

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>			1. CONTRACT ID CODE	PAGE 1 OF 3 PAGES
2. AMENDMENT/MODIFICATION NO. <b>M406</b>	3. EFFECTIVE DATE <b>See Block 16C</b>	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)	
6. ISSUED BY <b>U.S. Department of Energy National Nuclear Security Administration Sandia Site Office (MS 0184) P.O. Box 5400 Albuquerque, NM 87185-5400</b>		7. ADMINISTERED BY (If other than Item 6) CODE		
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, state, ZIP Code)  <b>Sandia Corporation P. O. Box 5800 Albuquerque, NM 87185</b>		9A. AMENDMENT OF SOLICITATION NO.		
CODE		9B. DATED (SEE ITEM 11)		
FACILITY CODE		10A. MODIFICATION OF CONTRACT/ORDER NO.  <b>DE-AC04-94AL85000</b>		
		10B. DATED (SEE ITEM 13) <b>October 1, 1993</b>		

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended,  is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation as amended, by one of the following methods:  
 (a) By completing Items 8 and 15, and returning \_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

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

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

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO (Specify authority): THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE-NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (Such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
<b>X</b>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Department of Energy Organization Act, 42 U.S.C. § 7101 et seq. and the National Nuclear Security Administration Act, 50 U.S.C. § 2401 et seq., DOE O 251.1C Departmental Directives Program, and NNSA Administrator's August 16, 2010 Memo: Strengthening Oversight through Improving Contractor Requirements
	D. OTHER (Specify type of modification and authority):

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

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

The purpose of this modification is to effect changes in Section I: *Contract Clauses* and Section J: *Appendix G List of Applicable Directives and NNSA Policy Letters* to implement the National Nuclear Security Administration's (NNSA) Governance Reform Initiative. This modification is the second in a series of modifications that is intended to improve the effectiveness and efficiency of contractor operations by revising government requirements to facilitate the contractor's exercise of prudent technical and business practices. Accordingly, the contract is modified as specified herein.

Except as provided herein, all terms and conditions of the document referenced in Items 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) <b>James Eanes, Senior Manager Sandia Corporation</b>		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) <b>JoAnn Wright, Contracting Officer Sandia Site Office</b>	
15B. CONTRACTOR/OFFEROR BY <u>James Eanes</u> (Signature of person authorized to sign)	15C. DATE SIGNED <u>1/5/11</u>	16B. UNITED STATES OF AMERICA BY <u>JoAnn Wright</u> (Signature of Contracting Officer)	16C. DATE SIGNED <u>1/5/2011</u>

1. Part II - Section I *Contract Clauses* is revised to add the following DEAR clause:

118. 970.5203-2 PERFORMANCE IMPROVEMENT AND COLLABORATION  
(MAY 2006)

- (a) The Contractor agrees that it shall affirmatively identify, evaluate, and institute practices, where appropriate, that will improve performance in the areas of environmental and health, safety, scientific and technical, security, business and administrative, and any other areas of performance in the management and operation of the contract. This may entail the alteration of existing practices or the institution of new procedures to more effectively or efficiently perform any aspect of contract performance or reduce overall cost of operation under the contract. Such improvements may result from changes in organization, outsourcing decisions, simplification of systems while retaining necessary controls, or any other approaches consistent with the statement of work and performance measures of this contract.
- (b) The Contractor agrees to work collaboratively with the Department, all other management and operating, DOE major facilities management contractors and affiliated contractors which manage or operate DOE sites or facilities for the following purposes: (i) to exchange information generally, (ii) to evaluate concepts that may be of benefit in resolving common issues, in confronting common problems, or in reducing costs of operations, and (iii) to otherwise identify and implement DOE-complex-wide management improvements discussed in paragraph (a). In doing so, it shall also affirmatively provide information relating to its management improvements to such contractors, including lessons learned, subject to security considerations and the protection of data proprietary to third parties.
- (c) The Contractor may consult with the Contracting Officer in those instances in which improvements being considered pursuant to paragraph (a) involve the cooperation of the DOE. The Contractor may request the assistance of the Contracting Officer in the communication of the success of improvements to other management and operating contractors in accordance with paragraph (b) of this clause.
- (d) The Contractor shall notify the Contracting Officer and seek approval where necessary to fulfill its obligations under the contract. Compliance with this clause in no way alters the obligations of the Contractor under any other provision of this contract.

*(End of Clause)*

2. Part III - Section J, Appendix G *List of Applicable Directives and NNSA Policy Letters* is replaced in its entirety with Attachment 1 to this modification. The revised Appendix G reflects the NNSA Administrator's August 16, 2010<sup>1</sup> approved exemption for DOE Order 243.1 *Records Management Program* dated 2/03/06. DOE O 243.1 is removed from Appendix G, in its entirety, except the specific Contractor Requirements identified in Part III – Section J, Appendix G-1 *Operating Requirements* dated August 16, 2010, attached hereto as Attachment 2.
3. All other terms and conditions remain unchanged.

----- End of Modification -----

---

<sup>1</sup> Thomas P. D'Agostino (Administrator, NNSA) August 16, 2010 Memorandum for Patty Wagner (Manager, Sandia Site Office) and Stephen Mellington, (Manager, Nevada Site Office); Subject: Strengthening Oversight Through Improving Contractor Requirements Documents in the National Nuclear Security Administration Management and Operating Contracts; Attachment: Contractor Requirements Document (CRD) Crosswalk Form

**Part III - Section J**  
**Appendix G**  
**List of Applicable Directives and NNSA Policy Letters**

In addition to the list of applicable directives referenced below, the contractor shall also comply with supplementary directives (e.g., manuals), which are invoked by a Contractor Requirements Document (CRD) attached to a directive referenced below. This List excludes directives that have been granted an exemption from the CRD in whole or in part. For those Directives whereby the Contractor has been granted an exemption from the CRD, the Contractor shall comply only with the Operating Requirements identified in Appendix G-1. Directives identified in Appendix G-1 are for reference purposes only.

DIRECTIVE NUMBER	DATE	DOE DIRECTIVE TITLE
APPH Chapter X Revision 10	9/08/98	Accounting Practices & Procedures Handbook Chapter X - Product Cost Accounting
DOE O 110.3	11/3/99	Conference Management
DOE O 130.1	9/29/95	Budget Formulations Process
DOE M 140.1-1B	3/30/01	Interface with the Defense Nuclear Facilities Safety Board
DOE O 142.1	1/13/04	Classified Visits Involving Foreign Nationals
DOE O 142.2A	12/15/06	Safeguards Agreement and Protocol with the International Atomic Energy Agency
DOE M 142.2-1	9/04/08	Manual for the Implementation of the Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency
DOE O 142.3, Chg 1 dated 02/28/08	6/18/04	Unclassified Foreign Visits and Assignments
DOE O 144.1, Chg 1 dated 11/16/09	1/16/09	Department of Energy American Indian Tribal Government Interactions and Policy
DOE O 150.1	5/8/08	Continuity Programs
DOE O 151.1C	11/02/05	Comprehensive Emergency Management System
DOE O 153.1	6/27/07	Departmental Radiological Emergency Response Assets
DOE N 153.2	8/11/03	Connectivity to National Atmospheric Release Advisory Center (NARAC)
DOE O 200.1A	12/23/08	Information Technology Management
DOE M 200.1-1	2/15/00	Chapter 9 Public Key Cryptography and Key Management
DOE O 205.1A	12/04/06	Department of Energy Cyber Security Management Program
DOE M 205.1-3	4/17/06	Telecommunications Security Manual
DOE M 205.1-4	3/08/07	National Security Systems Manual
DOE M 205.1-5	8/12/08	Cyber Security Process Requirements Manual
DOE M 205.1-6	12/23/08	Media Sanitization Manual
DOE M 205.1-7	1/05/09	Security Controls for Unclassified Information Systems Manual
DOE M 205.1-8	1/08/09	Cyber Security Incident Management Manual
DOE O 206.1	1/16/09	Department of Energy Privacy Program
DOE N 206.4	6/29/07 (DOE N 251.74 extends this order until 6/29/09)	Personal Identity Verification <sup>1</sup>
DOE O 210.2	6/12/06	DOE Corporate Operating Experience Program

<sup>1</sup> Full implementation will occur in accordance with SNL's approved Implementation Plan.

DIRECTIVE NUMBER	DATE	DOE DIRECTIVE TITLE
DOE O 221.1A	4/19/08	Reporting Fraud, Waste, and Abuse to the Office of Inspector General
DOE O 221.2A	2/25/08	Cooperation With The Office of Inspector General
DOE O 225.1A	11/26/97	Accident Investigations
DOE O 226.1A	7/31/07	Implementation of Department of Energy Oversight Policy
DOE M 231.1-1A, Chg 1 dated 9/09/04; Chg 2 dated 6/12/07	3/19/04	Environment, Safety, and Health Reporting Manual
DOE M 231.1-2	8/19/03	Occurrence Reporting and Processing of Operations Information
DOE N 234.1	2/27/10 (DOE N 251.86 extends this order until 5/06/11)	Reporting of Radioactive Sealed Sources
DOE O 241.1A, Chg 1	10/14/03	Scientific and Technical Information Management
DOE O 243.2	2/02/06	Vital Records
DOE O 252.1	11/19/99	Technical Standards Program
DOE O 313.1	11/19/09	Management and Funding of the Department's Overseas Presence
DOE O 350.1, Chg 3 dated 2/23/10	9/30/96	Contractor Human Resource Management Programs <sup>2</sup>
DOE O 350.2A	10/29/03	Use of Facility Contractor Employees for Services to DOE in the Washington, D.C., Area
DOE O 410.2	8/17/09	Management of Nuclear Materials <sup>3</sup>
DOE O 412.1A	4/21/05	Work Authorization System
DOE O 413.1B	10/28/08	Internal Control Program
DOE O 413.2B	4/19/06	Laboratory Directed Research & Development
DOE O 413.3A, Chg 1 dated 11/17/08	7/28/06	Program & Project Management for the Acquisition of Capital Assets
DOE O 414.1C	6/17/05	Quality Assurance
DOE O 420.1B, Chg 1 dated 4/19/10	12/22/05	Facility Safety
DOE O 420.2B	7/23/04	Safety of Accelerator Facilities
DOE O 422.1	6/29/10	Conduct of Operations
DOE O 425.1D	4/16/10	Verification of Readiness to Start Up or Restart Nuclear Facilities
DOE O 426.2	4/21/10	Personnel Selection, Training, Qualification, and Certification Requirements for DOE Nuclear Facilities
DOE O 430.1B, Chg. 1 dated 2/08/08	9/24/03	Real Property Asset Management
DOE O 430.2B	2/27/08	Departmental Energy Renewable Energy and Transportation Management
DOE O 433.1B	4/21/10	Maintenance Management Program for DOE Nuclear Facilities
DOE O 435.1, Chg. 1 dated 8/28/01	7/9/99	Radioactive Waste Management
DOE M 440.1-1A	1/09/06	DOE Explosives Safety Manual

<sup>2</sup> Sandia is not subject to the pension funding provisions of the Pension Protection Act of 2006 until January 1, 2011 and minimum required pension contributions prior to that date will be determined according to applicable prior law and regulations.

<sup>3</sup> Sandia will implement DOE O 410.2 Management of Nuclear Materials, dated August 17, 2009 in accordance with the letter from J.Eanes to J.Wright, dated October 8, 2009 (10\_8\_DIR\_10-07-2009). Full implementation will be achieved by October 1, 2010.

DIRECTIVE NUMBER	DATE	DOE DIRECTIVE TITLE
DOE O 440.2B, Chg. 1 dated 11/19/06	11/27/02	Aviation Management and Safety
DOE M 441.1-1	3/07/08	Nuclear Material Packaging Manual <sup>4</sup>
DOE O 442.1A	6/6/01	Department Of Energy Employee Concerns Program
DOE M 442.1-1	11/16/06	Differing Professional Opinions Manual for Technical Issues Involving Environment, Safety, and Health
DOE O 443.1A	12/20/07	Protection of Human Subjects
DOE O 450.1A	6/4/08	Environmental Protection Program
DOE M 450.4-1	11/01/06	Integrated Safety Management System Manual
DOE O 452.1D	4/14/09	Nuclear Explosive and Weapon Surety Program
DOE M 452.2-1A	4/14/09	Nuclear Explosive Safety Manual
DOE M 452.2-2	4/14/09	Nuclear Explosive Safety Evaluation Processes
DOE O 452.2D	4/14/09	Nuclear Explosive Safety
DOE O 452.3	6/08/05	Management of the Department of Energy Nuclear Weapons Complex
DOE O 452.4B	1/22/10	Security and Use Control of Nuclear Explosives and Nuclear Weapons
DOE O 452.6A	4/14/09	Nuclear Weapon Surety Interface with the Department of Defense
DOE O 452.7	5/14/10	Protection of Use Control Vulnerabilities and Designs
DOE N 456.1	1/05/09 (DOE N 251.79 extends this order until 4/19/11)	The Safe Handling of Unbound Engineered Nanoparticles
DOE O 457.1	2/07/06	Nuclear Counter-terrorism
DOE M 457.1-1	8/10/06	Control of Improvised Nuclear Device Information
DOE O 460.1C	5/14/10	Packaging and Transportation Safety <sup>5</sup>
DOE O 460.2A	12/22/04	Departmental Materials Transportation & Packaging Management
DOE M 460.2-1A	6/4/08	Radioactive Material Transportation Practices
DOE O 461.1A	4/26/04	Packaging and Transfer or Transportation of Materials of National Security Interest
DOE O 462.1	11/10/08	Import and Export of Category 1 and 2 Radioactive Sources and Aggregated Quantities
DOE O 470.2B	10/31/02	Independent Oversight and Performance Assurance Program
DOE O 470.3B	8/12/08	Graded Security Protection (GSP) Policy
DOE M 470.4-1, Chg. 1 dated 3/07/06	8/26/05	Safeguards and Security Program Planning and Management

<sup>4</sup>a. Sandia shall repackage all nuclear materials that fall under the requirements of DOE M 441.1-1 remaining on-site after FY-2015 that do not have an identified disposition path. These materials will need to be packaged before the end of FY-2014 or as soon as appropriate packaging is identified and approval is obtained through the Sandia Site Office (SSO). Sandia will determine the appropriate packaging and SSO will concur/approve. Packaging designs will be approved by a Site Office and reviewed by the NNSA/Service Center Packaging Certification Division prior to use.

b. New Material that Sandia acquires from various programs and projects that is subject to DOE M 441.1-1, must have an approved container for storage, or Sandia must have a plan (approved by SSO) in place to develop a container to comply with the packaging and storage requirements, when it comes on site.

c. Sandia shall provide a plan to meet the above by March 2010 and begin executing the plan by October 2010.

<sup>5</sup> Sandia will submit an impact evaluation that contemplates the finalized NNSA approval process for special permits.

DIRECTIVE NUMBER	DATE	DOE DIRECTIVE TITLE
DOE M 470.4-3A	11/05/08	Contractor Protective Force
DOE M 470.4-5	8/26/05	Personnel Security
DOE M 470.4-6, Chg. 1 dated 8/14/06	8/26/05	Nuclear Material Control and Accountability
DOE O 471.1B	3/01/10	Identification and Protection of Unclassified Controlled Nuclear Information
DOE M 471.2-3B	10/29/07	Special Access Program Policies, Responsibilities, and Procedures
DOE O 471.3	4/9/03	Identifying and Protecting Official Use Only Information
DOE M 471.3-1	4/9/03	Manual for Identifying and Protecting Official Use Only Information
DOE O 475.1	12/10/04	Counterintelligence Program
DOE M 475.1-1B	8/28/07	Manual for Identifying Classified Information
DOE O 475.2	8/28/07	Identifying Classified Information
DOE O 482.1	1/12/01	DOE Facilities Technology Partnering Programs
DOE O 483.1	1/12/01	DOE Cooperative Research & Development Agreements
DOE O 484.1	8/17/06	Reimbursable Work for the Department of Homeland Security
DOE O 522.1	11/03/04	Pricing of Departmental Materials and Services
DOE O 534.1B	1/6/03	Accounting
DOE O 551.1C	6/24/08	Official Foreign Travel
DOE O 580.1, Chg 1 dated 5/08/08	12/07/05	Department of Energy Personal Property Management Program
DOE O 1450.4	11/12/92	Consensual Listening-In to or Recording Telephone/Radio Conversations <sup>6</sup>
DOE 5400.5 Chg. 2 dated 1/7/93	2/8/90	Radiation Protection of the Public & the Environment ( <i>except 1a(3)(a) of Chapter II cancelled per DOE O 231.1</i> )
DOE 5480.30, Chg. 1 dated 3/14/01	1/19/93	Nuclear Reactor Safety Design Criteria
56XB Rev. 2	5/10/04 (Release Date)	Nuclear Weapon Development and Production <sup>7</sup>
SEN-35-91	9/9/91	Nuclear Safety Policy
NAP 14.1-C	5/02/08	NNSA Baseline Cyber Security Program
NAP 14.2-C	5/02/08	NNSA Certification and Accreditation (C&A) Process for Information Systems

<sup>6</sup> a) All paragraphs of DOE O 1450.4 are applicable to Sandia with the exception of the following: 7a, 7b, 7c, 7f, 8b and 8c. b) References to the organization AD-20, Director, Information Resources should read NA-65, Office of the Chief Information Officer. c) References to the organization SA-1, Director Office of Security Affairs, should read SO-1, Office of Security. d) Paragraph 7.d. Replace “Heads of Departmental Elements” with “The contractor” (e.g., The contractor shall...). e) Paragraph 7.d.(2) Replace “AD-24 or SA-1, as appropriate” with the “Sandia Site Office, Manager” and remove “or forward the documentation through the respective PSO.” f) Paragraph 8.a. Replace “Heads of Departmental Elements” with “The contractor”; replace “AD-24” with the “Sandia Site Office, Manager” and replace SA-1 with SO-1. g) Paragraph 8.a. Add “through the Sandia Site Office” at the end of the last sentences so it reads ... shall be submitted to SO-1 through the Sandia Site Office. h) Paragraph 8.e. Replace “Departmental Elements” with “The contractor” at the beginning of the second sentence and change “AD-20 or SA-1” with “the Sandia Site Office.” i) Paragraph 8.f. Change “Organizational elements authorized” to “The contractor as authorized.”

<sup>7</sup> Chapters within 56XB: *Nuclear Weapon Development and Production (D&P) Manual* will stay in effect until specific *Nuclear Weapon D&P Manual* chapters and associated Technical Business Practices are incrementally and formally replaced using the Requirements Modernization and Integration (RMI) process, within the RMI Explorer, as described in contract clause H-33(e) and NA SD M 452.3-1.

<b>DIRECTIVE NUMBER</b>	<b>DATE</b>	<b>DOE DIRECTIVE TITLE</b>
NAP 14.3-B	5/02/08	Transmission of Restricted Data Over Secret Internet Protocol Router Network (SIPRNet)
NAP 70.2	7/02/10	Physical Protection
NAP 70.4	7/02/10	Information Security
NNSA SD M 452.3-1	12/10/09	Defense Programs Business Requirements and Processes Manual <sup>8</sup>

---

<sup>8</sup> Changes to the NNSA Supplemental Directive NA SD M 452.3-1 *Defense Programs Business Requirements and Processes Manual*, and the RMI derived requirements, are processed as described in contract clause H-33(e).

**Part III - Section J**  
**Appendix G-1**  
**Operating Requirements**

The Contractor shall comply with the Operating Requirements listed herein. *The identified directives are listed for reference purposes only, i.e., only those provisions set forth herein constitute binding Operating Requirements.* The following referenced memorandum grants an exemption to the Directives:

Reference 1. Thomas P. D'Agostino (Administrator, NNSA) August 16, 2010 Memorandum for Patty Wagner (Manager, Sandia Site Office) and Stephen Mellington, (Manager, Nevada Site Office); Subject: Strengthening Oversight Through Improving Contractor Requirements Documents in the National Nuclear Security Administration Management and Operating Contracts; Attachment: Contractor Requirements Document (CRD) Crosswalk Form

The contractor is responsible for flowing down requirements in Appendix G-1 and other contract requirements, when applicable, to ensure compliance with the terms and conditions of the prime contract.

The paragraph numbering under each heading below corresponds to the Contractor Requirements Document (CRD) in the referenced directive for ease of traceability.

**Records Management Program**

(Reference: DOE O 243.1 **Records Management Program**, Effective Date: 02/03/2006;  
Reference 1, NNSA Administrator's August 16, 2010 Memorandum)

1. The Contractor shall:
  - a. Implement a records management program in compliance with requirements for managing records in all formats, including early capture and control throughout their life cycles.
    - (1) Electronically formatted records will be maintained in an approved electronic records management application meeting the requirements of DOE-STD-4001-2000, "Design Criteria Standard for Electronic Records Management Software Applications," dated March 2000.
  - b. Create and maintain current file plans/indexes that describe all categories of records created, received, and maintained by personnel in the course of their official duties.

- c. Preserve and disposition records in the same manner as National Archives and Records Administration (NARA)-approved records disposition schedules [Title 36, Code of Federal Regulations (CFR), Chapter 12].
- d. Preserve records placed under a destruction moratorium (freeze).
- e. Request disposition authority from NARA, through the Departmental Records Officer, for all unscheduled records.
- f. Store records in a manner that meets the requirements of 36 CFR 1228, Subpart K placed on DOE [36 CFR 1228.220-1228.244]. Unscheduled records are not to be sent offsite for storage at either NARA or commercial facilities.
- g. Review capital planning and investment control (CPIC) proposals and information architecture plans for electronic records management provisions.
- h. Conduct internal evaluations of records management practices and programs, including the economy of the operation, at least every 3 years.
- i. Ensure that records management program training is provided for all personnel with records management responsibilities.
- j. Identify vital records and preserve them in a manner that ensures they are maintained, kept current and where appropriate, available in the event of a continuity of operations or catastrophic event.
- k. Ensure that the site exit process includes a requirement for the transfer of custodianship of Federal records.

- End -