

2. AMENDMENT/MODIFICATION NO. <b>M547</b>	3. EFFECTIVE DATE <b>See Block 16C</b>	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
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6. ISSUED BY <b>U.S. Department of Energy National Nuclear Security Administration Sandia Field Office P.O. Box 5400, MS 0184 Albuquerque, NM 87185-5400</b>	7. ADMINISTERED BY (If other than Item 6) CODE
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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.
	9B. DATED (SEE ITEM 11)
	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: <b>DOE Organization Act, 42 USC §7101 et seq.; NNSA Act, 50 USC § 2401 et seq.; Clause I-72, DEAR 970.5204-2 Laws, Regulations and DOE Directives (Dec 2000)(Deviation).</b>
	D. OTHER (Specify type of modification and authority):

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

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

The purpose of this modification is to update Section I, Contract Clauses and replace Section J, Appendix G, *List of Applicable Directives and NNSA Policy Letters (Attachment 1)* hereto, in its entirety.

15A. NAME AND TITLE OF SIGNER (Type or print) <b>Steven Bauck, Manager Corporate Contract Management, Sandia Corporation</b>	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) <b>Lindsey E. VanNess, Contracting Officer Sandia Field Office, NNSA</b>
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15B. CONTRACTOR/OFFEROR  BY <u>Steven Bauck</u> (Signature of person authorized to sign)	15C. DATE SIGNED <b>6/24/14</b>	16B. UNITED STATES OF AMERICA  BY <u>Lindsey E. VanNess</u> (Signature of Contracting Officer)	16C. DATE SIGNED <b>6/24/2014</b>
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1. Replace Appendix G, *List of Applicable Directives and NNSA Policy Letters* in its entirety with Attachment 1.
2. Replace Section I clause I-15 FAR 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (JAN 2011) with the following:

**FAR 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (JUL 2013)**

(a) This clause does not apply to small business concerns.

(b) *Definitions.* As used in this clause—

“Alaska Native Corporation (ANC)” means any Regional Corporation, Village Corporation, Urban Corporation, or Group Corporation organized under the laws of the State of Alaska in accordance with the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601, *et seq.*) and which is considered a minority and economically disadvantaged concern under the criteria at 43 U.S.C. 1626(e)(1). This definition also includes ANC direct and indirect subsidiary corporations, joint ventures, and partnerships that meet the requirements of 43 U.S.C. 1626 (e)(2).

“Commercial item” means a product or service that satisfies the definition of commercial item in section 2.101 of the Federal Acquisition Regulation.

“Commercial plan” means a subcontracting plan (including goals) that covers the offeror’s fiscal year and that applies to the entire production of commercial items sold by either the entire company or a portion thereof (*e.g.*, division, plant, or product line).

“Electronic Subcontracting Reporting System (eSRS)” means the Governmentwide, electronic, web-based system for small business subcontracting program reporting. The eSRS is located at <http://www.esrs.gov>.

“Indian tribe” means any Indian tribe, band, group, pueblo, or community, including native villages and native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act (43 U.S.C.A. 1601 *et seq.*), that is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs in accordance with 25 U.S.C. 1452(c). This definition also includes Indian-owned economic enterprises that meet the requirements of 25 U.S.C. 1452(e).

“Individual contract plan” means a subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on the offeror’s planned subcontracting in support of the specific contract except that indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.

“Master plan” means a subcontracting plan that contains all the required elements of an individual contract plan, except goals, and may be incorporated into individual contract plans, provided the master plan has been approved.

“Subcontract” means any agreement (other than one involving an employer-employee relationship) entered into by a Federal Government prime Contractor or subcontractor calling for supplies or services required for performance of the contract or subcontract.

(c) The offeror, upon request by the Contracting Officer, shall submit and negotiate a subcontracting plan, where applicable, that separately addresses subcontracting with small business concerns, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business concerns, small disadvantaged business, and with women-owned small business concerns. If the offeror is submitting an individual contract plan, the plan must separately address subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns with a separate part for the basic contract and separate parts for each option (if any). The plan shall be included in and made a part of the resultant contract. The subcontracting plan shall be negotiated within the time specified by the Contracting Officer. Failure to submit and negotiate the subcontracting plan shall make the offeror ineligible for award of a contract.

(d) The offeror's subcontracting plan shall include the following:

(1) Goals, expressed in terms of percentages of total planned subcontracting dollars, for the use of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns as subcontractors. The offeror shall include all subcontracts that contribute to contract performance, and may include a proportionate share of products and services that are normally allocated as indirect costs. In accordance with 43 U.S.C. 1626:

(i) Subcontracts awarded to an ANC or Indian tribe shall be counted towards the subcontracting goals for small business and small disadvantaged business (SDB) concerns, regardless of the size or Small Business Administration certification status of the ANC or Indian tribe.

(ii) Where one or more subcontractors are in the subcontract tier between the prime contractor and the ANC or Indian tribe, the ANC or Indian tribe shall designate the appropriate contractor(s) to count the subcontract towards its small business and small disadvantaged business subcontracting goals.

(A) In most cases, the appropriate Contractor is the Contractor that awarded the subcontract to the ANC or Indian tribe.

(B) If the ANC or Indian tribe designates more than one Contractor to count the subcontract toward its goals, the ANC or Indian tribe shall designate only a portion of the total subcontract award to each Contractor. The sum of the amounts designated to various Contractors cannot exceed the total value of the subcontract.

(C) The ANC or Indian tribe shall give a copy of the written designation to the Contracting Officer, the prime Contractor, and the subcontractors in between the prime Contractor and the ANC or Indian tribe within 30 days of the date of the subcontract award.

(D) If the Contracting Officer does not receive a copy of the ANC's or the Indian tribe's written designation within 30 days of the subcontract

award, the Contractor that awarded the subcontract to the ANC or Indian tribe will be considered the designated Contractor.

**(2) A statement of—**

**(i) Total dollars planned to be subcontracted for an individual contract plan; or the offeror's total projected sales, expressed in dollars, and the total value of projected subcontracts to support the sales for a commercial plan;**

**(ii) Total dollars planned to be subcontracted to small business concerns (including ANC and Indian tribes);**

**(iii) Total dollars planned to be subcontracted to veteran-owned small business concerns;**

**(iv) Total dollars planned to be subcontracted to service-disabled veteran-owned small business;**

**(v) Total dollars planned to be subcontracted to HUBZone small business concerns;**

**(vi) Total dollars planned to be subcontracted to small disadvantaged business concerns (including ANCs and Indian tribes); and**

**(vii) Total dollars planned to be subcontracted to women-owned small business concerns.**

**(3) A description of the principal types of supplies and services to be subcontracted, and an identification of the types planned for subcontracting to --**

**(i) Small business concerns,**

**(ii) Veteran-owned small business concerns;**

**(iii) Service-disabled veteran-owned small business concerns;**

**(iv) HUBZone small business concerns;**

**(v) Small disadvantaged business concerns, and**

**(vi) Women-owned small business concerns.**

**(4) A description of the method used to develop the subcontracting goals in paragraph (d)(1) of this clause.**

**(5) A description of the method used to identify potential sources for solicitation purposes (e.g., existing company source lists, the System for Award Management (SAM), veterans service organizations, the National Minority Purchasing Council Vendor Information Service, the Research and Information Division of the Minority Business Development Agency in the Department of Commerce, or small, HUBZone, small disadvantaged, and women-owned small business trade associations). A firm may rely on the information contained in SAM as an accurate representation of a concern's size and ownership characteristics for the purposes of maintaining a small, veteran-**

owned small, service-disabled veteran-owned small, HUBZone small, small disadvantaged, and women-owned small business source list. Use of SAM as its source list does not relieve a firm of its responsibilities (*e.g.*, outreach, assistance, counseling, or publicizing subcontracting opportunities) in this clause.

(6) A statement as to whether or not the offeror included indirect costs in establishing subcontracting goals, and a description of the method used to determine the proportionate share of indirect costs to be incurred with --

- (i) Small business concerns (including ANC and Indian tribes);
- (ii) Veteran-owned small business concerns;
- (iii) Service-disabled veteran-owned small business concerns;
- (iv) HUBZone small business concerns;
- (v) Small disadvantaged business concerns (including ANC and Indian tribes);  
and
- (vi) Women-owned small business concerns.

(7) The name of the individual employed by the offeror who will administer the offeror's subcontracting program, and a description of the duties of the individual.

(8) A description of the efforts the offeror will make to assure that small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns have an equitable opportunity to compete for subcontracts.

(9) Assurances that the offeror will include the clause of this contract entitled "Utilization of Small Business Concerns" in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of \$650,000 (\$1.5 million for construction of any public facility with further subcontracting possibilities) to adopt a plan similar to the plan that complies with the requirements of this clause.

(10) Assurances that the offeror will --

- (i) Cooperate in any studies or surveys as may be required;
- (ii) Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan;
- (iii) Submit the Individual Subcontracting Report (ISR) and/or the Summary Subcontract Report (SSR), in accordance with the paragraph (l) of this clause using the Electronic Subcontracting Reporting System (eSRS) at <http://www.esrs.gov>. The reports shall provide information on subcontract awards to small business concerns (including ANCs and Indian tribes that are not small businesses), veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns,

**small disadvantaged business concerns (including ANCs and Indian tribes that have not been certified by the Small Business Administration as small disadvantaged businesses), women-owned small business concerns, and Historically Black Colleges and Universities and Minority Institutions. Reporting shall be in accordance with this clause, or as provided in agency regulations;**

**(iv) Ensure that its subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using eSRS;**

**(v) Provide its prime contract number, its DUNS number, and the e-mail address of the offeror's official responsible for acknowledging receipt of or rejecting the ISRs, to all first-tier subcontractors with subcontracting plans so they can enter this information into the eSRS when submitting their ISRs; and**

**(vi) Require that each subcontractor with a subcontracting plan provide the prime contract number, its own DUNS number, and the e-mail address of the subcontractor's official responsible for acknowledging receipt of or rejecting the ISRs, to its subcontractors with subcontracting plans.**

**(11) A description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the offeror's efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):**

**(i) Source lists (e.g., SAM), guides, and other data that identify small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.**

**(ii) Organizations contacted in an attempt to locate sources that are small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business concerns.**

**(iii) Records on each subcontract solicitation resulting in an award of more than \$150,000, indicating --**

**(A) Whether small business concerns were solicited and if not, why not;**

**(B) Whether veteran-owned small business concerns were solicited and, if not, why not;**

**(C) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not;**

**(D) Whether HUBZone small business concerns were solicited and, if not, why not;**

(E) Whether small disadvantaged business concerns were solicited and if not, why not;

(F) Whether women-owned small business concerns were solicited and if not, why not; and

(G) If applicable, the reason award was not made to a small business concern.

(iv) Records of any outreach efforts to contact --

(A) Trade associations;

(B) Business development organizations;

(C) Conferences and trade fairs to locate small, HUBZone small, small disadvantaged, and women-owned small business sources; and

(D) Veterans service organizations.

(v) Records of internal guidance and encouragement provided to buyers through -

(A) Workshops, seminars, training, etc., and

(B) Monitoring performance to evaluate compliance with the program's requirements.

(vi) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement.

(e) In order to effectively implement this plan to the extent consistent with efficient contract performance, the Contractor shall perform the following functions:

(1) Assist small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor's lists of potential small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business subcontractors are excessively long, reasonable effort shall be made to give all such small business concerns an opportunity to compete over a period of time.

(2) Provide adequate and timely consideration of the potentialities of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns in all "make-or-buy" decisions.

**(3) Counsel and discuss subcontracting opportunities with representatives of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business firms.**

**(4) Confirm that a subcontractor representing itself as a HUBZone small business concern is identified as a certified HUBZone small business concern by accessing the SAM database or by contacting SBA.**

**(5) Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as small, veteran-owned small business, HUBZone small, small disadvantaged or women-owned small business for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor's subcontracting plan.**

**(6) For all competitive subcontracts over the simplified acquisition threshold in which a small business concern received a small business preference, upon determination of the successful subcontract offeror, the Contractor must inform each unsuccessful small business subcontract offeror in writing of the name and location of the apparent successful offeror prior to award of the contract.**

**(f) A master plan on a plant or division-wide basis that contains all the elements required by paragraph (d) of this clause, except goals, may be incorporated by reference as a part of the subcontracting plan required of the offeror by this clause; provided --**

**(1) The master plan has been approved;**

**(2) The offeror ensures that the master plan is updated as necessary and provides copies of the approved master plan, including evidence of its approval, to the Contracting Officer; and**

**(3) Goals and any deviations from the master plan deemed necessary by the Contracting Officer to satisfy the requirements of this contract are set forth in the individual subcontracting plan.**

**(g) A commercial plan is the preferred type of subcontracting plan for contractors furnishing commercial items. The commercial plan shall relate to the offeror's planned subcontracting generally, for both commercial and Government business, rather than solely to the Government contract. Once the Contractor's commercial plan has been approved, the Government will not require another subcontracting plan from the same Contractor while the plan remains in effect, as long as the product or service being provided by the Contractor continues to meet the definition of a commercial item. A contractor with a commercial plan shall comply with the reporting requirements stated in paragraph (d)(10) of this clause by submitting one SSR in eSRS for all contracts covered by its commercial plan. This report shall be acknowledged or rejected in eSRS by the Contracting Officer who approved the plan. This report shall be submitted within 30 days after the end of the Government's fiscal year.**

(h) Prior compliance of the offeror with other such subcontracting plans under previous contracts will be considered by the Contracting Officer in determining the responsibility of the offeror for award of the contract.

(i) A contract may have no more than one plan. When a modification meets the criteria in 19.702 for a plan, or an option is exercised, the goals associated with the modification or option shall be added to those in the existing subcontract plan.

(j) Subcontracting plans are not required from subcontractors when the prime contract contains the clause at 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders—Commercial Items, or when the subcontractor provides a commercial item subject to the clause at 52.244-6, Subcontracts for Commercial Items, under a prime contract.

(k) The failure of the Contractor or subcontractor to comply in good faith with—

(1) The clause of this contract entitled “Utilization Of Small Business Concerns;” or

(2) An approved plan required by this clause, shall be a material breach of the contract.

(l) The Contractor shall submit ISRs and SSRs using the web-based eSRS at <http://www.esrs.gov>. Purchases from a corporation, company, or subdivision that is an affiliate of the prime Contractor or subcontractor are not included in these reports. Subcontract award data reported by prime Contractors and subcontractors shall be limited to awards made to their immediate next-tier subcontractors. Credit cannot be taken for awards made to lower tier subcontractors unless the Contractor or subcontractor has been designated to receive a small business or small disadvantaged business credit from an ANC or Indian tribe. Only subcontracts involving performance in the United States or its outlying areas should be included in these reports with the exception of subcontracts under a contract awarded by the State Department or any other agency that has statutory or regulatory authority to require subcontracting plans for subcontracts performed outside the United States and its outlying areas.

(1) *ISR*. This report is not required for commercial plans. The report is required for each contract containing an individual subcontract plan.

(i) The report shall be submitted semi-annually during contract performance for the periods ending March 31 and September 30. A report is also required for each contract within 30 days of contract completion. Reports are due 30 days after the close of each reporting period, unless otherwise directed by the Contracting Officer. Reports are required when due, regardless of whether there has been any subcontracting activity since the inception of the contract or the previous reporting period.

(ii) When a subcontracting plan contains separate goals for the basic contract and each option, as prescribed by FAR 19.704(c), the dollar goal inserted on this report shall be the sum of the base period through the current option; for example, for a report submitted after the second option is exercised, the dollar goal would be the sum of the goals for the basic contract, the first option, and the second option.

(iii) The authority to acknowledge receipt or reject the ISR resides—

- (A) In the case of the prime Contractor, with the Contracting Officer; and
- (B) In the case of a subcontract with a subcontracting plan, with the entity that awarded the subcontract.

**(2) SSR.**

**(i) Reports submitted under individual contract plans—**

(A) This report encompasses all subcontracting under prime contracts and subcontracts with the awarding agency, regardless of the dollar value of the subcontracts.

(B) The report may be submitted on a corporate, company or subdivision (e.g. plant or division operating as a separate profit center) basis, unless otherwise directed by the agency.

(C) If a prime Contractor and/or subcontractor is performing work for more than one executive agency, a separate report shall be submitted to each executive agency covering only that agency's contracts, provided at least one of that agency's contracts is over \$650,000 (over \$1.5 million for construction of a public facility) and contains a subcontracting plan. For DoD, a consolidated report shall be submitted for all contracts awarded by military departments/agencies and/or subcontracts awarded by DoD prime Contractors. However, for construction and related maintenance and repair, a separate report shall be submitted for each DoD component.

(D) For DoD and NASA, the report shall be submitted semi-annually for the six months ending March 31 and the twelve months ending September 30. For civilian agencies, except NASA, it shall be submitted annually for the twelve month period ending September 30. Reports are due 30 days after the close of each reporting period.

(E) Subcontract awards that are related to work for more than one executive agency shall be appropriately allocated.

(F) The authority to acknowledge or reject SSRs in eSRS, including SSRs submitted by subcontractors with subcontracting plans, resides with the Government agency awarding the prime contracts unless stated otherwise in the contract.

**(ii) Reports submitted under a commercial plan—**

(A) The report shall include all subcontract awards under the commercial plan in effect during the Government's fiscal year.

(B) The report shall be submitted annually, within thirty days after the end of the Government's fiscal year.

(C) If a Contractor has a commercial plan and is performing work for more than one executive agency, the Contractor shall specify the percentage of dollars attributable to each agency from which contracts for commercial items were received.

(D) The authority to acknowledge or reject SSRs for commercial plans resides with the Contracting Officer who approved the commercial plan.

(iii) All reports submitted at the close of each fiscal year (both individual and commercial plans) shall include a Year-End Supplementary Report for Small Disadvantaged Businesses. The report shall include subcontract awards, in whole dollars, to small disadvantaged business concerns by North American Industry Classification System (NAICS) Industry Subsector. If the data are not available when the year-end SSR is submitted, the prime Contractor and/or subcontractor shall submit the Year-End Supplementary Report for Small Disadvantaged Businesses within 90 days of submitting the year-end SSR. For a commercial plan, the Contractor may obtain from each of its subcontractors a predominant NAICS Industry Subsector and report all awards to that subcontractor under its predominant NAICS Industry Subsector.

(End of Clause)

3. Replace Section I clause I-54 DEAR 952.204-2 SECURITY (MARCH 2011) with the following:

**DEAR 952.204-2 SECURITY (MARCH 2011) (CLASS DEVIATION NOVEMBER 2013)**

- (a) **Responsibility.** It is the Contractor's duty to protect all classified information, special nuclear material, and other DOE property. The Contractor shall, in accordance with DOE security regulations and requirements, be responsible for protecting all classified information and all classified matter (including documents, material and special nuclear material) which are in the Contractor's possession in connection with the performance of work under this contract against sabotage, espionage, loss or theft. Except as otherwise expressly provided in this contract, the Contractor shall, upon completion or termination of this contract, transmit to DOE any classified matter or special nuclear material in the possession of the Contractor or any person under the Contractor's control in connection with performance of this contract. If retention by the Contractor of any classified matter is required after the completion or termination of the contract, the Contractor shall identify the items and classification levels and categories of matter proposed for retention, the reasons for the retention, and the proposed period of retention. If the retention is approved by the Contracting Officer, the security provisions of the contract shall continue to be applicable to the classified matter retained. Special nuclear material shall not be retained after the completion or termination of the contract.
- (b) **Regulations.** The Contractor agrees to comply with all security regulations and contract requirements of DOE as incorporated into the contract.

- (c) **Definition of Classified Information.** The term **Classified Information** means information that is classified as **Restricted Data** or **Formerly Restricted Data** under the **Atomic Energy Act of 1954**, or information determined to require protection against unauthorized disclosure under **Executive Order 12958**, **Classified National Security Information**, as amended, or prior executive orders, which is identified as **National Security Information**.
- (d) **Definition of Restricted Data.** The term **Restricted Data** means all data concerning design, manufacture, or utilization of atomic weapons; production of special nuclear material; or use of special nuclear material in the production of energy, but excluding data declassified or removed from the **Restricted Data** category pursuant to 42 U.S.C. 2162 [Section 142, as amended, of the **Atomic Energy Act of 1954**].
- (e) **Definition of Formerly Restricted Data.** The term "**Formerly Restricted Data**" means information removed from the **Restricted Data** category based on a joint determination by DOE or its predecessor agencies and the Department of Defense that the information - (1) relates primarily to the military utilization of atomic weapons; and (2) can be adequately protected as **National Security Information**. However, such information is subject to the same restrictions on transmission to other countries or regional defense organizations that apply to **Restricted Data**.
- (f) **Definition of National Security Information.** The term "**National Security Information**" means information that has been determined, pursuant to **Executive Order 12958**, **Classified National Security Information**, as amended, or any predecessor order, to require protection against unauthorized disclosure, and that is marked to indicate its classified status when in documentary form.
- (g) **Definition of Special Nuclear Material.** The term "**special nuclear material**" means-- (1) plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material which, pursuant to 42 U.S.C. 2071 [section 51 as amended, of the **Atomic Energy Act of 1954**] has been determined to be special nuclear material, but does not include source material; or (2) any material artificially enriched by any of the foregoing, but does not include source material.
- (h) **Access authorizations of personnel.**
- (1) The Contractor shall not permit any individual to have access to any classified information or special nuclear material, except in accordance with the **Atomic Energy Act of 1954**, and the DOE's regulations and contract requirements applicable to the particular level and category of classified information or particular category of special nuclear material to which access is required.
  - (2) The Contractor must conduct a thorough review, as defined at 48 CFR 904.401, of an uncleared applicant or uncleared employee, and must test the individual for illegal drugs, prior to selecting the individual for a position requiring a DOE access authorization.

- (i) A review must-- verify an uncleared applicant's or uncleared employee's educational background, including any high school diploma obtained within the past five years, and degrees or diplomas granted by an institution of higher learning; contact listed employers for the last three years and listed personal references; conduct local law enforcement checks when such checks are not prohibited by state or local law or regulation and when the uncleared applicant or uncleared employee resides in the jurisdiction where the Contractor is located; and conduct a credit check and other checks as appropriate.
- (ii) Contractor reviews are not required for an applicant for DOE access authorization who possesses a current access authorization from DOE or another Federal agency, or whose access authorization may be reapproved without a federal background investigation pursuant to Executive Order 12968, Access to Classified Information (August 4, 1995), Sections 3.3(c) and (d).
- (iii) In collecting and using this information to make a determination as to whether it is appropriate to select an uncleared applicant or uncleared employee to a position requiring an access authorization, the Contractor must comply with all applicable laws, regulations, and Executive Orders, including those-- (A) governing the processing and privacy of an individual's information, such as the Fair Credit Reporting Act, Americans with Disabilities Act (ADA), and Health Insurance Portability and Accountability Act; and (B) prohibiting discrimination in employment, such as under the ADA, Title VII and the Age Discrimination in Employment Act, including with respect to pre- and post-offer of employment disability related questioning.
- (iv) In addition to a review, each candidate for a DOE access authorization must be tested to demonstrate the absence of any illegal drug, as defined in 10 CFR 707.4. All positions requiring access authorizations are deemed testing designated positions in accordance with 10 CFR part 707. All employees possessing access authorizations are subject to applicant, random or for cause testing for use of illegal drugs. DOE will not process candidates for a DOE access authorization unless their tests confirm the absence from their system of any illegal drug.
- (v) When an uncleared applicant or uncleared employee receives an offer of employment for a position that requires a DOE access authorization, the Contractor shall not place that individual in such a position prior to the individual's receipt of a DOE access authorization, unless an approval has been obtained from the head of the cognizant local security office. If the individual is hired and placed in the position prior to receiving an access authorization, the uncleared employee may not be afforded access to classified information or matter or special nuclear material (in

categories requiring access authorization) until an access authorization has been granted.

- (vi) The Contractor must maintain a record of information concerning each uncleared applicant or uncleared employee who is selected for a position requiring an access authorization. Upon request only, the following information will be furnished to the head of the cognizant local DOE Security Office.
  - A. The date(s) each Review was conducted;
  - B. Each entity that provided information concerning the individual;
  - C. A certification that the review was conducted in accordance with all applicable laws, regulations, and Executive Orders, including those governing the processing and privacy of an individual's information collected during the review;
  - D. A certification that all information collected during the review was reviewed and evaluated in accordance with the Contractor's personnel policies; and
  - E. The results of the test for illegal drugs.
- (i) **Criminal liability.** It is understood that disclosure of any classified information relating to the work or services ordered hereunder to any person not entitled to receive it, or failure to protect any classified information, special nuclear material, or other Government property that may come to the Contractor or any person under the Contractor's control in connection with work under this contract, may subject the Contractor, its agents, employees, or Subcontractors to criminal liability under the laws of the United States (see the Atomic Energy Act of 1954, 42 U.S.C. 2011 et seq.; 18 U.S.C. 793 and 794).
- (j) **Foreign Ownership, Control, or Influence.**
  - (1) The Contractor shall immediately provide the cognizant security office written notice of any change in the extent and nature of foreign ownership, control or influence over the Contractor which would affect any answer to the questions presented in the Standard Form (SF) 328, Certificate Pertaining to Foreign Interests, executed prior to award of this contract. In addition, any notice of changes in ownership or control which are required to be reported to the Securities and Exchange Commission, the Federal Trade Commission, or the Department of Justice, shall also be furnished concurrently to the Contracting Officer. Contractors are encouraged to submit this information through the use of the online tool at <https://foci.td.anl.gov>. When completed the Contractor must print and sign one copy of the SF 328 and submit it to the Contracting Officer.

- (2) If a Contractor has changes involving foreign ownership, control, or influence, DOE must determine whether the changes will pose an undue risk to the common defense and security. In making this determination, DOE will consider proposals made by the Contractor to avoid or mitigate foreign influences.
  - (3) If the cognizant security office at any time determines that the Contractor is, or is potentially, subject to foreign ownership, control, or influence, the Contractor shall comply with such instructions as the Contracting Officer shall provide in writing to protect any classified information or special nuclear material.
  - (4) The Contracting Officer may terminate this contract for default either if the Contractor fails to meet obligations imposed by this clause or if the Contractor creates a foreign ownership, control, or influence situation in order to avoid performance or a termination for default. The Contracting Officer may terminate this contract for convenience if the Contractor becomes subject to foreign ownership, control, or influence and for reasons other than avoidance of performance of the contract, cannot, or chooses not to, avoid or mitigate the foreign ownership, control, or influence problem.
- (k) Employment announcements. When placing announcements seeking applicants for positions requiring access authorizations, the Contractor shall include in the written vacancy announcement, a notification to prospective applicants that reviews, and tests for the absence of any illegal drug as defined in 10 CFR 707.4, will be conducted by the employer and a background investigation by the Federal government may be required to obtain an access authorization prior to employment, and that subsequent reinvestigations may be required. If the position is covered by the Counterintelligence Evaluation Program regulations at 10 CFR 709, the announcement should also alert applicants that successful completion of a counterintelligence evaluation may include a counterintelligence-scope polygraph examination.
- (l) Flow down to subcontracts. The Contractor agrees to insert terms that conform substantially to the language of this clause, including this paragraph, in all subcontracts under its contract that will require subcontractor employees to possess access authorizations. Additionally, the Contractor must require such subcontractors to have an existing DOD or DOE facility clearance or submit a completed SF 328, Certificate Pertaining to Foreign Interests, as required in 48 CFR 952.204-73, Facility Clearance, and obtain a foreign ownership, control and influence determination and facility clearance prior to award of a subcontract. Information to be provided by a subcontractor pursuant to this clause may be submitted directly to the Contracting Officer. For purposes of this clause, Subcontractor means any subcontractor at any tier and the term "Contracting Officer" means the DOE Contracting Officer. When this clause is included in a subcontract, the term "Contractor" shall mean subcontractor and the term "contract" shall mean subcontract.

(End of clause)

- - - End of contract modification - - -

**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.

Bolded directives have been reviewed by the Joint Operating Requirements Review Board (JORRB).

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 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 142.2A, Admin Chg 1 dated 6/27/13	12/15/06	Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency
DOE M 142.2-1, Admin Chg 1 dated 6/27/13	9/04/08	Manual for the Implementation of the Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency
DOE O 142.3A	10/14/10	Unclassified Foreign Visits and Assignments Program
DOE O 144.1, Chg 1 dated 11/6/09	1/16/09	Department of Energy American Indian Tribal Government Interactions and Policy
DOE O 150.1A	3/31/14	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 205.1B, Admin Chg 1 dated 12/7/12	5/16/11	Department of Energy Cyber Security Program
DOE M 205.1-3, Admin Chg 1 dated 12/20/12	4/17/06	Telecommunications Security Manual <sup>1</sup>
DOE O 206.1	1/16/09	Department of Energy Privacy Program
DOE O 206.2	2/19/13	Identify, Credential, and Access Management (ICAM)
DOE O 210.2A	4/08/11	DOE Corporate Operating Experience Program
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 225.1B	3/04/11	Accident Investigations
DOE O 226.1B	4/25/11	Implementation of Department of Energy Oversight Policy
DOE O 227.1	8/30/11	Independent Oversight Program
DOE O 231.1B, Admin Chg 1 dated 11/28/12	6/27/11	Environment, Safety and Health Reporting

<sup>1</sup> Refer to memorandum from NNSA/HQ/NA-IM-10, Subject: *Cable-confined Testing and Transmitter Review Forms (TRF)*, dated 4/25/12, for clarification to TRF completion requirements.

DIRECTIVE NUMBER	DATE	DOE DIRECTIVE TITLE
DOE O 232.2 Admin Chg 1 dated 3/12/14	8/30/11	Occurrence Reporting and Processing of Operations Information
DOE O 241.1B	12/13/10	Scientific and Technical Information Management <sup>2</sup>
DOE O 243.1B, Admin Chg 1 dated 7/8/13	3/11/13	Records Management Program <sup>3</sup>
DOE O 252.1A, Admin Chg 1, dated 3/12/13	2/23/11	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>4</sup>
NA SD 350.2	11/16/11	Use of Management and Operating Contractor Employees for Services to NNSA in the Washington, D.C., Area
DOE O 350.2B	05/31/11	Use of Management and Operating or Other Facility Management Contractor Employees for Services to DOE in the Washington, D.C., Area
DOE O 410.2, Admin Chg 1 dated 4/10/14	8/17/09	Management of Nuclear Materials
DOE O 412.1A	4/21/05	Work Authorization System
DOE O 413.1B	10/28/08	Internal Control Program
DOE O 413.2B, Admin Chg 1 dated 1/31/11	4/19/06	Laboratory Directed Research & Development
DOE O 413.3B	11/29/10	Program and Project Management for the Acquisition of Capital Assets <sup>5</sup>
DOE O 414.1D, Admin Chg 1, dated 5/8/13	4/25/11	Quality Assurance
DOE O 415.1, Admin Chg 1 dated 1/16/13	12/3/12	Information Technology Project Management
DOE O 420.1B, Chg 1 dated 4/19/10	12/22/05	Facility Safety
DOE O 420.2C	7/21/11	Safety of Accelerator Facilities
DOE O 422.1, Admin Chg 1 dated 6/25/13	6/29/10	Conduct of Operations
DOE O 425.1D, Admin Chg 1, dated 4/2/13	4/16/10	Verification of Readiness to Start Up or Restart Nuclear Facilities
DOE O 426.2, Admin Chg 1, dated 7/29/13	4/21/10	Personnel Selection, Training, Qualification, and Certification Requirements for DOE Nuclear Facilities
DOE O 430.1B, Chg. 2 dated 04/25/11	9/24/03	Real Property and Asset Management

<sup>2</sup> Implementation of the requirement(s) in paragraph 3. of the Contractor Requirements Document (CRD) will be achieved in accordance with an approved implementation plan: [name of subprogram].

<sup>3</sup> Full implementation will occur in accordance with a Sandia Field Office (SFO) approved implementation plan.

<sup>4</sup> (a) For purposes of Chapter VI-5, paragraph 1, Basic Requirements, subparagraph (d), effective January 22, 2013, the Contractor shall perform an annual limited scope-audit of the Contractor pension plan except that a full-scope audit shall be performed once every three years.

(b) Excludes Chapters VIII Contractor Workplace Substance Abuse Programs and IX Employee Assistance Programs due to exemption granted on December 9, 2010, by the NNSA Administrator.

<sup>5</sup> The annual Value Engineering accomplishment progress report required by paragraph c.9. of the CRD shall be submitted to OECM through the SFO.

<b>DIRECTIVE NUMBER</b>	<b>DATE</b>	<b>DOE DIRECTIVE TITLE</b>
DOE O 433.1B, Admin Chg 1, dated 3/12/13	4/21/10	Maintenance Management Program for DOE Nuclear Facilities
DOE N 435.1	8/09/11	Contact-Handled and Remote-Handled Transuranic Waste Packaging
DOE O 435.1, Chg. 1 dated 8/28/01	7/09/99	Radioactive Waste Management
DOE O 440.2C, Chg. 1 dated 6/15/11	11/27/02	Aviation Management and Safety
DOE M 441.1-1	3/07/08	Nuclear Material Packaging Manual <sup>6</sup>
DOE O 442.2	7/29/11	Differing Professional Opinions for Technical Issues Involving Environment, Safety, and Health
DOE O 443.1B	3/17/11	Protection of Human Research Subjects
DOE O 452.1D, Admin Chg 1 dated 7/10/13	4/14/09	Nuclear Explosive and Weapon Surety Program
DOE M 452.2-1A, Admin Chg 1 dated 7/10/13	4/14/09	Nuclear Explosive Safety Manual
DOE M 452.2-2, Admin Chg 1 dated 7/10/13	4/14/09	Nuclear Explosive Safety Evaluation Processes
DOE O 452.2D, Admin Chg 1 dated 7/10/13	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 O 452.8	7/21/11	Control of Nuclear Weapons Data
DOE O 456.1, Admin Chg 1 dated 2/14/13	5/31/11	The Safe Handling of Unbound Engineered Nanoparticles
DOE O 457.1A	8/26/13	Nuclear Counterterrorism
DOE O 458.1, Admin Chg 3 dated 1/15/13	2/11/11	Radiation Protection of the Public and the Environment
DOE O 460.1C	5/14/10	Packaging and Transportation Safety
DOE O 460.2A	12/22/04	Departmental Materials Transportation & Packaging Management
DOE M 460.2-1A	6/04/08	Radioactive Material Transportation Practices
DOE O 461.1B	12/16/10	Packaging and Transportation for Offsite Shipment of Materials of National Security Interest
DOE O 461.2	11/01/10	Onsite Packaging and Transfer of Materials of National Security Interest
DOE O 462.1, Admin Chg. 1 dated 7/10/13	11/10/08	Import and Export of Category 1 and 2 Radioactive Sources and Aggregated Quantities
DOE O 470.3B	8/12/08	Graded Security Protection (GSP) Policy

<sup>6</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 SFO. Sandia will determine the appropriate packaging and SFO will concur/approve. Packaging designs will be approved by a Field Office and reviewed by the NNSA/Albuquerque Complex Packaging Certification Division prior to use.

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

DIRECTIVE NUMBER	DATE	DOE DIRECTIVE TITLE
DOE O 470.4B, Admin Chg 1 dated 2/15/13	7/21/11	Safeguards and Security Program <sup>7</sup>
DOE M 470.4-3A	11/05/08	Contractor Protective Force
DOE M 470.4-4A	1/16/09	Information Security Manual <sup>8</sup>
DOE O 471.1B	3/01/10	Identification and Protection of Unclassified Controlled Nuclear Information
DOE O 471.3, Admin Chg. 1 dated 1/13/11	4/09/03	Identifying and Protecting Official Use Only Information
DOE M 471.3-1, Admin Chg. 1 dated 1/13/11	4/09/03	Manual for Identifying and Protecting Official Use Only Information
DOE O 471.5	3/29/11	Special Access Program
DOE O 471.6, Admin Chg 1 dated 11/23/13	6/20/11	Information Security
DOE O 472.2, Admin Chg 1 dated 10/8/13	7/21/11	Personnel Security
DOE O 474.2, Admin Chg 2 dated 11/19/12	6/27/11	Nuclear Material Control and Accountability
DOE O 475.1	12/10/04	Counterintelligence Program
DOE O 475.2A	2/01/11	Identifying Classified Information
DOE O 483.1A	11/06/13	DOE Cooperative Research and Development Agreements <sup>9</sup>
DOE O 534.1B	1/06/03	Accounting
DOE O 551.1D	4/02/12	Official Foreign Travel <sup>10</sup>
DOE O 580.1, Chg 1 dated 5/08/08	12/07/05	Department of Energy Personal Property Management Program
DOE 5480.30, Chg. 1 dated 3/14/01	1/19/93	Nuclear Reactor Safety Design Criteria
DOE O 5639.8A	7/23/93	Security of Foreign Intelligence Information and Sensitive Compartmented Information Facilities,
56XB Rev. 2	5/10/04 (Release Date)	Nuclear Weapon Development and Production <sup>11</sup>
NAP 14.1-D	12/14/12	Baseline Cyber Security Program <sup>12</sup>
NAP 14.3-B	5/02/08	Transmission of Restricted Data Over Secret Internet Protocol Router Network (SIPRNet)
NAP 23	12/13/12	Atomic Energy Act Control of Import and Export Activities
NAP 24	6/20/13	Weapon Quality Policy <sup>13</sup>

<sup>7</sup> Sandia shall provide SFO with the required documentation (DD254 or DOE F 470.1) for *new* classified WFO activity and shall provide notification as required to update the form through the lifecycle of the activity. This does not include those WFO activities excluded by policy.

<sup>8</sup> DOE O 471.6, Admin Chg 1, dated 06/20/2011, replaced DOE M 470.4-4A, except Section D and the classified Technical Surveillance Countermeasures Annex. .

<sup>9</sup> Full implementation will occur by 6/14/2014 pursuant to the approved implementation plan.

<sup>10</sup> Full implementation will occur after the DOE reprogramming effort.

<sup>11</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 replaced using the Requirements Modernization and Integration (RMI) process, as described in contract clause H-33(e) and NA SD M 452.3-1.

<sup>12</sup> Sandia Cyber Security Program Execution Guidance and Annual Operating Plan will be used in lieu of NAP 21 to define performance expectations for the cyber security program.

DIRECTIVE NUMBER	DATE	DOE DIRECTIVE TITLE
NAP 70.2, Chg 1	7/20/11	Physical Protection
NNSA SD M 452.3-1	12/10/09	Defense Programs Business Requirements and Processes Manual <sup>14</sup>
QAP 100-1	3/1/13	Quality Requirements to UK and US Procurement Contracts and Loan Authorizations for Research, Design, and Development

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<sup>13</sup> NAP-24 will be fully implemented by 9/30/17 pursuant to the approved implementation plan, dated 12/19/13. The term "prevented" in Section 3.6.3 aii) is commensurate with DOE O 452.1D, Administrative Change 1, Section 4.b.1.

<sup>14</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).