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)*
M607	**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.; and Clause I-72, DEAR 970.5204-2 Laws, Regulations and DOE Directives (Dec 2000) (Deviation)
	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 J, Appendix A, *Personnel Appendix*, III. *Pay Policies*, C. *Compensation Increase Plan*, 1. *General* in accordance with Memorandum from Barbara Stearrett, Head of the Contracting Activity, dated February 24, 2016; Subject: *Implementation and Approved Deviation of AL-2016-01 "Streamlining DOE's Oversight of Compensation and Benefits," dated January 15, 2016.*

This update is effective February 29, 2016.

15A. NAME AND TITLE OF SIGNER *(Type or print)*		16A. NAME AND TITLE OF CONTRACTING OFFICER *(Type or print)*,	
Douglas E. Otts, Manager **Prime Contract, Sandia Corporation**		**Lindsey E. VanNess, Contracting Officer** **Sandia Field Office, NNSA**	
15B. CONTRACTOR/OFFEROR BY [redacted] *(Signature of person authorized to sign)*	15C. DATE SIGNED 3/9/16	16B. UNITED STATES OF AMERICA BY [redacted] *(Signature of Contracting Officer)*	16C. DATE SIGNED 3/9/16

1. Section J, Appendix A, *Personnel Appendix*, III. *Pay Policies,* C. *Compensation Increase Plan*, 1. *General* is hereby replaced in its entirety with the following:

C. Compensation Increase Plan

1. General

The Contractor shall submit a Compensation Increase Plan (CIP) proposal to the Contracting Officer for approval by October 1 each year. NNSA will review the CIP for approval in order for the Contractor to implement the CIP by the first pay period in January of the next calendar year. NNSA will make every effort to provide approval within 30 days of receipt of the CIP. The Contractor shall not incur costs under the proposed CIP until NNSA approval has been granted.

Contracting Officer approval is not required for the CIP under the following circumstances:

(1) the CIP submission is equal to or less than the salary increase projection (e.g. World at Work projection); and

(2) NNSA does not notify the Contractor of any questions or concerns that may negate cost allowability. NNSA will provide notification within the two weeks following the Contractors submission (date will be identified in the annual NNSA CIP guidance).

Contracting Officer approval is required for the CIP under the following circumstances:

(1) the CIP percent exceeds the professionally recognized salary budget survey's salary increase projection (e.g. World at Work projection provided in the annual NNSA CIP guidance);

(2) the Contractor's position to market warrants less than the survey's salary increase projection such that application of the CIP at the full increase projection, would result in the overall position to be above market; and/or

(3) the contractor's overall position to market is above market.

The contractor is authorized to make minor shifts (up to 10%) in funds between payroll groups without prior Contracting Officer approval. The Contractor shall notify the Contracting Officer at the time funds are shifted. Total increase of expenditures are limited to the CIP approval amount.

Special Adjustment funds will not be interchangeable.

2. All other terms and conditions remain the same.

End of modification