AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT	1. CONTRACT ID CODE	PAGE 1 OF 8 PAGES

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO.
M107	See Block 16C	N/A	

6. ISSUED BY CODE	7. ADMINISTERED BY (If other than Item 6) CODE
U.S. Department of Energy National Nuclear Security Agency Nevada Site Office P.O. Box 98518 Las Vegas, NV 89193-8518	

8. NAME AND ADDRESS OF CONTRACTOR (*No., street, county, State and ZiP Code*)	(√)	9A. AMENDMENT OF SOLICITATION NO.
Bechtel Nevada **P.O. Box 98521** **Las Vegas, NV 89193-8521**		9B. DATED (*SEE ITEM 11*)
	X	10A. MODIFICATION OF CONTRACT/ORDER NO. **DE-AC08-96NV11718**
CODE / FACILITY CODE		10B. DATED (*SEE ITEM 13*) 01/01/96

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 or 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 © 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.

	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).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER (*Specify type of modification and authority*) **DEAR 970.5204.11, "Changes,"**

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

14. DESCRIPTION OF AMENDMENT/MODIFICATION

This modification deletes all references to technical direction including the references to Contract Clause I.130, entitled "Technical Direction," contained in Contract Clause C.2, entitled "General Management Objectives." This modification revises Contract Clause G.3, entitled "Contracting Officer's Representatives," by (1) deleting the words technical direction and replacing them with performance direction, (2) deleting the reference to Contract Clause I.130, entitled "Technical Direction," and replacing it with a reference to Contract Clause H.24, entitled "Performance Direction," and (3) updating the list of individuals who have been designated as Contracting Officer's Representatives by the Contracting Officer. This modification also deletes the words " pursuant to Clause I.130, "Technical Direction" from paragraph (c) contained in Contract Clause H.3, entitled "Withdrawal of Work." In addition, this modification revises Contract Clause H.37, entitled "Technical Direction of Contractor's Teaming Subcontractors," by (1) deleting the words technical direction and replacing them with performance direction and (2) deleting the reference to Contract Clause I.130, entitled "Technical Direction," and replacing it with a reference to Contract Clause H.24, entitled "Performance Direction," and, (3) and renaming Contract Clause H.37 to "PERFORMANCE DIRECTION OF CONTRACTOR'S TEAMING SUBCONTRACTORS." Further, this modification deletes all references to the Department of Energy Nevada Operations Office (DOE/NV) and replaces them with the NNSA Nevada Site Office (NNSA/NSO).

All other terms and conditions remain unchanged.

15A. NAME AND TITLE OF SIGNER (*Type or print*)		16. NAME AND TITLE OF CONTRACTING OFFICER **Melody C. Bell, Contracting Officer**	
15B. CONTRACTOR/OFFEROR (*Signature of person authorized to sign*)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY [redacted] (*Signature of Contracting Officer*)	16C. DATE SIGNED 5/28/05

1. This modification deletes all references to technical direction including the references to Contract Clause I.130, entitled "Technical Direction," contained in Contract Clause C.2, entitled "General Management Objectives." The modified Contract Clause C.2 is shown below in its entirety.

C.2 GENERAL MANAGEMENT OBJECTIVES

NNSA/NV support of the nation's nuclear weapons testing and various other technical missions produced a multifaceted infrastructure of highly trained personnel, facilities, and equipment which is refocused and sized to cost-effectively support nuclear stockpile stewardship and the other critical missions assigned to NNSA/NV.

The Contractor in cooperation with NNSA/NV shall work simultaneously in close working relationship with a wide variety of organizations, i.e. National Laboratories and other DOE integrated contractors, other Federal agencies, state and local agencies, private sector businesses, educational institutions, and the general public.

For the Stockpile Stewardship Mission, the Contractor is expected to recognize the importance of the historical, close working relationship with the National Laboratories that permits the successful accomplishment of Mission objectives. Since the details of these Mission objectives are almost always established and comprehensively understood on a scientific basis by the National Laboratories, and most often support broader Laboratory objectives, projects supported by the Contractor within the Stockpile Stewardship Mission, are most frequently accomplished by integrated contractor teams consisting of Laboratory and Contractor participants with complementary skills. Within the context of these teams, and to the extent consistent with this contract and with direction provided by the Contracting Officer or designee, NNSA/NV draws on the best capabilities from each participating organization, assuring Mission success in the most cost effective manner possible. The Contractor is expected to organize, staff, and manage their assigned scope of work to optimize this approach and to meet all NNSA/NV expectations.

Contractor support will be required to meet NNSA/NVs programmatic responsibilities which are focused around, but not necessarily limited to, the following business lines: Defense Experimentation and Stockpile Stewardship;

Nonproliferation and Emergency Response; Alternate Energy; Environmental Management; Special Nuclear Material Management; Work for Others; Support to the Yucca Mountain Project (YMP), and Support to DOE Headquarters.

Appropriate attention to environmental, safety, and health concerns is a DOE core value and a critical success factor in the DOE operations. Consequently, performance of work under this contract shall be planned and conducted in a manner that is protective of the environment and the health and safety of employees and the public. The Contractor shall comply with applicable environmental, safety and health requirements including applicable Federal, state and local laws and regulations, DOE directives, applicable permitting and reporting requirements and appropriate industry consensus standards. The Department's Work Smart Standards Process, or acceptable alternative, will be used to review the scope of work and identify the Standards to govern the work in a safe, yet cost-effective manner. As the scope of work or requirements documents change, the Work Smart Standards Process, as delineated in DOE M 450.3, will be used to modify the standards that govern the work.

The Contractor shall maintain an ES&H site management plan which reflects the integration of environment, safety, and health considerations as an integral part of its mission execution. The plan shall detail how the Contractor and subcontractors will establish clear environmental, safety and health priorities and manage activities in proactive ways that effectively provide protection of the environment and to the public and worker safety and health.

The Contractor shall use incentives, productivity goals and performance measures to hold managers and workers accountable for performance and ensure that work is properly prioritized and accomplished in a safe, secure, environmentally sound and cost-effective manner.

The Contractor will be expected to challenge the status quo and alter existing paradigms in order to formulate and implement a wide variety of safe, innovative, entrepreneurial, and cost-effective management initiatives in support of the Department's contract reform goals. All work shall be conducted by the Contractor in a manner which is safe, promotes and improves productivity, enhances diversity, minimizes waste, and meets quality, technical, schedule, and budget requirements.

Much of the work will be performed in circumstances characterized by the need for rapid responses to constantly evolving mission requirements. Consequently, the Contractor will be expected to work with its partners and customers to understand future requirements and to plan for, lead, and manage change rather than merely respond to it. A part of this effort will be a requirement for managing a responsive, forward looking strategic planning capability with the ability to identify, plan for, and respond to increases or decreases in assigned missions or activity levels.

Assigned activities will be conducted or managed by the Contractor in the most cost-effective manner commensurate with established Departmental and environment, safety, and health requirements. Consequently, based upon the results of its own rigorously conducted analyses of the comparable costs of performing work with its own staff versus utilizing the specialized skills of other organizations, it is anticipated that support subcontracting may be determined to be the preferred approach for accomplishing key portions of the contract work. The Contractor shall assure that to the maximum feasible extent, the subcontracts utilize such concepts as fixed price, cost plus incentive fee, costrisk sharing arrangements, or other performance based incentives and measures.

The Contractor is to emphasize objective, measurable performance requirements and quality standards in selecting subcontractors, and measuring their performance. The subcontracting strategy shall provide for effective competition, assuring applications of best value concepts, and the maximum encouragement and utilization of small and small disadvantaged businesses in enthusiastic support of the Department's diversity goals.

The Contractor will be required to demonstrate an organizational commitment to the effective implementation of total quality management such that it results in continuous improvement in cost reduction and quality enhancement in the performance of assigned responsibilities.

Within the framework of these general management objectives, the Contractor shall manage, operate, provide services and maintain the facilities in accordance with work programs approved in writing by the Contracting Officer or designee and other written directions or instructions that may be provided by the Contracting Officer or designee.

Contractor has sole responsibility for specific assignment of personnel throughout their organization to accomplish the assigned scope of work and to achieve performance objectives, subject only to the notification requirements of Clause H.2 of this contract for "key personnel". It is recognized that changes in personnel and/or assignments for personnel may be prompted for a wide variety of reasons, including but not limited to the following:

(a) There is a continuing need to match technical and/or management skills of the staff against the dynamics of scope, schedule, and budget. This provides for optimizing performance.

(b) There is need from time-to-time to infuse new ideas and innovative thinking into challenging aspects of the work through new assignments.

(c) Highly motivated and capable personnel need to develop through new and varying challenges. Frequently such challenges are not available in current assignments.

(d) Maintaining the status quo in the workforce can, under some circumstances, lead to carelessness or sub-optimized production and performance.

(e) Reassignments have proven to be an effective means for transfer of "lessons learned" from one operation to another.

Notwithstanding these factors and when making staffing changes, Contractor must consider the need for a stable workforce in the important missions that are sponsored by NNSA/NV. This need is associated with unique technical and management aspects of these missions and the need to maintain an adequate staffing level within commensurate critical skill sets.

Contractor support of the Stockpile Stewardship program is of uniquely critical significance from the standpoint of national security. Therefore, consistent with the expectation for close communication and coordination among the Contractor, NNSA/NV, and the National Laboratories, the Contractor will make a good faith effort to communicate anticipated, significant changes in staffing or organizational structure as early as reasonably feasible.

2. This modification revises Contract Clause G.3, entitled "Contracting Officer's Representatives," by (1) deleting the words technical direction and replacing them with performance direction, (2) deleting the reference to Contract Clause I.130, entitled "Technical Direction," and replacing it with a reference to Contract Clause H.24, entitled "Performance Direction," and (3) updating the list of individuals who have been designated as Contracting Officer's Representatives by the Contracting Officer. The modified Contract Clause G.3 is shown below in its entirety.

G.3 CONTRACTING OFFICER'S REPRESENTATIVES

The work to be performed under this contract is subject to the monitoring of Contracting Officer's Representatives, who shall be specifically designated by the Contracting Officer in writing. A copy of the designation letters shall be furnished to the contractor. The Contracting Officer's Representatives responsibilities shall be to coordinate with the contractor in the administration of the business and technical aspects of this contract and to provide performance direction pursuant to Contract Clause H.24, "Performance Direction."

The Contracting Officer's Representatives are as follows:

Maureen Hunemuller
Deputy Manager
NNSA Nevada Site Office

Deborah D. Monette
Assistant Manager for National Security
NNSA Nevada Site Office

Terry L. Wallace
Assistant Manager for Technical Services
NNSA Nevada Site Office

Kathy D. Izell
Chief Counsel
NNSA Nevada Site Office

David L. Marks, Jr.
Director, Office of Field Financial Management
NNSA Service Center

3. This modification deletes the words " pursuant to Clause I.130, "Technical Direction" from paragraph (c) contained in Contract Clause H.3, entitled "Withdrawal of Work." The modified Contract Clause H.3 is shown below in its entirety.

H.3 WITHDRAWAL OF WORK

(a) The Contracting Officer reserves the right to have any of the work contemplated by Section C, Statement of Work, of this Contract performed by either another Contractor or to have the work performed by Government employees.

(b) Work may be withdrawn: (1) in order for the Government to conduct pilot programs; (2) if the Contractors estimated cost of the work is considered unreasonable; (3) for less than satisfactory performance by the Contractor; or, (4) for any other reason deemed by the Contracting Officer to be in the best interests of the Government.

(c) If any work is withdrawn by the Contracting Officer, the Contractor agrees to fully cooperate with the new performing entity and to provide whatever support is required.

4. This modification revises Contract Clause H.37, entitled "Technical Direction of Contractor's Teaming Subcontractor's," by (1) deleting the words technical direction and replacing them with performance direction and (2) deleting the reference to Contract Clause I.130, entitled "Technical Direction," and replacing it with a reference to Contract Clause H.24, entitled "Performance Direction," and, (3) and renaming Contract Clause H.37 to "PERFORMANCE DIRECTION OF CONTRACTOR'S TEAMING SUBCONTRACTORS." The modified Contract Clause H.37 is shown below in its entirety.

H.37 PERFORMANCE DIRECTION OF CONTRACTOR'S TEAMING SUBCONTRACTORS

(a) Contractor and its teaming partners, Lockheed Martin and Johnson Controls, have entered into a contractual relationship as Prime and Subcontractors to operate and manage the facilities and programs of the Department of Energy as specified in Section C of this contract on an integrated team basis. It is understood and agreed to by DOE and Contractor that performance direction to Contractor may be provided to appropriate personnel of Lockheed Martin and Johnson Controls by DOE

pursuant to Clause H.24, "Performance Direction," and that such performance direction shall have the same effect, and be subject to the same limitations, as if provided directly to Contractor. Notwithstanding the foregoing, no privity of contract exists or is created between DOE and either Lockheed Martin or Johnson Controls by virtue of such rights of performance direction.

(b) Any personnel loaned or seconded to Contractor or its teaming subcontractors Lockheed Martin and/or Johnson Controls who are serving in applicable positions shall also be employees subject to performance direction by DOE in accordance with Clause H.24, "Performance Direction."

(c) Contractor shall include a provision in its subcontracts with Lockheed Martin and Johnson Controls to require each of them to take performance direction from DOE as appropriate in accordance with this provision and Clause H.24, "Performance Direction" of the prime contract.

5. This modification deletes all references to the Department of Energy Nevada Operations Office (DOE/NV) and replaces them with the NNSA Nevada Site Office (NNSA/NSO).