AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT	1. CONTRACT ID CODE	PAGE 1 OF 2 PAGES

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. *(If applicable)*
567	**See Block 16C**		

6. ISSUED BY CODE
U.S. Department of Energy
National Nuclear Security Administration
Sandia Field Office
P.O. Box 5400, MS 0184
Albuquerque, NM 87185-5400

7. ADMINISTERED BY *(If other than Item 6)* CODE

8. NAME AND ADDRESS OF CONTRACTOR *(No., street, county, state, ZIP Code)*
Sandia Corporation
P. O. Box 5800
Albuquerque, NM 87185

CODE FACILITY CODE

9A. AMENDMENT OF SOLICITATION NO.

9B. DATED *(SEE ITEM 11)*

10A. MODIFICATION OF CONTRACT/ORDER NO.
DE-AC04-94AL85000

10B. DATED *(SEE ITEM 13)*
October 1, 1993

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).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: DOE Organization Act, 42 USC §7101 et seq.; NNSA Act, 50 USC § 2401 et seq.; H-3 Integrated Laboratory Management System, H-24 Home Office and Other Corporate Support, Clause I-62, DEAR 952.215-70, Key Personnel; Clause I-72, DEAR 970.5204-2 Laws, Regulations and DOE Directives (Dec 2000) (Deviation), and Mutual Agreement of the Parties.
	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 revise Section H-3 in its entirety, update Section H-24, and update Section J, Appendix **D**, *Key Personnel.*
See attached pages and attachments for changes.

15A. NAME AND TITLE OF SIGNER *(Type or print)*	16A. NAME AND TITLE OF CONTRACTING OFFICER *(Type or print)*
Steven Bauck, Manager **Prime Contract, Sandia Corporation**	**Dave Ferguson, Contracting Officer** **Sandia Field Office, NNSA**

15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
BY Steven C. Bauck *(Signature of person authorized to sign)*	2/5/15	BY *(Signature of Contracting Officer)*	2/5/15

The purpose of this modification is to revise Section H-3 Clause in its entirety to replace Integrated Laboratory Management System (ILMS) with the new Sandia Management System (SMS), update Section H-24 Clause to increase the Fiscal Year 2014 ceiling for Home Office and Other Corporate Support that is directly attributable to the contract, and update Section J - Appendix D, *Key Personnel.*

Part 1- The Schedule
Section H, Special Contract Requirements

1. **Section H-3** is hereby revised and superseded in its entirety as follows:

From:

H-3 INTEGRATED LABORATORY MANAGEMENT SYSTEM

(a) The Contractor shall maintain an Integrated Laboratory Management System (ILMS) that is ISO 9001:2008 registered and is approved and monitored by the Sandia Board of Directors. This system will ensure transparency to the Government for it to conduct oversight of the Contractor's performance. An effectively working ILMS will provide the government the opportunity to reduce transactional oversight.

(b) The Contractor's ILMS shall have the following minimum key attributes:

(1) Comprehensive description of the ILMS with risks, key activities and accountabilities clearly defined and all of the various activities designed to:

a) Identify deficiencies and opportunities for improvement;
b) Report deficiencies to the responsible contract managers and government authorities; and
c) Implement corrective actions.

(2) A risk management process.

(3) Documented accountabilities.

(4) Process for notifying the Contracting Officer of significant changes to the management system.

(5) Electronic access to ILMS by government personnel with oversight responsibilities.

(6) Rigorous, risk-based, credible assessments (including self-assessments, management assessments, and internal independent assessments).

(7) Feedback, lessons learned, vulnerability studies and improvement activities (including provisions for worker feedback), including utilization of nationally recognized experts, and other independent reviews to assess and improve its work process and to carry out independent risk and vulnerability studies. In addition to the ISO 9001:2008 registration, the Contractor is encouraged to seek other third party certifications (such as VPP and ISO 9001 or ISO 14001), audits, peer reviews and independent assessments with external certification or validation.

(8) Maintain the current ISO 9001 for ILMS and 14001 for Environmental Management System (EMS) registrations and pursue other registrations/certifications as appropriate.

(9) Incident/event reporting including accident investigations.

(10) Identification and correction of negative performance/compliance trends before they become significant issues.

(11) Performance metrics or measures and performance targets.

(12) Issues management (including graded analysis of causes, identification of corrective actions, corrective action tracking, monitoring and closure, verification of effectiveness, and trend analysis).

(c) The Contractor will maintain an operating experience (lessons learned) program that develops and evaluates site-specific lessons learned across all aspects of the operations (e. g., Policy Areas) with a focus on preventing recurrence of problems, and will benchmark, share and incorporate good work practices among DOE sites through the DOE Lessons Learned Database (www.eh.doe.gov/DOEII/index.asp). The Contractor will also provide feedback through the Sandia Site Office to the issuing authority for DOE Corporate Operating Experience Documents (i.e., Special Operations Reports (SORs), Safety Alerts (SAs) , and Safety Bulletins(SBs)) when specific implementation of lessons learned or corrective actions and a formal response are required.

(d) If the Contracting Officer determines that the Contractor is not fully complying with applicable laws or regulations or that performance has degraded and that the Contractor is not taking appropriate and timely corrective action, the Contracting Officer may take any action deemed necessary and reasonable under this Contract including increasing oversight of the Contractor.

(e) NNSA will revise its oversight in accordance with the Contract Clause entitled "NNSA Oversight" when the Contractor has demonstrated to the Contracting Officer's satisfaction that the ILMS or components of the system are operating effectively.

TO:

H-3 SANDIA MANAGEMENT SYSTEM

(a) The Contractor shall maintain registration of its management system, as described by the Sandia Management System Description, to a national or international consensus standard such as ISO 9001. The management system description shall be approved and monitored by the Sandia Board of Directors. This management system will provide transparency to enable the Government to monitor the Contractor's performance. The Contractor shall notify the Contracting Officer of significant changes to the management system. An effectively working management system will provide the government the opportunity to reduce transactional performance monitoring.

(b) The Contractor's management system shall have the following key attributes:

(1) Description of the management system to include vision, mission, management structure, key activities, management entity accountabilities and commitment to operational and business excellence.
(2) Electronic access to the management system information by government personnel with performance monitoring responsibilities.

(c) The Contractor's management system shall include the application of quality principles and defect prevention methods to plan the work, execute the work according to the plan, check the work against requirements, policies, and objectives, and report the results. The results shall be acted upon to continually improve the performance and quality of the work. The Contractor's management system shall have the following minimum attributes:

(1) A risk management process.

(2) Performance monitoring including metrics and associated performance targets.

(3) Rigorous, risk-based, credible assessments (including self-assessments and internal independent assessments). The Contractor is encouraged to seek external audits, peer reviews, assessments, and risk and vulnerability studies from nationally recognized experts to assess and improve its work processes.

(4) Identification and correction of negative performance/compliance trends before they become significant issues.

(5) Maintain ISO 14001 for Environmental Management System (EMS) registration and pursue other registrations/certifications as appropriate.

(6) Incident/event reporting including accident investigations.

(7) Issues management (including graded analysis of causes, identification of corrective actions, corrective action tracking, monitoring and closure, validation of effectiveness, and trend analysis).

(8) Feedback (customer and worker), lessons learned, and improvement activities. The Contractor will maintain an operating experience/lessons learned program that develops and evaluates site-specific lessons learned across all aspects of operations with a focus on preventing recurrence of problems.

(d) The Contractor will benchmark, share and incorporate good work practices locally and among DOE sites through the DOE Lessons Learned Database. The Contractor will also provide feedback through the Sandia Field Office to the issuing authority for DOE Corporate Operating Experience Documents (i.e., Special Operations Reports (SORs), Safety Alerts (SAs), and Safety Bulletins (SBs)) when specific implementation of lessons learned or corrective actions with a formal response are required.

(e) If the Contracting Officer determines that the Contractor is not fully complying with applicable laws or regulations, or that performance has degraded and that the Contractor is not taking appropriate and timely corrective action, the Contracting Officer may take any action deemed necessary and reasonable under this Contract including increasing performance monitoring of the Contractor.

(f) NNSA will revise its performance monitoring in accordance with the Contract Clause entitled "Oversight" when the Contractor has demonstrated to the Contracting Officer's satisfaction that the management system or components of the system are operating effectively.

(End of Clause)

2. **Section H-24**, Home Office and Other Corporate Support is revised to increase the Fiscal Year (FY) 2014 ceiling for home office and other corporate support services that are directly attributable to the contract. FY 2015 ceiling for home office and other corporate support services remains unchanged at $2,934,800.00. Paragraph (d) is revised to increase the fiscal year 2014 estimated budget from: $2,380,400.00, to: $2,460,000.00, and revise paragraph (d) as follows:

(d) The Fiscal Year 2014 estimated budget for these services through September 30, 2014, is $2,460,000.00.

Part III Section J Appendix D, Key Personnel

1. Section J - Appendix D, *Key Personnel*, is hereby revised and superseded in its entirety with Attachment 1 to this modification.

2. All other terms and conditions remain unchanged.

- - - End of contract modification - - -

Part III - Section J
Appendix D
Key Personnel

(Modification No. M 567)

The Contractor's employees identified below are determined to be necessary for the successful performance of this Contract. The purpose of this listing is to identify those employees whose initial assignment, reassignment, or replacement shall be subject to the approval of the Contracting Officer, pursuant to the Contract Clause entitled "Key Personnel." Position title designations do not signify officers of the Sandia Corporation.

Paul J. Hommert	President, Laboratories Director
Jerry L. McDowell[1]	Deputy Laboratories Director and Executive Vice President for National Security Programs/Acting Vice President, Defense Systems and Assessments
Kimberly C. Sawyer	Deputy Laboratories Director and Executive Vice President for Mission Support
Bonnie L. Apodaca	Vice President, Business Operations and Chief Financial Officer
Michael W. Hazen	Vice President, Infrastructure Operations
Jill M. Hruby	Vice President, Energy, Securities and Defense Technologies
Elizabeth D. Krauss	Vice President, General Counsel, and Corporate Secretary
Robert W. Leland	Vice President, Science and Technology and Chief Technology Officer
Melonie Parker[2]	Vice President, Human Resources and Communications
J. Stephen Rottler[3]	Vice President, California Laboratory
Gary A. Sanders	Vice President, Weapons Engineering and Product Realization and Chief Engineer for Nuclear Weapons
Michael O. Vahle	Vice President, Information Technology Services and Chief Information Officer (CIO)

[1] Dr. McDowell's acting assignment is effective October 9, 2014; he will also concurrently continue his assignment as Deputy Laboratories Director and Executive Vice President for National Security Programs. Dr. McDowell will transition his assignment as Deputy Laboratories Director to Dr. Rottler effective 3/6/2015. It is anticipated that a new Vice President, Defense Systems and Assessments will be appointed before this transition takes place.

[2] Ms. Parkers' assignment is effective January 26, 2015.

[3] Dr. Rottler will become Deputy Laboratories Director and Executive Vice President for National Security Programs effective March 6,2015