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)*
573	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.; 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 add a reference to the renamed Sandia Field Office, update the NAICS Code in the STRIPES contract system, revise Section H-10 and H-11 in their entirety, list the clause number for FAR 52.203-17 added in Modification 564, update Section J, Appendix D, *Key Personnel*, and update Appendix G, *List of Applicable Directives and NNSA Policy Letters.*
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**	**Corinne Sisneros, Contracting Officer** **Sandia Field Office, NNSA**

15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
BY [redacted] *(Signature of person authorized to sign)*	6/4/15	BY [redacted] *(Signature of Contracting Officer)*	6/15/2015

The purpose of this modification is to add a reference to the renamed Sandia Field Office, update the NAICS Code in the STRIPES contract system, revise Section H-10 and H-11 in their entirety, list the clause number for FAR 52.203-17 added in Modification 564, update Section J, Appendix **D**, *Key Personnel*, and update Appendix **G**, *List of Applicable Directives and NNSA Policy Letters.*

1) Any reference in the contract to the Sandia Site Office (SSO) refers to the renamed "Sandia Field Office (SFO)" as a line by line change will not occur on the contract.

2) **The NAICS Code of this contract is changed in STRIPES to reflect the agreement in Modification 541 as follows**:

FROM: **332993** Ammunition (except Small Arms) Manufacturing

TO: **541712** Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology)

This U.S. Industry comprises establishments primarily engaged in conducting research and experimental development (except biotechnology research and experimental development) in the physical, engineering, and life sciences, such as agriculture, electronics, environmental, biology, botany, computers, chemistry, food, fisheries, forests, geology, health, mathematics, medicine, oceanography, pharmacy, physics, veterinary and other allied subjects.

3) **Section H-10 is hereby revised and superseded in its entirety as follows:**

FROM:
H-10 PERFORMANCE BASED MANAGEMENT
(a) Performance-Based Management System. This Contract is a management and operating performance-based contract, which holds the Contractor accountable for performance. This Contract uses clearly defined Performance Objectives (POs) in relation to fixed fee, Performance-Based Incentives (PBIs), and Multi-Site Incentives (MSIs) in relation to incentive fee. The POs, PBIs, and MSIs are established in advance on a fiscal year basis and incorporated into the Performance Evaluation Plan. The Parties agree to continuously improve upon these objectives as mission and operational needs change.
(b) Performance Appraisal Process.
(1) Performance Evaluation Plan (PEP). The Government will define expectations. A PEP shall be developed and finalized by the Contracting Officer, with Contractor input, prior to the scheduled start date of the appraisal period. The PEP will document the process and associated performance objectives, performance-based incentives including multi-site performance incentives and associated measures and targets by which the Contractor's performance will be evaluated and rated. The Parties will strive to reach mutual agreement on POs, PBIs, and MSIs and associated measures and targets that reflect expected business, operational and technical performance tied to key end products and NNSA/DOE strategic goals and objectives. Performance Objectives will not be unduly prescriptive. In the event the parties cannot come to agreement of the PEP, the NNSA Sandia Site Office Manager reserves the unilateral right to make the

final decision, including changes thereto, on all POs, PBIs, and MSIs and the methodology used to evaluate Contractor performance. The PEP shall be finalized:

(i) Prior to the start of an appraisal period, if the POs, PBIs, and MSIs and associated measures and targets have been mutually agreed to by the Parties; or
(ii) Not later than thirty days prior to the scheduled start date of the appraisal period, if the POs, PBIs, and MSIs and associated measures and targets have been unilaterally established by the NNSA Sandia Site Office Manager.

Only the Contracting Officer may revise the PEP, consistent with mission, operational, and business needs, during the appraisal period of performance. It is the goal of the parties to maintain stability and consistency of both performance objectives and expectations to avoid changes that might impact the efficiency and operation of the Laboratories. If changes are necessary in the PEP, formal change control procedures will be used.

(i) Bilateral changes will be made at least sixty calendar days prior to the end of the affected appraisal period;
(ii) Unilateral changes will be made at least ninety calendar days prior to the end of the affected appraisal period and at least thirty calendar days prior to the effective date of the change; or
(iii) If such change, whether unilateral or bilateral, is urgent and high priority, at least thirty calendar days prior to the end of the appraisal period.

(2) SNL Appraisal Self-Assessment Report. An annual self assessment report will be prepared by the Contractor delineating its positive and negative aspects of performance against the POs, PBIs, and MSIs contained in the PEP and other significant factors as determined by the Contractor and Contracting Officer. This report shall also (i) include an assessment of the effectiveness of, and the improvements achieved through the ILMS in accordance with Contract Clause entitled "Integrated Laboratory Management System."

(c) Schedule for Incentive Fee (PBIs and MSIs) earned determination.
The NNSA Sandia Site Office Manager shall issue the Fee Determination Official's final total incentive fee amount earned determination in accordance with: the schedule set forth in the PEP; or as otherwise set forth in this contract. However, a determination must be made within sixty calendar days after the receipt by the Contracting Officer of the Contractor's self-assessment, if one is required or permitted, or seventy calendar days after the end of the evaluation period, whichever is later, or a longer period if the Contractor and Contracting Officer agree. If the Contracting Officer evaluates the Contractor's performance of specific requirements on their completion, the payment of any earned fee amount must be made within seventy calendar days (or such other time period as mutually agreed to between the Contracting Officer and the Contractor) after such completion. If the determination is delayed beyond that date, the Contractor shall be entitled to interest on the determined total available fee amount earned at the rate established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the payment date. This rate is referred to as the "Renegotiation Board Interest Rate," and is published in the Federal Register semiannually on or about January 1 and July 1. The

interest on any late total available fee amount earned determination will accrue daily and be compounded in 30-day increments inclusive from the first day after the schedule determination date through the actual date the determination is issued.

That is, interest accrued at the end of any 30-day period will be added to the determined amount of fee earned and be subject to interest if not paid in the succeeding 30-day period.

TO:

H-10 PERFORMANCE BASED MANAGEMENT

(a) Performance-Based Management System. This Contract is a management and operating performance-based contract, which holds the Contractor accountable for performance. This Contract uses clearly defined Performance Objectives (POs), Contributing Factors (CFs), and Site Specific Outcomes (SSOs), in relation to incentive fee. The POs are established in advance on a fiscal year basis and incorporated into the Performance Evaluation Plan. The Parties agree to continuously improve upon these objectives as mission and operational needs change.

(b) Performance Appraisal Process.

(1) Performance Evaluation Plan (PEP). The PEP shall be developed and finalized by the Contracting Officer, with Contractor input, prior to the scheduled start date of the appraisal period. The PEP will document the process and associated performance objectives, CFs and SSOs by which the Contractor's performance will be evaluated and rated. The Parties will strive to reach mutual agreement on POs and their content, that reflect expected business, operational and technical performance tied to key end products and NNSA/DOE strategic goals and objectives. Performance Objectives will not be unduly prescriptive. In the event the parties cannot come to agreement of the PEP, the NNSA Sandia Field Office Manager reserves the unilateral right to make the final decision, including changes thereto, on all content in POs including CFs and SSOs and the methodology used to evaluate Contractor performance. The PEP shall be finalized:

(i) Prior to the start of an appraisal period, if the POs and associated CFs and SSOs have been mutually agreed to by the Parties; or

(ii) Not later than thirty days prior to the scheduled start date of the appraisal period, if the POs and associated CFs and SSOs have been unilaterally established by the NNSA Sandia Field Office Manager.

Only the Contracting Officer may revise the PEP, consistent with mission, operational, and business needs, during the appraisal period of performance. It is the goal of the parties to maintain stability and consistency of both performance objectives and expectations to avoid changes that might impact the efficiency and operation of the Laboratories. If changes are necessary in the PEP, formal change control procedures will be used.

(i) Bilateral changes will be made at least sixty calendar days prior to the end of the affected appraisal period;

(ii) Unilateral changes will be made at least ninety calendar days prior to the end of the affected appraisal period and at least thirty calendar days prior to the effective date of the change; or

(iii) If such change, whether unilateral or bilateral, is urgent and high priority, at least thirty calendar days prior to the end of the appraisal period.

(2) SNL Appraisal Self-Assessment Report. An annual self-assessment report will be prepared by the Contractor delineating its positive and negative aspects of performance against the POs and their associated CFs and SSOs, as well as the other M&O contract requirements. This report shall also (i) include an assessment of the effectiveness of, and the improvements achieved through the Sandia Management System in accordance with Contract Clause entitled "Sandia Management System."

(c) Schedule for Incentive Fee earned determination.

The NNSA Sandia Field Office Manager shall issue the Fee Determination Official's final total incentive fee amount earned determination in accordance with: the schedule set forth in the PEP; or as otherwise set forth in this contract. However, a determination must be made within sixty calendar days after the receipt by the Contracting Officer of the Contractor's self-assessment, if one is required or permitted, or seventy calendar days after the end of the evaluation period, whichever is later, or a longer period if the Contractor and Contracting Officer agree. If the Contracting Officer evaluates the Contractor's performance of specific requirements on their completion, the payment of any earned fee amount must be made within seventy calendar days (or such other time period as mutually agreed to between the Contracting Officer and the Contractor) after such completion. If the determination is delayed beyond that date, the Contractor shall be entitled to interest on the determined total available fee amount earned at the rate established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the payment date. This rate is referred to as the "Renegotiation Board Interest Rate," and is published in the Federal Register semiannually on or about January 1 and July 1. The interest on any late total available fee amount earned determination will accrue daily and be compounded in 30-day increments inclusive from the first day after the schedule determination date through the actual date the determination is issued. That is, interest accrued at the end of any 30-day period will be added to the determined amount of fee earned and be subject to interest if not paid in the succeeding 30-day period.

4) Section H-11 is hereby revised and superseded in its entirety as follows:

FROM:
H-11 PERFORMANCE INCENTIVES

(a) Performance Incentives Negotiations.
The Parties shall establish the specific Performance Incentives that the Contractor will be assessed against for fee determination in accordance with the Contract Clause entitled "Performance Based Management".

(b) Determination of Performance Incentives.
(1) The NNSA shall, at the conclusion of each specified appraisal period, evaluate the Contractor's performance for all Performance Incentive requirements. Performance factors will be evaluated in the aggregate.

(2) The Performance Incentive fee determination will be made in accordance with the Performance Evaluation Plan. The determination as to the amount of Performance Incentive fee earned is a unilateral determination made by the Fee Determining Official (FDO).
(3) The Contractor shall be promptly advised in writing of the Performance Incentive fee determination, and the basis of the Performance Incentive fee determination.
(4) Performance Incentive fee not earned during the evaluation period shall not be allocated to future evaluation periods.

(c) Fee. The maximum fees allocated for payments to the Contractor for the performance of the work under this Contract are set forth in Part I, Section B, of the Schedule. The fixed fee amount together with Performance Incentives fee earned is available for payment in accordance with the Contract Clause entitled "Payments and Advances." There shall be no adjustment in the amount of the Contractor's fee by reason of differences between any estimate of cost for performance of the work under this Contract and the actual cost of performance of that work.

TO:

H-11 PERFORMANCE INCENTIVES

(a) Performance Incentives Negotiations.
The Parties shall establish the specific Performance Incentives that the Contractor will be assessed against for fee determination in accordance with the Contract Clause entitled "Performance Based Management".

(b) Determination of Performance Incentives.
(1) The NNSA shall, at the conclusion of each specified appraisal period, evaluate the Contractor's performance for all Performance Incentive requirements. Performance factors will be evaluated in the aggregate for each PO.
(2) The Performance Incentive fee determination will be made in accordance with the Performance Evaluation Plan. The determination as to the amount of Performance Incentive fee earned is a unilateral determination made by the Fee Determining Official (FDO).
(3) The Contractor shall be promptly advised in writing of the Performance Incentive fee determination, and the basis of the Performance Incentive fee determination.
(4) Performance Incentive fee not earned during the evaluation period shall not be allocated to future evaluation periods.

(c) Fee. The maximum fees allocated for payments to the Contractor for the performance of the work under this Contract are set forth in Part I, Section B, of the Schedule. The fixed fee amount together with Performance Incentives fee earned is available for payment in accordance with the Contract Clause entitled "Payments and Advances." There shall be no adjustment in the amount of the Contractor's fee by reason of differences between any estimate of cost for performance of the work under this Contract and the actual cost of performance of that work.

5) **Section I clause** "FAR 52.203-17 CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS," added by Modification 564 shall be numbered Section I Clause 137 under the contract.

6) **Section J Appendix D, Key Personnel**

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

7) **Section J – Appendix G, List of Applicable Directives and NNSA Policy Letters**

Section J – Appendix G, *List of Applicable Directives and NNSA Policy Letters* is hereby revised and superseded in its entirety with Attachment 3 to this modification.

8) All other terms and conditions remain unchanged.

- - - End of contract modification - - -

Part III - Section J
Appendix D
Key Personnel

(Modification No. 573)

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
J. Stephen Rottler[1]	Deputy Laboratories Director and Executive Vice President for National Security Programs
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 D. Parker	Vice President, Human Resources and Communications
James S. Peery[2]	Vice President, Defense Systems and Assessments
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)
Marianne C. Walck[3]	Vice President, California Laboratory

[1] Dr. Rottler's assignment is effective March 6, 2015.
[2] Dr. Peery's assignment is effective March 6, 2015.
[3] Dr. Walck's assignment is effective March 6, 2015.