperformance.
- C. If the Contractor is required to correct or reperform, it shall be at no cost to Battelle, and any services corrected or reperformed by the Contractor shall be subject to this clause to the same extent as work initially performed. If the Contractor fails or refuses to correct or reperform, the Battelle Contracts Representative may, by contract or otherwise, correct or replace with similar services and charge to the Contractor the cost occasioned to Battelle thereby, or make an equitable adjustment in the contract price.
- D. If Battelle does not require correction or reperformance, the Battelle Contracts Representative shall make an equitable adjustment in the contract price.

DISPUTES *(cl. 331 - Oct 1979)*

Except as otherwise provided or agreed any dispute relating to this contract which is not disposed of by agreement shall be decided by litigation in a court of competent jurisdiction upon filing of a legal action by the aggrieved party. It is further agreed by the Contractor that litigation shall be limited and confined exclusively to the appropriate state or Federal court located within the State of Washington. Determination of any substantive issue of law shall be based upon application of Federal law. During the pendency of any dispute, the Contractor shall proceed diligently with the performance of the contract and in accordance with the direction of Battelle.

DEFAULT - FIXED PRICE SUPPLY AND SERVICE *(cl. 365c - Dec 1985)*

- A. Battelle may, subject to the provisions of Paragraph C of this clause, by written notice of default to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances:
 1. If the Contractor fails to perform the work called for by this contract within the time(s) specified herein or any extension thereof; or
 2. If the Contractor fails to perform any of the other provisions of this contract, or so fails to prosecute the work as to endanger performance of this contract; or
 3. If the Contractor ceases to conduct its operations in the normal course of business (including inability to meet its obligations as they mature); or
 4. If any proceeding for bankruptcy or insolvency is brought by or against the Contractor under bankruptcy or insolvency laws.
- B. In the event Battelle terminates this contract in whole or in part as provided in Paragraph A of this clause, Battelle may procure, upon such terms and in such manner as it may deem appropriate, work similar to the work so terminated and the Contractor shall be liable for any excess costs for such similar work; provided, that the Contractor shall continue the performance of this contract to the extent not terminated under the provisions of this clause.
- C. Except with respect to defaults of subcontractors, the Contractor shall not be terminated for default if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in its sovereign

capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor and without the fault or negligence of either of them, the Contractor shall not be terminated for default for failure to perform unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule or other performance requirement.

- D. If this contract is terminated as provided in Paragraph A of this clause, Battelle, in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver, in the manner and to the extent directed by Battelle, any of the completed or partially completed work not theretofore delivered to, and accepted by, Battelle and any other property, including contract rights, specifically produced or specifically acquired for the performance of such part of this contract as has been terminated; and the Contractor shall, upon the direction of Battelle, protect and preserve property in the possession of the Contractor in which Battelle has an interest. Battelle shall pay to the Contractor the contract price, if separately stated, for completed work accepted by Battelle and the amount agreed upon by the Contractor and Battelle for 1) completed work for which no separate price is stated, 2) partially completed work, 3) other property described above which is accepted by Battelle, and 4) the protection and preservation of property. Failure to agree shall be a dispute within the meaning of the clause entitled "Disputes." Battelle may withhold from amounts otherwise due the Contractor for such completed supplies or manufacturing materials such sum as Battelle determines to be necessary to protect Battelle against loss because of outstanding liens or claims of former lien holders.
- E. If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of Paragraph C of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the Government, be the same as if the notice of termination had been issued pursuant to such clause. If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, and if this contract does not contain a clause providing for termination for convenience of the Government, the contract shall be equitably adjusted to compensate for such termination and the contract modified accordingly. Failure to agree to any such adjustment shall be a dispute within the meaning of the clause of this contract entitled "Disputes."
- F. The rights and remedies of Battelle provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.
- G. As used in Paragraph C of this clause, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

TERMINATION FOR CONVENIENCE OF THE GOVERNMENT – FIXED PRICE (cl. 365d – May 2004)

- A. Battelle may terminate performance of work under this contract in whole or, from time to time, in part if Battelle determines that a termination is in the Government's interest. The Battelle Contracts Representative shall terminate by delivering to the Contractor a Notice of Termination specifying the extent of termination and the effective date.
- B. After receipt of a Notice of Termination, and except as directed by Battelle, the Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:
 - 1. Stop work as specified in the notice.
 - 2. Place no further subcontracts or orders (referred to as subcontracts in this clause) for materials, services, or facilities, except as necessary to complete the continued portion of the contract.
 - 3. Terminate all subcontracts to the extent they relate to the work terminated.
 - 4. Assign, as directed by Battelle, all right, title, and interest of the Contractor under the subcontracts terminated, in which case Battelle shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.
 - 5. With approval or ratification to the extent required by Battelle, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts; the approval or ratification will be final for purposes of this clause.
 - 6. As directed by Battelle, transfer title and deliver to the Government-

- a. The fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated; and
 - b. The completed or partially completed plans, drawings, information, and other property that, if the contract had been completed, would be required to be furnished to Battelle.
7. Complete performance of the work not terminated.
 8. Take any action that may be necessary, or that the Battelle Contracts Representative may direct, for the protection and preservation of the property related to this contract that is in the possession of the Contractor and in which the Government has or may acquire an interest.
 9. Use its best efforts to sell, as directed or authorized by Battelle, any property of the types referred to in Paragraph B.6. of this clause; *provided*, however, that the Contractor –
 - a. is not required to extend credit to any purchaser and
 - b. may acquire the property under the conditions prescribed by, and at prices approved by, Battelle. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by Battelle to the Contractor under this contract, credited to the price or cost of the work, or paid in any other manner directed by Battelle.
- C. The Contractor shall submit complete termination inventory schedules no later than 120 days from the effective date of termination, unless extended in writing by Battelle upon written request of the Contractor within this 120-day period.
 - D. After expiration of the plant clearance period as defined in Subpart 49.001 of the Federal Acquisition Regulation, the Contractor may submit to Battelle a list, certified as to quantity and quality, of termination inventory not previously disposed of, excluding items authorized for disposition by Battelle. The Contractor may request Battelle to remove those items or enter into an agreement for their storage. Within 15 days, Battelle will remove those items or enter into a storage agreement. Battelle may verify the list upon removal of the items, or if stored, within 45 days from submission of the list, and shall correct the list, as necessary, before final settlement.
 - E. After termination, the Contractor shall submit a final termination settlement proposal to Battelle in the form and with the certification prescribed by Battelle. The Contractor shall submit the proposal promptly, but no later than 1 year from the effective date of termination, unless extended in writing by the Battelle Contracts Representative upon written request of the Contractor within this 1-year period. However, if Battelle determines that the facts justify it, a termination settlement proposal may be received and acted on after 1 year or any extension. If the Contractor fails to submit the proposal within the time allowed, Battelle may determine, on the basis of information available, the amount, if any, due the Contractor because of the termination and shall pay the amount determined.
 - F. Subject to Paragraph E of this clause, the Contractor and Battelle may agree upon the whole or any part of the amount to be paid or remaining to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount, whether under this Paragraph F or Paragraph G of this clause, exclusive of costs shown in Paragraph G.3. of this clause, may not exceed the total contract price as reduced by (1) the amount of payments previously made and (2) the contract price of work not terminated. The contract shall be modified, and the Contractor paid the agreed amount. Paragraph G of this clause shall not limit, restrict, or affect the amount that may be agreed upon to be paid under this paragraph.
 - G. If the Contractor and Battelle fail to agree on the whole amount to be paid because of the termination of work, the Battelle Contracts Representative shall pay the Contractor the amounts determined by the Battelle Contracts Representative as follows, but without duplication of any amounts agreed on under Paragraph F of this clause:
 1. The contract price for completed supplies or services accepted by Battelle (or sold or acquired under Paragraph B.9. of this clause) not previously paid for, adjusted for any saving of freight and other charges.
 2. The total of—
 - a. The costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to supplies or services paid or to be paid under Paragraph G.1. of this clause;
 - b. The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subdivision G.1.a. of this clause; and

- c. A sum, as profit on Subdivision G.2.a. of this clause, determined by Battelle under 49.202 of the Federal Acquisition Regulation, in effect on the date of this contract, to be fair and reasonable; however, if it appears that the Contractor would have sustained a loss on the entire contract had it been completed, Battelle shall allow no profit under this Subdivision G.2.c. and shall reduce the settlement to reflect the indicated rate of loss.
 3. The reasonable costs of settlement of the work terminated, including –
 - a. Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;
 - b. The termination and settlement of subcontracts (excluding the amounts of such settlements); and
 - c. Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.
- H. Except for normal spoilage, and except to the extent that Battelle expressly assumed the risk of loss, Battelle shall exclude from the amounts payable to the Contractor under Paragraph G of this clause, the fair value, as determined by Battelle, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to the Government or to a buyer.
- I. The cost principles and procedures of Part 31 of the Federal Acquisition Regulation, in effect on the date of this contract, shall govern all costs claimed, agreed to, or determined under this clause.
- J. The Contractor shall have the right of appeal, under the Disputes clause, from any determination made by Battelle under Paragraph E, G, or L of this clause, except that if the Contractor failed to submit the termination settlement proposal or request for equitable adjustment within the time provided in Paragraph E or L, respectively, and failed to request a time extension, there is no right of appeal.
- K. In arriving at the amount due the Contractor under this clause, there shall be deducted—
 1. All unliquidated advance or other payments to the Contractor under the terminated portion of this contract;
 2. Any claim which Battelle has against the Contractor under this contract; and
 3. The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by the Contractor or sold under the provisions of this clause and not recovered by or credited to Battelle.
- L. If the termination is partial, the Contractor may file a proposal with Battelle for an equitable adjustment of the price(s) of the continued portion of the contract. Battelle shall make any equitable adjustment agreed upon. Any proposal by the Contractor for an equitable adjustment under this clause shall be requested within 90 days from the effective date of termination unless extended in writing by the Battelle Contracts Representative.
- M.
 1. Battelle may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Contractor for the terminated portion of the contract, if Battelle believes the total of these payments will not exceed the amount to which the Contractor will be entitled.
 2. If the total payments exceed the amount finally determined to be due, the Contractor shall repay the excess to Battelle upon demand, together with interest computed at the rate established by the Secretary of the Treasury under 50 U.S.C. App. 1215(b)(2). Interest shall be computed for the period from the date the excess payment is received by the Contractor to the date the excess is repaid. Interest shall not be charged on any excess payment due to a reduction in the Contractor's termination settlement proposal because of retention or other disposition of termination inventory until 10 days after the date of the retention or disposition, or a later date determined by Battelle because of the circumstances.
- N. Unless otherwise provided in this contract or by statute, the Contractor shall maintain all records and documents relating to the terminated portion of this contract for 3 years after final settlement. This includes all books and other evidence bearing on the Contractor's costs and expenses under this contract. The Contractor shall make these records and documents available to the Battelle and the Department of Energy, at the Contractor's office, at all reasonable times, without any direct charge. If approved by Battelle, photographs, microphotographs, or other authentic reproductions may be maintained instead of original records and documents.

ENVIRONMENT, SAFETY AND HEALTH REQUIREMENTS *(cl. 3113e - Jan 2007)*

- A. In performing work under this contract, the Contractor shall comply with all applicable federal, state and local environment, safety and health laws and regulations. The Contractor shall also perform work safely, in a manner that ensures adequate protection for employees, the public, and the environment, and shall be accountable for the safe performance of work. The Contractor shall exercise a degree of care commensurate with the work and the associated hazards. The Contractor shall ensure that management of environment, safety, and health (ES&H) functions and activities becomes an integral but visible part of the Contractor's work planning and execution processes.
- B. For complex or hazardous work, the Contractor shall, in the performance of work, ensure that:
 - 1. Personnel possess the experience, knowledge, skills, and abilities that are necessary to discharge their responsibilities, and shall retain records respecting such competency and qualifications, making them available upon request.
 - 2. Resources are effectively allocated to address ES&H, programmatic, and operational considerations. Protecting employees, the public, and the environment is a priority whenever activities are planned and performed.
 - 3. Before work is performed, the associated hazards are evaluated and a set of ES&H standards and requirements are established which, if properly implemented, provide adequate assurance that employees, the public, and the environment are protected from adverse consequences.
 - 4. Administrative and engineering controls to prevent and mitigate hazards are tailored to the work being performed and associated hazards. Emphasis should be on designing the work and/or controls to reduce or eliminate the hazards and to prevent accidents and unplanned releases and exposures.
- C. For complex or hazardous work, the Contractor, relative to the Statement of Work and contract specifications, shall be able to demonstrate through documentation and work practices that its performance of work under this contract—
 - 1. Fulfilled the scope of work as outlined in this contract
 - 2. Identified and analyzed specific, task-level hazards associated with the work
 - 3. Developed and implemented hazard controls related to the hazards
 - 4. Allowed the performance of work within the controls
 - 5. Provided feedback to Battelle and Contractor employees on adequacy of hazard controls

The Contractor is responsible for its subcontractors' compliance with the ES&H requirements of this contract.

NUCLEAR HAZARDS INDEMNITY AGREEMENT *(cl. 3110 - Jun 1996)*

- A. Authority. This clause is incorporated into this Contract pursuant to the authority contained in subsection 170d of the Atomic Energy Act of 1954, as amended (hereinafter called the Act).
- B. Definitions. The definitions set out in the Act shall apply to this clause.
- C. Financial Protection. Except as hereafter permitted or required in writing by the Department of Energy (DOE), the Contractor will not be required to provide or maintain, and will not provide or maintain at Government expense, any form of financial protection to cover public liability, as described in Paragraph D.2 below. DOE may, however, at any time require in writing that the Contractor provide and maintain financial protection of such a type and in such amount as DOE shall determine to be appropriate to cover such public liability, provided that the costs of such financial protection are reimbursed to the Contractor by DOE.
- D. Indemnification.
 - 1. To the extent that the Contractor and other persons indemnified are not compensated by any financial protection permitted or required by DOE, DOE will indemnify the Contractor and other persons indemnified against (a) claims for public liability as described in Paragraph D.2 of this clause; and (b) such legal costs of the Contractor and other persons indemnified as are approved by DOE, provided that DOE's liability, including such legal costs, shall not exceed the amount set forth in section 170e.(1)(B) of the Act in the aggregate for each nuclear incident or precautionary evaluation occurring within the United States or \$100 million in the aggregate for each nuclear incident occurring outside the United States, irrespective of the number of persons indemnified in connection with this contract.

2. The public liability referred to in Paragraph D.1 of this Clause is public liability as defined in the Act which (a) arises out of or in connection with the activities under this Contract, including transportation; and (b) arises out of or results from a nuclear incident or precautionary evacuation, as those terms are defined in the Act.

E. Waiver of Defenses.

1. In the event of a nuclear incident, as defined in the Act, arising out of nuclear waste activities, as defined in the Act, the Contractor, on behalf of itself and other persons indemnified, agrees to waive any issue or defense as to charitable or governmental immunity.
2. In the event of an extraordinary nuclear occurrence which—
 - a. Arises out of, results from, or occurs in the course of the construction, possession, or operation of a production or utilization facility; or
 - b. Arises out of, results from, or occurs in the course of transportation of source material, by-product material, or special nuclear material to or from a production or utilization facility; or
 - c. Arises out of or results from the possession, operation, or use by the Contractor or a subcontractor of a device utilizing special nuclear material or by-product material, during the course of the contract activity; or
 - d. Arises out of, results from, or occurs in the course of nuclear waste activities, the Contractor, on behalf of itself and other persons indemnified, agrees to waive:
 - (i) Any issue or defense as to the conduct of the claimant (including the conduct of persons through whom the claimant derives its cause of action) or fault of persons indemnified, including, but not limited to—
 - (a) Negligence;
 - (b) Contributory negligence;
 - (c) Assumption of risk; or
 - (d) Unforeseeable intervening causes, whether involving the conduct of a third person or an act of God;
 - (ii) Any issue or defense as to charitable or governmental immunity; and
 - (iii) Any issue or defense based on any statute of limitations, if suit is instituted within 3 years from the date on which the claimant first knew, or reasonably could have known, of his injury or change and the cause thereof. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. The waiver shall be judicially enforceable in accordance with its terms by the claimant against the person indemnified.
 - e. The term extraordinary nuclear occurrence means an event that DOE has determined to be an extraordinary nuclear occurrence as defined in the Act. A determination of whether or not there has been an extraordinary nuclear occurrence will be made in accordance with the procedures in 10 CFR Part 840.
 - f. For the purposes of that determination, “offsite” as that term is used in 10 CFR Part 840 means away from “the contract location” which phrase means any DOE facility, installation, or site at which contractual activity under this contract is being carried on, and any Contractor-owned or controlled facility, installation, or site at which the Contractor is engaged in the performance of contractual activity under this contract.
3. The waivers set forth above:
 - a. Shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action;
 - b. Shall be judicially enforceable in accordance with its terms by the claimant against the person indemnified;
 - c. Shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages;
 - d. Shall not apply to injury or damage to a claimant or to a claimant’s property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;

- e. Shall not apply to injury to a claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place, if benefits therefore are either payable or required to be provided under any workmen's compensation or occupational disease law;
 - f. Shall not apply to any claim resulting from a nuclear incident occurring outside the United States;
 - g. Shall be effective only with respect to those obligations set forth in this clause and in insurance policies, contracts or other proof of financial protection; and
 - h. Shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim which is not within the protection afforded under (i) the limit of liability provisions under subsection 170e of the Act, and (ii) the terms of this agreement and the terms of insurance policies, contracts, or other proof of financial protection.
- F. Notification and Litigation of Claims. The Contractor shall give immediate written notice to Battelle of any known action or claim filed or made against the Contractor or other person indemnified for public liability as defined in Paragraph D.2. Except as otherwise directed by the Battelle Contracts Representative, the Contractor shall furnish promptly to Battelle, copies of all pertinent papers received by the Contractor or filed with respect to such actions or claims. Battelle and DOE shall have the right to, and may collaborate with, the Contractor and any other person indemnified in the settlement or defense of any action or claim and shall have the right to—
- 1. require the prior approval of Battelle for the payment of any claim that DOE be required to indemnify hereunder; and
 - 2. appear through the Attorney General on behalf of the Contractor or other person indemnified in any action brought upon any claim that DOE may be required to indemnify hereunder; take charge of such action, and settle or defend any such action. If the settlement or defense of any such action or claim is undertaken by Battelle or DOE, the Contractor or other person indemnified shall furnish all reasonable assistance in effecting a settlement or asserting a defense.
- G. Continuity of DOE Obligations. The obligations of DOE under this Clause shall not be affected by any failure on the part of the Contractor to fulfill its obligation under this Contract and shall be unaffected by the death, disability, or termination of existence of the Contractor, or by the completion, termination or expiration of this Contract.
- H. Effect of Other Clauses. The provisions of this clause shall not be limited in any way by, and shall be interpreted without reference to any, other clause of this contract, including the clause entitled "Disputes" provided, however, that this clause shall be subject to the clauses entitled "Covenant Against Contingent Fees," "Officials Not to Benefit," and "Examination of Records by the Comptroller General," and any provisions that are later added to this Contract as required by applicable Federal law, including statutes, executive orders and regulations, to be included in Nuclear Hazards Indemnity Agreements.
- I. The Contractor is specifically exempt from civil penalties pursuant to Section 234A of the Price-Anderson Amendment Act of 1988.
- J. Criminal Penalties. Any individual director, officer, or employee of the Contractor or of its subcontractors and suppliers who are indemnified under the provisions of this Clause are subject to criminal penalties, pursuant to 223(c) of the Act, for knowing and willful violation of the Atomic Energy Act of 1954, as amended, and applicable DOE nuclear safety-related rules, regulations or orders which violation results in, or, if undetected, would have resulted in a nuclear incident.
- K. Inclusion in Subcontract. The Contractor shall insert this clause in any subcontract that may involve the risk of public liability, as that term is defined in the Act and further described in Paragraph D.2 above. However, this clause shall not be included in subcontracts in which the subcontractor is subject to Nuclear Regulatory Commission (NRC) financial protection requirements under section 170b of the Act or NRC agreements of indemnification under section 170c or k of the Act for the activities under the subcontract.
- L. This indemnity agreement shall be applicable with respect to nuclear incidents occurring on or after December 3, 2002.

NUCLEAR HAZARDS INDEMNITY AGREEMENT *(cl. 3110-B – Oct 2005)*

- A. Authority. This clause is incorporated into this Contract pursuant to the authority contained in subsection 170d of the Atomic Energy Act of 1954, as amended (hereinafter called the Act).
- B. Definitions. The definitions set out in the Act shall apply to this clause.

- C. Financial Protection. Except as hereafter permitted or required in writing by the Department of Energy (DOE), the Contractor will not be required to provide or maintain, and will not provide or maintain at Government expense, any form of financial protection to cover public liability, as described in Paragraph D.2 below. DOE may, however, at any time require in writing that the Contractor provide and maintain financial protection of such a type and in such amount as DOE shall determine to be appropriate to cover such public liability, provided that the costs of such financial protection are reimbursed to the Contractor by DOE.
- D. Indemnification.
1. To the extent that the Contractor and other persons indemnified are not compensated by any financial protection permitted or required by DOE, DOE will indemnify the Contractor and other persons indemnified against (a) claims for public liability as described in Paragraph D.2 of this clause; and (b) such legal costs of the Contractor and other persons indemnified as are approved by DOE, provided that DOE's liability, including such legal costs, shall not exceed the amount set forth in section 170t of the Act in the aggregate for each nuclear incident or precautionary evaluation occurring within the United States or \$500 million in the aggregate for each nuclear incident occurring outside the United States, irrespective of the number of persons indemnified in connection with this contract.
 2. The public liability referred to in Paragraph D.1 of this Clause is public liability as defined in the Act which (a) arises out of or in connection with the activities under this Contract, including transportation; and (b) arises out of or results from a nuclear incident or precautionary evacuation, as those terms are defined in the Act.
- E. Waiver of Defenses.
1. In the event of a nuclear incident, as defined in the Act, arising out of nuclear waste activities, as defined in the Act, the Contractor, on behalf of itself and other persons indemnified, agrees to waive any issue or defense as to charitable or governmental immunity.
 2. In the event of an extraordinary nuclear occurrence which—
 - g. Arises out of, results from, or occurs in the course of the construction, possession, or operation of a production or utilization facility; or
 - h. Arises out of, results from, or occurs in the course of transportation of source material, by-product material, or special nuclear material to or from a production or utilization facility; or
 - i. Arises out of or results from the possession, operation, or use by the Contractor or a subcontractor of a device utilizing special nuclear material or by-product material, during the course of the contract activity; or
 - j. Arises out of, results from, or occurs in the course of nuclear waste activities, the Contractor, on behalf of itself and other persons indemnified, agrees to waive:
 - (i) Any issue or defense as to the conduct of the claimant (including the conduct of persons through whom the claimant derives its cause of action) or fault of persons indemnified, including, but not limited to—
 - (a) Negligence;
 - (b) Contributory negligence;
 - (c) Assumption of risk; or
 - (d) Unforeseeable intervening causes, whether involving the conduct of a third person or an act of God;
 - (ii) Any issue or defense as to charitable or governmental immunity; and
 - (iii) Any issue or defense based on any statute of limitations, if suit is instituted within 3 years from the date on which the claimant first knew, or reasonably could have known, of his injury or change and the cause thereof. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. The waiver shall be judicially enforceable in accordance with its terms by the claimant against the person indemnified.
 - k. The term extraordinary nuclear occurrence means an event that DOE has determined to be an extraordinary nuclear occurrence as defined in the Act. A determination of whether or not there has been an extraordinary nuclear occurrence will be made in accordance with the procedures in 10 CFR Part 840.

- l. For the purposes of that determination, “offsite” as that term is used in 10 CFR Part 840 means away from “the contract location” which phrase means any DOE facility, installation, or site at which contractual activity under this contract is being carried on, and any Contractor-owned or controlled facility, installation, or site at which the Contractor is engaged in the performance of contractual activity under this contract.
 3. The waivers set forth above:
 - i. Shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action;
 - j. Shall be judicially enforceable in accordance with its terms by the claimant against the person indemnified;
 - k. Shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages;
 - l. Shall not apply to injury or damage to a claimant or to a claimant’s property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;
 - m. Shall not apply to injury to a claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place, if benefits therefore are either payable or required to be provided under any workmen’s compensation or occupational disease law;
 - n. Shall not apply to any claim resulting from a nuclear incident occurring outside the United States;
 - o. Shall be effective only with respect to those obligations set forth in this clause and in insurance policies, contracts or other proof of financial protection; and
 - p. Shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim which is not within the protection afforded under (i) the limit of liability provisions under subsection 170e of the Act, and (ii) the terms of this agreement and the terms of insurance policies, contracts, or other proof of financial protection.
- F. Notification and Litigation of Claims. The Contractor shall give immediate written notice to Battelle of any known action or claim filed or made against the Contractor or other person indemnified for public liability as defined in Paragraph D.2. Except as otherwise directed by the Battelle Contracts Representative, the Contractor shall furnish promptly to Battelle, copies of all pertinent papers received by the Contractor or filed with respect to such actions or claims. Battelle and DOE shall have the right to, and may collaborate with, the Contractor and any other person indemnified in the settlement or defense of any action or claim and shall have the right to—
 3. require the prior approval of Battelle for the payment of any claim that DOE be required to indemnify hereunder; and
 4. appear through the Attorney General on behalf of the Contractor or other person indemnified in any action brought upon any claim that DOE may be required to indemnify hereunder; take charge of such action, and settle or defend any such action. If the settlement or defense of any such action or claim is undertaken by Battelle or DOE, the Contractor or other person indemnified shall furnish all reasonable assistance in effecting a settlement or asserting a defense.
- G. Continuity of DOE Obligations. The obligations of DOE under this Clause shall not be affected by any failure on the part of the Contractor to fulfill its obligation under this Contract and shall be unaffected by the death, disability, or termination of existence of the Contractor, or by the completion, termination or expiration of this Contract.
- H. Effect of Other Clauses. The provisions of this clause shall not be limited in any way by, and shall be interpreted without reference to any, other clause of this contract, including the clause entitled “Disputes” provided, however, that this clause shall be subject to the clauses entitled “Covenant Against Contingent Fees,” “Officials Not to Benefit,” and “Examination of Records by the Comptroller General,” and any provisions that are later added to this Contract as required by applicable Federal law, including statutes, executive orders and regulations, to be included in Nuclear Hazards Indemnity Agreements.
- I. The Contractor is specifically exempt from civil penalties pursuant to Section 234A of the Price-Anderson Amendment Act of 1988.
- J. Criminal Penalties. Any individual director, officer, or employee of the Contractor or of its subcontractors and suppliers who are indemnified under the provisions of this Clause are subject to criminal penalties, pursuant to 223(c) of the Act, for knowing and willful violation of the Atomic Energy Act of 1954, as amended, and applicable DOE nuclear safety-related rules, regulations or orders which violation results in, or, if undetected, would have resulted in a nuclear incident.

- K. Inclusion in Subcontract. The Contractor shall insert this clause in any subcontract that may involve the risk of public liability, as that term is defined in the Act and further described in Paragraph D.2 above. However, this clause shall not be included in subcontracts in which the subcontractor is subject to Nuclear Regulatory Commission (NRC) financial protection requirements under section 170b of the Act or NRC agreements of indemnification under section 170c or k of the Act for the activities under the subcontract.
- L. Effective Date. The indemnity of Paragraph D.1. is limited to the indemnity provided by the Price-Anderson Amendments Act of 1988 for any nuclear incident to which the indemnity applies that occurred on or after August 8, 2005. The Contractor's liability for civil violations of the Atomic Energy Act of 1954 under this Contract is that in effect for Battelle prior to August 8, 2005 (see Paragraph I. of this Clause).

PRICE-ANDERSON AMENDMENTS ACT *(cl 3111 - Nov 2006)*

In addition to applicable Quality and ES&H contract clauses and requirements, the following shall apply:

1. Indemnification for Nuclear Safety Violations
 - a. **Applicability.** The provisions of this clause shall be applicable if the Contractor's products or services are subject to the Nuclear Hazards Indemnity provisions of section 170 of the Atomic Energy Act of 1954, as amended, and the U.S. Department of Energy's Procedural Rules for DOE Nuclear Activities as described in Title 10, Code of Federal Regulations, Part 820 (10 CFR Part 820), or could otherwise have any effect on nuclear or radiological safety.
 - b. The Contractor assumes full responsibility and shall indemnify, hold harmless, and defend Battelle, its directors, officers, and employees from any civil liability under §234A of the Atomic Energy Act of 1954, as amended, or the implementing regulations, arising out of the activities of the Contractor, its subcontractors, suppliers, agents, employees, and their officers, or directors. The Contractor's obligation to indemnify and hold harmless shall expressly include attorney fees and other reasonable costs of defending any action or proceeding instituted under §234A or DOE's implementing regulations.
2. Nuclear Safety Regulations
 - a. **Applicability.** The provisions of this clause apply to any activity carried out pursuant to this contract by the Contractor, its subcontractors, suppliers, and employees that has the potential to result in a risk of harm to an individual from radiation or radioactive material, or the potential to affect a DOE nuclear facility or radiological activity. The term "individual" as used in this clause includes, without limitation, general employees, radiological workers, embryo/fetus of a declared pregnant worker, minors, and members of the public. The requirements of this clause do not apply to activities that are regulated, and either indemnified or subject to financial assurance provisions, through a license by the Nuclear Regulatory Commission or a State under an Agreement with the Nuclear Regulatory Commission (an Agreement State), including activities certified by the Nuclear Regulatory Commission under §1701 (42 USC §2297(f)) of the Atomic Energy Act of 1954, as amended. Other specific applicability exclusions are identified in 10 CFR §820 and related Department of Energy regulations.
 - b. The Contractor shall comply, as applicable, with the requirements of Title 10, Code of Federal Regulations, Part 835, "Occupational Radiation Protection" (10 CFR Part 835). The Contractor's programs and associated documents are subject to review at all times by Battelle.
 - c. The Contractor shall: (1) comply, as applicable with the requirements of Title 10, Code of Federal Regulations, Part 830 "Nuclear Safety Management," including Subpart A, Quality Assurance Requirements or a quality assurance program that meets the stated requirements of 10 CFR 830.120, and (2) implement, document, and maintain such programs (e.g., administrative controls, procedures, and technical work documents) as necessary to ensure compliance with the QA requirements section of this contract. The Contractor's programs and associated documents are subject to review at all times by Battelle.
 - d. The Contractor shall: (1) comply with all applicable requirements of Title 10, Code of Federal Regulations, Part 708, "Contractor Employee Protection" (10 CFR 708), and (2) implement, document, and maintain such programs as necessary to ensure compliance with this requirement. The Contractor's programs and associated documents are subject to review at all times by Battelle.

- e. The Contractor shall: (1) comply with all applicable requirements of newly promulgated Department of Energy nuclear safety requirements in Title 10, Code of Federal Regulations, and (2) implement, document, and maintain such programs as necessary to ensure compliance with these requirements. The Contractor's programs and associated documents are subject to review at all times by Battelle.
 - f. If any noncompliance or deficiency occurs in the programs or activities subject to this clause, or a lack of appropriate or timely corrective action by the Contractor, causes a potential violation of nuclear safety requirements, then the Contractor may be subject to enforcement penalties under the Atomic Energy Act, 10 CFR 820 and/or other provisions of this contract.
 - g. Where reporting of a potential violation of a nuclear safety regulation to the DOE is necessary, the Contractor shall report through Battelle.
3. The Contractor shall include the provisions of this clause, including this paragraph, in all lower tier Contracts for any activity subject to the applicability requirements in paragraphs 1a and 2a.

CLAUSES INCORPORATED BY REFERENCE

The following additional Federal Acquisition Regulation (FAR) clauses may also apply to this contract as specified on the contract schedule and are, therefore, incorporated by reference and, when applicable, should be flowed down to lower-tier subcontractors.

FAR 52.219-8 Utilization of Small Business Concerns (May 2004)

- Applies for subcontracts greater than \$100,000
- Applies where there are further opportunities for subcontracting
- Does not apply to small businesses

FAR 52.222-26 Equal Opportunity (Apr 2002)

FAR 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006)

FAR 52.222-36 Affirmative Action for Workers with Disabilities (June 1998)

FAR 52.222-41 Service Contract Act of 1965, as Amended (July 2005)

FAR 52.227-64 Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006)