

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE
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2. AMENDMENT/MODIFICATION NO. M064	3. EFFECTIVE DATE See Block 16 C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY U.S. Department of Energy National Nuclear Security Administration Manager, Los Alamos Site Office 3747 West Jemez Road Los Alamos, NM 87544		7. ADMINISTERED BY (If other than Item 6) CODE	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, state, ZIP Code) Los Alamos National Security, LLC 4200 West Jemez Road Suite 400 Los Alamos, NM 87544		9A. AMENDMENT OF SOLICITATION NO.	9B. DATED (SEE ITEM 11)
CODE	FACILITY CODE	10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC52-06NA25396	10B. DATED (SEE ITEM 13) December 21, 2005

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.

<input type="checkbox"/>	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.
<input type="checkbox"/>	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).
<input type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
<input checked="" type="checkbox"/>	D. OTHER (Specify type of modification and authority): Unilateral, P. L. 95-91 and Other Applicable Laws

E. IMPORTANT: Contractor is not, is required to sign this document and return 3 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 reflect the results of the FY 2008 Performance Evaluation Report.

Clause B-2 is hereby revised to recognize the award of fixed fee in the amount of \$21,984,000, risk fee in the amount of \$41,537,640, and a one-year award term extension for the period October 1, 2013 through September 30, 2014. Clause F-2 is hereby modified to recognize the one-year award term extension. As a result of this modification, Clause B-2 and Clause F-2 are deleted in their entirety and replaced as follows:

(Continued on Page 2.)

Except as provided herein, all terms and conditions of the document referenced in Items 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) Rueben M. Rafferty, Prime Contract Manager Prime Contract Management Office Los Alamos National Security		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Caroline T. Crooks Contracting Officer Los Alamos Site Office	
15B. CONTRACTOR/OFFEROR BY <u>Rm Rafferty</u> (Signature of person authorized to sign)	15C. DATE SIGNED <u>5 Feb 09</u>	16B. UNITED STATES OF AMERICA BY <u>Caroline T. Crooks</u> (Signature of Contracting Officer)	16C. DATE SIGNED <u>2/5/09</u>

- A. Section B, Clause B-2, Contract Type and Value, is hereby revised and replaced in its entirety as follows:

B-2 CONTRACT TYPE AND VALUE

(a) This Contract is a Cost-Reimbursement Management and Operating type contract that includes Fixed Fees and a Performance Incentive Fee for the Basic Term of the Contract and the Award Term earned periods. Fee is associated with the DOE/NNSA work and Reimbursable work. DOE/NNSA Work as used herein is the work performed by the Contractor that is funded out of the Laboratory's Table included in the President's annual budget request for LANL. Reimbursable work as used herein is the work performed by the Contractor that is not funded out of the Laboratory's Table included in the President's annual budget request for LANL.

(b) Total Estimated Cost for the Contract's Transition Term.

(1) The Total Estimated Cost for the Transition Term of the Contract is:

<u>Transition Term of the Contract</u>	<u>Total Estimated Cost</u>
01Dec05 – 31May06	\$12,584,963.00

(2) The Transition Term effort shall be performed on a Cost-Reimbursement, no fee basis.

(c) Total Estimated Cost, including Fee, for the Contract's Basic Term related to the DOE/NNSA work effort, excluding Reimbursable work.

(1) The Total Estimated Cost, including fee, for the DOE/NNSA work effort, excluding Reimbursable work, for the Basic Term of the Contract is:

<u>Basic Term of the Contract</u>	<u>Total Estimated Cost and Fee</u>
01Jun06 – 30Sep06	\$ 610,730,667
01Oct06 – 30Sep07	\$1,817,120,982
01Oct07 – 30Sep08	\$1,822,433,640
01Oct08 – 30Sep09	\$1,832,192,000
01Oct09 – 30Sep10	\$1,832,192,000
01Oct10 – 30Sep11	\$1,832,192,000
01Oct11 – 30Sep12	\$1,832,192,000
01Oct12 – 30Sep13	\$1,832,192,000

(2) The Maximum Available Fee related to the DOE/NNSA work effort, excluding Reimbursable work, for the Basic Term of the Contract is:

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Contract Period	Maximum Available Fee			Earned Fee		Total Fee Earned *
	Fixed Fee	At Risk Fee	Total Fee	Fixed Fee	At Risk Fee	
01Jun06 – 30Sep06			\$17,788,272			\$17,788,272
01Oct06 – 30Sep07	\$21,984,000	\$51,296,000	\$73,280,000	\$21,984,004	\$36,224,982	58,208,986
01Oct07 – 30Sep08	\$21,984,000	\$51,296,000	\$73,280,000	\$21,984,000	\$41,537,640	63,521,640
01Oct08 – 30Sep09			\$73,280,000			
01Oct09 – 30Sep10			\$68,700,000			
01Oct10 – 30Sep11			\$68,700,000			
01Oct11 – 30Sep12			\$64,120,000			
01Oct12 – 30Sep13			\$59,540,000			

(3) Since the Maximum Available Fee has been established, there will be no annual negotiation of the Maximum Available Fee. However, in the event the Congressional appropriation for a particular fiscal year deviates by more than (plus or minus) 10% from the Total Estimated Cost and Fee, the Contracting Officer shall unilaterally modify the Contract to adjust the Maximum Available Fee for DOE/NNSA related work amounts, except for Reimbursable work, utilizing the calculation method described below:

$$\begin{array}{r}
 \text{Annual Appropriation} \\
 \text{-----} \\
 \text{Estimated Fee Base}
 \end{array}
 \times
 \begin{array}{r}
 \text{Maximum} \\
 \text{Available} \\
 \text{Fee}
 \end{array}
 =
 \begin{array}{r}
 \text{Adjusted} \\
 \text{Maximum Available} \\
 \text{Fee for that Year.}
 \end{array}$$

(4) For the Fiscal Year (FY) 2006 period, the Maximum Available Fee shall be Fixed Fee. For FY 2007 through FY 2013, 30% of the Maximum Available Fee will be applied to Fixed Fee and 70% of the Maximum Available Fee will be applied to Performance Incentive Fee.

(d) The Maximum Available Fee related to the DOE/NNSA work effort, excluding Reimbursable work, for the Contract's Award Term period earned by the Contractor is:

(1) For the Award Term period specified in (d)(2) below, 30% of the Maximum Available Performance Incentive Fee will be applied to Fixed Fee and 70% of the Maximum Available Performance Incentive Fee will be applied to Performance Incentive Fee.

(2) The Fixed Fee for each Award Term period earned by the Contractor related to the DOE/NNSA work effort, excluding for Reimbursable work, is 0.90% of the Total Estimated Cost. The Total Estimated Cost is the Laboratory Table amount included in the President's Budget request to Congress, divided by 1.03.

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<u>Contract Period</u>	<u>Total Estimated Cost</u>	<u>Fixed Fee</u>
01Oct13 – 30Sep14	\$ *	\$ *

*To be completed by the Contracting Officer prior to the applicable award term period.

- (3) The Maximum Available Performance Incentive Fee for each Award Term period earned by the Contractor related to the DOE/NNSA work effort, excluding Reimbursable work, is 2.1% of the Total Estimated Cost. The Total Estimated Cost is the Laboratory Table amount included in the President's Budget request to Congress, divided by 1.03. (FY07 fee can be found in Mod. M040).

<u>Contract Period</u>	<u>Total Estimated Cost</u>	<u>Maximum Available Performance Incentive Fee</u>
01Oct13 – 30Sep14	\$ *	\$ *

*To be completed by the Contracting Officer prior to the applicable award term period.

The sum of the Total Estimated Cost plus the Fixed Fee and Maximum Available Performance Incentive Fee is the total Laboratory Table amount.

- (4) In the event Congressional appropriation deviates by more than (plus or minus)10% from the applicable fiscal year Laboratory Table in the President's Budget annual requests, the Contracting Officer shall unilaterally modify the Contract to adjust the Fixed Fee and Maximum Available Performance Incentive Fee for DOE/NNSA related work, except for Reimbursable work. The fee will be adjusted in proportion to the change between the President's Budget and the Congressional appropriation.
- (e) Estimated Cost and Fee for Reimbursable Work.

- (1) The Fixed Fee for FY 2007 and each subsequent fiscal year during the Basic Term of the Contract and for each Award Term period earned by the Contractor, will be established by NNSA prior to the commencement of the applicable fiscal year and will be incorporated into paragraph (e)(2) below. The Fixed Fee for each fiscal year shall be 2.5% of the Estimated Cost of NNSA's total estimated budget for Reimbursable work.
- (2) The Estimated Cost and Fixed Fee related to the Reimbursable work effort for the specified period is:

<u>Contract Period</u>	<u>Estimated Cost</u>	<u>Fixed Fee</u>	<u>Total Cost Plus Fixed Fee</u>
01Jun06 – 30Sep06	\$ 88,310,784	\$2,207,770	\$ 90,518,554
01Oct06 – 30Sep07	\$295,753,911	\$7,393,098	\$303,117,009
01Oct07 – 30Sep08	\$292,171,316	\$7,304,283	\$299,475,599
01Oct08 – 30Sep09	\$275,434,538	\$6,885,864	\$282,320,402
01Oct09 – 30Sep10			
01Oct10 – 30Sep11			
01Oct11 – 30Sep12			
01Oct12 – 30Sep13			

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- (f) Provisional Payment of Fee.
- (1) For the DOE/NNSA related work, except for Reimbursable work, the Fixed Fee for FY 2006 for non-transition period related work performance shall be paid in equal monthly increments for the actual performance period where the Contractor is managing and operating the Laboratory. The Fixed Fee for FY 2007 and each subsequent fiscal year shall be paid monthly at the rate of one-twelfth (1/12) of the annual amount per month. Such payment amounts are to be drawn down by the Contractor from the Contract's special financial institution account in monthly installments on the last day of each month.
 - (2)
 - (i) The Performance Incentive Fee for DOE/NNSA related work, except for Reimbursable work, is authorized for draw down by the Contractor from the Contract's special financial institution account as follows:
 - (I) in monthly provisional fee payments equivalent to 3% of the Maximum Available Performance Incentive Fee, and
 - (II) the balance, if any, upon issuance of the Contracting Officer's notification in accordance with the Section H Clause entitled "Performance Incentives."
 - (ii) If the provisional payments made in (2)(i) above exceed the Performance Incentive Fee earned determination, the Contractor shall remit any balance due payable to the Government in accordance with directions to be provided by the Contracting Officer.
 - (3) The Fixed Fee for Reimbursable work is authorized for draw down by the Contractor on the last day of each specified Contract period.
- (g) Except for the condition identified in (c)(3) and (d)(4) above, 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.
- (h) Pursuant to the Contract's Section I Clause entitled "Obligation of Funds," the total amount obligated by the Government is identified in the latest funding modification.
- (i)
 - (1) If the Contractor is part of a teaming arrangement as described in Federal Acquisition Regulation (FAR) 9.601, the team shall share in the Fixed Fee and Performance Fee structure in paragraphs (c), (d) and (e) of this clause. Separate additional subcontractor fees for individual team members will not be considered an allowable cost under the Contract.

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- (2) If a subcontractor, supplier, or lower-tier subcontractor is a wholly owned, majority owned, or affiliate of any team member, any fee or profit paid to such entity will not be considered an allowable cost under this Contract unless otherwise approved by the Contracting Officer.

B. Section F, Clause F-2, Period of Performance, is hereby revised and replaced in its entirety as follows:

F-2 PERIOD OF PERFORMANCE

- (a) The Contract's period of performance includes, unless sooner reduced, terminated, or extended, in accordance with the provisions of this Contract:
 - (1) a Transition Term (01Dec05 through 31May06);
 - (2) a Basic Term (01Jun06 through 30Sep13) and Award Term (01Oct13 through 30Sep14); and
 - (3) an Award Term, if earned (01Oct14 through 30Sep26).
- (b) The Contract's maximum period of performance, if extended beyond the Basic Term of the Contract, shall not exceed twenty (20) years, ten (10) months.
- (c) The Transition Term shall be for the transition activities identified in the Contract Section J Appendix entitled "Contractor's Transition Plan." The Contractor's responsibility for management and operation of the Laboratory against the Statement of Work shall commence with the Basic Term. The Award Term conditions are set forth in the Contract's Section H Clause entitled "Award Term."

End of Modification

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