

2. AMENDMENT/MODIFICATION NO. <b>0043</b>	3. EFFECTIVE DATE <b>See Block 16.c.</b>	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
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6. ISSUED BY <b>U.S. Department of Energy National Nuclear Security Administration Sandia Field Office P.O. Box 5400, MS 0184 Albuquerque, NM 87185-5400</b>	7. ADMINISTERED BY (If other than Item 6) CODE
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8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, state, ZIP Code) <b>National Technology &amp; Engineering Solutions of Sandia, LLC 1515 Eubank Blvd SE Albuquerque, New Mexico 87123-3453</b>	9A. AMENDMENT OF SOLICITATION NO.
	9B. DATED (SEE ITEM 11)
	10A. MODIFICATION OF CONTRACT/ORDER NO. <b>DE-NA0003525</b>
	10B. DATED (SEE ITEM 13) <b>12/16/2016</b>

**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).
<b>X</b>	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 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   1   copies to the issuing office.

**14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)**

Modifies: Section I clauses; Appendix A, 3.3 Parent Organization(s); Appendix C, Section 12.0 Community Involvement and Outreach; Appendix B, List of Applicable Directives and NNSA Policy Letters (attachment 1); Appendix E, Small Business Subcontracting Plan (attachment 2); and Appendix K, Program Management and Cost Reports (attachment 3). See pages 2-7 for additional detail

15A. NAME AND TITLE OF SIGNER (Type or print) <b>James Eanes, Senior Manager, Prime Contract National Technology &amp; Engineering Solutions of Sandia</b>	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print), , <b>Lindsey VanNess, Contracting Officer Sandia Field Office, NNSA</b>
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15B. CONTRACTOR/OFFEROR BY (Signature of person authorized to sign)	15C. DATE SIGNED <b>6/7/18</b>	16B. UNITED STATES OF AMERICA BY (Signature of Contracting Officer)	16C. DATE SIGNED <b>06/08/2018</b>
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The purpose of this modification is to modify the contract as outlined below:

- 1) Update the “Date of Clause”, and the “Clause Title” (if applicable), for the following in Section I, Contract Clauses, subsection A. FAR CLAUSES INCORPORATED BY REFERENCE.

		<b>Date of Clause</b>	
<b>FAR Number</b>	<b>Clause Title</b>	<b>From</b>	<b>To</b>
FAR 52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards	Jan 2013	Oct 2016

		<b>Date of Clause</b>	
<b>FAR Number</b>	<b>From</b>	<b>From</b>	<b>To</b>
FAR 52.204-12	Data Universal Numbering System Number Maintenance	Dec 2012	Oct 2016

		<b>Date of Clause</b>	
<b>FAR Number</b>	<b>From</b>	<b>From</b>	<b>To</b>
FAR 52.204-18	Commercial and Government Entity Code Maintenance	Jul 2013	Jul 2016

		<b>Date of Clause</b>	
<b>FAR Number</b>	<b>From</b>	<b>From</b>	<b>To</b>
FAR 52.219-8	Utilization of Small Business Concerns	Oct 2014	Nov 2016

		<b>Date of Clause</b>	
<b>FAR Number</b>	<b>From</b>	<b>From</b>	<b>To</b>
FAR 52.222-26	Equal Opportunity	April 2015	Sept 2016

		<b>Name of Clause</b>		<b>Date of Clause</b>	
<b>FAR Number</b>	<b>From</b>	<b>To</b>	<b>From</b>	<b>To</b>	
FAR 52.223-11	Ozone-Depleting Substances	Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons	May 2001	Jun 2016	

		<b>Name of Clause</b>		<b>Date of Clause</b>	
<b>FAR Number</b>	<b>From</b>	<b>To</b>	<b>From</b>	<b>To</b>	
FAR 52.223-12	Refrigeration Equipment and Air Conditioners	Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners	May 1995	Jun 2016	

		<b>Date of Clause</b>	
<b>FAR Number</b>	<b>From</b>	<b>From</b>	<b>To</b>
FAR 52.244-6	Subcontract for Commercial Items	Feb 2016	Nov 2017

- 2) Update FAR 52.203-16, *Preventing Personal Conflicts of Interest*, in Section I, Contract Clauses, subsection A. FAR CLAUSES INCORPORATED BY REFERENCE to incorporate the change in the micro-purchase threshold and the simplified acquisition threshold as directed in the NNSA Class Deviation Policy Flash 2018-17 as follows:

**From:**

<b>FAR Number</b>	<b>Clause Title</b>	<b>Date of Clause</b>
52.203-16	Preventing Personal Conflicts of Interest	Dec 2011

**To:**

<b>FAR Number</b>	<b>Clause Title</b>	<b>Date of Clause</b>
52.203-16	Preventing Personal Conflicts of Interest * (d)(1) That exceed [ <b>\$250,000</b> ]; and	Dec 2011 (NNSA Class Deviation March 2018*)

- 3) Update FAR 52.219-9, *Small Business Subcontracting Plan*, in Section I, Contract Clauses, subsection A. FAR CLAUSES INCORPORATED BY REFERENCE to incorporate the change in the micro-purchase threshold and the simplified acquisition threshold as directed in the NNSA Class Deviation Policy Flash 2018-17 as follows:

**From:**

<b>FAR Number</b>	<b>Clause Title</b>	<b>Date of Clause</b>
52.219-9	Small Business Subcontracting Plan ( <i>MODIFIED 0008, 0018</i> )	Jan 2017

**To:**

<b>FAR Number</b>	<b>Clause Title</b>	<b>Date of Clause</b>
52.219-9	Small Business Subcontracting Plan *(d)(11)(iii) Records on each subcontract solicitation resulting in an award of more than [ <b>\$250,000</b> ], indicating—	Jan 2017 (NNSA Class Deviation March 2018*)

- 4) Incorporate the following new FAR clause in numeric sequence the table in Section I, Contract Clauses, subsection A. FAR CLAUSES INCORPORATED BY REFERENCE.

FAR 52.224-3	Privacy Training	Jan 2017
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- 5) Update DEAR 970.5244-1, *Contractor Purchasing System*, by incorporating the updated threshold in paragraph (f)(2) of DEAR 970.5244-1 from \$100,000 to \$150,000, and updating the date of the clause in the title from (JAN 2013) to (AUG 2016).

The title of the clause is changing as shown below.

**From:**

I-27 DEAR 970.5244-1 CONTRACTOR PURCHASING SYSTEM (JAN 2013)  
(CLASS DEVIATIONS: AUG 2011, JUN 2013, MAR 2015) (NNSA CLASS  
DEVIATION MAY 2016)

**To:**

I-27 DEAR 970.5244-1 CONTRACTOR PURCHASING SYSTEM (AUG 2016)  
(CLASS DEVIATIONS: AUG 2011, JUN 2013, MAR 2015) (NNSA CLASS  
DEVIATION MAY 2016)

- 6) Incorporate new FAR clause in Section I, Contract Clauses, subsection C. FAR AND DEAR CLAUSES INCORPORATED IN FULL TEXT.

**I-30 FAR 52.204-21 Basic Safeguarding of Covered Contractor Information Systems  
(Jun 2016)**

- (a) Definitions. As used in this clause--

“Covered contractor information system” means an information system that is owned or operated by a contractor that processes, stores, or transmits Federal contract information.

“Federal contract information” means information, not intended for public release, that is provided by or generated for the Government under a contract to develop or deliver a product or service to the Government, but not including information provided by the Government to the public (such as on public Web sites) or simple transactional information, such as necessary to process payments.

“Information” means any communication or representation of knowledge such as facts, data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual (Committee on National Security Systems Instruction (CNSSI) 4009).

“Information system” means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information (44 U.S.C. 3502).

“Safeguarding” means measures or controls that are prescribed to protect information systems.

- (b) Safeguarding requirements and procedures.

(1) The Contractor shall apply the following basic safeguarding requirements and procedures to protect covered contractor information systems. Requirements and procedures for basic safeguarding of covered contractor information systems shall include, at a minimum, the following security controls:

(i) Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).

(ii) Limit information system access to the types of transactions and functions that authorized users are permitted to execute.

(iii) Verify and control/limit connections to and use of external information systems.

(iv) Control information posted or processed on publicly accessible information systems.

(v) Identify information system users, processes acting on behalf of users, or devices.

(vi) Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.

(vii) Sanitize or destroy information system media containing Federal Contract Information before disposal or release for reuse.

(viii) Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.

(ix) Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.

(x) Monitor, control, and protect organizational communications (i.e., information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the information systems.

(xi) Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.

(xii) Identify, report, and correct information and information system flaws in a timely manner.

(xiii) Provide protection from malicious code at appropriate locations within organizational information systems.

(xiv) Update malicious code protection mechanisms when new releases are available.

(xv) Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.

(2) Other requirements. This clause does not relieve the Contractor of any other specific safeguarding requirements specified by Federal agencies and departments relating to covered contractor information systems generally or other Federal safeguarding requirements for controlled unclassified information (CUI) as established by Executive Order 13556.

(c) Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (c), in subcontracts under this contract (including subcontracts for the acquisition of commercial items, other than commercially available off-the-shelf items), in which the subcontractor may have Federal contract information residing in or transiting through its information system.

(End of clause)

- 7) Replace Section J, Appendix A, *Statement of Work*, 3.3 *Parent Organization(s)* paragraph (v) with the paragraph that follows to incorporate the change from “shall perform financial reporting...” to “have oversight of financial reporting...”:

The parent organization(s) shall also establish an audit entity (e.g., audit committee), independent and autonomous from the Laboratories’ management, that shall have oversight of financial reporting, risk management, internal control, ethics, compliance with laws and regulations and the laboratory code of conduct, and the internal audit and external audit and review processes.

- 8) Replace the second paragraph of Appendix C, Section 12.0 *Community Involvement and Outreach* to clarify when subsequent plans and the annual utilization is provided to the Contracting Officer. Retain the list of permissible educational and community outreach examples.

**From:**

Compensation associated with educational and community outreach outside of the employee's normal work schedule shall not be reimbursed under the Contract. The Contractor shall submit a report annually, no later than November 1, to the Contracting Officer on the types of usage and number of hours utilized in the fiscal year that ended the previous September 30. Outreach. Some examples of permissible educational and community outreach include, but are not limited to:

**To:**

Compensation associated with educational and community outreach outside of the employee's normal work schedule shall not be reimbursed under the Contract. No later than November 1 of each year, the Contractor shall submit a report to the Contracting Officer on the types of usage and number of hours utilized in the prior fiscal year. The Contractor shall request Contracting Officer approval when changes are made to the Plan, or as directed by the Contracting Officer. Some examples of permissible educational and community outreach include, but are not limited to:

- 9) Replace, in its entirety, Section J, Appendix B, *List of Applicable Directives and NNSA Policy Letters*, with attachment 1.
- 10) Replace, in its entirety, Section J, Appendix E, *Small Business Subcontracting Plan (Plan)* with attachment 2 to incorporate the administrative change of updating the Small Business Manager name and contract information on pages 9 and 14 of the Plan. This change also incorporates a "Document Revision History" page to capture administrative changes made to this Plan.
- 11) Replace, in its entirety, Section J, Appendix K, *Program Management and Cost Reports*, with attachment 3 to incorporate the role of the Federal Program Manager, and when earned value management is applicable.

- - - End of contract modification - - -

**Part III - Section J**  
**APPENDIX B**  
**List of Applicable Directives and NNSA Policy Letters**

In addition to the list of applicable directives referenced below, the contractor shall also comply with supplementary directives (e.g., manuals), which are invoked by a Contractor Requirements Document (CRD) attached to a directive referenced below. The Contractor shall comply with the Operating Requirements identified in Appendix B.

<b>Number</b>	<b>Date</b>	<b>Title</b>	<b>Mod #</b>
APPH Chapter X Revision 10	9/08/98	Accounting Practices & Procedures Handbook (APPH) Chapter X – Product Cost Accounting	Award
DOE O 130.1	9/29/95	Budget Formulations	Award
DOE M 140.1-1B	3/30/01	Interface with the Defense Nuclear Facilities Safety Board	Award
DOE O 142.2A, Admin Chg. 1	6/27/13	Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency	Award
DOE M 142.2-1, Admin Chg. 1	6/27/13	Manual for the Implementation of the Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency	Award
DOE O 142.3A, Chg 1	1/18/17	Unclassified Foreign Visits and Assignments Program	M0018
DOE O 144.1 Admin Chg. 1	11/6/09	Department of Energy American Indian Tribal Government Interactions and Policy	Award
DOE O 150.1A	3/31/14	Continuity Programs	Award
DOE O 151.1D	8/11/16	Comprehensive Emergency Management System <sup>1</sup>	Award
DOE O 153.1	6/27/07	Departmental Radiological Emergency Response Assets	Award
DOE O 200.1A	12/23/08	Information Technology Management	Award
DOE O 205.1B, Admin Chg. 3	4/29/14	Department of Energy Cyber Security Program <sup>2</sup>	Award
NA SD 205.1	7/6/17	Baseline Cybersecurity Program <sup>3</sup>	M0032
DOE M 205.1-3, Admin Chg. 1	12/20/12	Telecommunications Security Manual <sup>4</sup>	Award
DOE O 206.1	1/16/09	Department of Energy Privacy Program	Award
DOE O 206.2	2/19/13	Identity, Credential, and Access Management (ICAM)	Award
DOE O 210.2A	4/08/11	DOE Corporate Operating Experience Program	Award
DOE O 221.1B	9/27/16	Reporting Fraud, Waste, and Abuse to the Office of Inspector General	Award
DOE O 221.2A	2/25/08	Cooperation With the Office of Inspector General	Award
DOE O 225.1B	3/04/11	Accident Investigations	Award

<sup>1</sup> Full implementation will be achieved by July 24, 2020, in accordance with the approved implementation plan.

<sup>2</sup> SNL will evaluate NNSA RMIP releases to ensure the requirements of CNSSP-300 are adequately implemented.

<sup>3</sup> Full implementation will be achieved in accordance with the approved implementation dated 12/7/2017.

<sup>4</sup> Refer to memorandum from NNSA/HQ/NA-IM-10, Subject: *Cable-confined Testing and Transmitter Review Forms (TRF)*, dated 4/25/12, for clarification to TRF completion Requirements.



<b>Number</b>	<b>Date</b>	<b>Title</b>	<b>Mod #</b>
DOE O 226.1B	4/25/11	Implementation of Department of Energy Oversight Policy	Award
NNSA SD 226.1B	8/12/16	NNSA Site Governance	M008
DOE O 227.1A	12/21/15	Independent Oversight Program	Award
DOE O 231.1B, Admin Chg. 1	11/28/12	Environment, Safety and Health Reporting	Award
DOE O 232.2A	1/17/17	Occurrence Reporting and Processing of Operations Information	M0026
DOE O 241.1B Chg. 1	4/26/16	Scientific and Technical Information Management	Award
DOE O 243.1B, Admin Chg. 1	7/8/13	Records Management Program	Award
DOE O 252.1A, Admin Chg. 1	3/12/13	Technical Standards Program	Award
DOE O 313.1	11/19/09	Management and Funding of the Department's Overseas Presence	Award
NA SD O 350.1	2/5/09	Management and Operating Contractor Service Credit Recognition	Award
DOE O 410.2, Admin Chg. 1	4/10/14	Management of Nuclear Materials	Award
DOE O 411.2	1/4/17	Scientific Integrity	M0018
DOE O 412.1A, Admin Chg. 1	5/21/14	Work Authorization System	Award
DOE O 413.1B	10/28/08	Internal Control Program	Award
DOE O 413.2C	10/22/15	Laboratory Directed Research and Development	Award
DOE O 413.3B, Chg. 4	10/13/17	Program and Project Management for the Acquisition of Capital Assets <sup>5</sup>	M0032
DOE O 414.1D, Admin Chg.1	5/8/13	Quality Assurance	Award
DOE O 415.1, Chg. 2	1/13/17	Information Technology Project Management	M0018
NA SD 415.1	9/3/14	Project Oversight for Information Technology	Award
DOE O 420.1C, Chg. 1	2/27/15	Facility Safety	Award
DOE O 420.2C	7/21/11	Safety of Accelerator Facilities	Award
DOE O 422.1, Admin Chg. 2	12/3/14	Conduct of Operations	Award
DOE O 425.1D, Admin Chg. 1	4/2/13	Verification of Readiness to Start up or Restart Nuclear Facilities	Award
DOE O 426.2 Admin Chg. 1	7/29/13	Personnel Selection, Training, Qualification, and Certification Requirements for DOE Nuclear Facilities	Award
NNSA SD 430.1	1/18/17	Real Property Asset Management	M0018
DOE O 433.1B, Admin Chg. 1	3/12/13	Maintenance Management Program for DOE Nuclear Facilities	Award

<sup>5</sup> The annual Value Engineering accomplishment progress report required by paragraph c.9 of the CRD shall be submitted to OECM through the SFO.

Number	Date	Title	Mod #
DOE N 435.1	8/9/11	Contact-Handled and Remote-Handled Transuranic Waste Packaging	Award
DOE O 435.1, Chg. 1	8/28/01	Radioactive Waste Management	Award
DOE O 436.1	5/2/11	Departmental Sustainability <sup>6</sup>	Award
DOE O 440.2C, Admin Chg. 1	6/22/11	Aviation Management and Safety	Award
DOE M 441.1-1 Admin Chg. 1	2/24/16	Nuclear Material Packaging <sup>7</sup>	Award
DOE O 442.2, Chg 1 (Pg Chg)	10/5/16	Differing Professional Opinions for Technical Issues Involving Environment, Safety, and Health	Award
DOE N 443.1	1/21/16	Protection of Human Research Subjects in Classified Research	Award
DOE O 443.1B, Chg 1	4/21/16	Protection of Human Research Subjects	Award
DOE O 452.1E	1/26/15	Nuclear Explosive and Weapon Surety Program <sup>8</sup>	Award
DOE O 452.2E	1/26/15	Nuclear Explosive Safety	Award
NA SD 452.2A	10/20/17	Nuclear Explosive Safety Evaluation Process	M0032
DOE O 452.3	6/8/05	Management of the Department of Energy Nuclear Weapons Complex	Award
NNSA SD 452.3-1A	2/25/16	Defense Programs Business Process System <sup>9</sup>	Award
NNSA SD 452.3-2	1/19/17	Phase 6.X Process	M0018
DOE O 452.4C	8/28/15	Security and Use Control of Nuclear Explosives and Nuclear Weapons <sup>10</sup>	Award
DOE O 452.6A	4/14/09	Nuclear Weapon Surety Interface with the Department of Defense	Award
DOE O 452.7	5/14/10	Protection of Use Control Vulnerabilities and Designs	Award
DOE O 452.8	7/21/11	Control of Nuclear Weapons Data	Award
DOE O 456.1A	7/15/16	The Safe Handling of Unbound Engineered Nanoparticles	Award
DOE O 457.1A	8/26/13	Nuclear Counterterrorism	Award
DOE O 458.1, Admin Chg. 3	1/15/13	Radiation Protection of the Public and the Environment	Award
DOE O 460.1D	12/20/16	Hazardous Materials Packaging and Transportation Safety	M0018
DOE O 460.2A	12/22/04	Departmental Materials Transportation & Packaging Management	Award
DOE M 460.2-1A	6/04/08	Radioactive Material Transportation Practices Manual	Award

<sup>6</sup> All references to “14001:2004” shall be replaced with “14001:2015”. Conformance with “14001:2015” will be achieved no later than October 1, 2018.

<sup>7</sup> Material acquired subject to DOE M 441.1-1 must have an approved container for storage, or must have a NNSA-approved plan to develop a container to comply with the requirements, when it comes on site.

<sup>8</sup> Clarification to CRD, Item 7c: Concepts for features are to be developed for consideration.

<sup>9</sup> Changes will be processed as described in Section H, clause H-14(c). CRD Item 6 is achieved through the M&O Contractor Working Group.

<sup>10</sup> Full implementation will be achieved in accordance with the implementation plan for NAP-24A dated 08/25/16.

Number	Date	Title	Mod #
DOE O 461.1C	7/20/16	Packaging and Transportation for Offsite Shipment of Materials of National Security Interest	Award
DOE O 461.2	11/1/10	Onsite Packaging and Transfer of Materials of National Security Interest	Award
DOE O 462.1, Admin Chg. 1	7/10/13	Import and Export of Category 1 and 2 Radioactive Sources and Aggregated Quantities	Award
DOE O 470.3C	11/23/16	Design Basis Threat (DBT) <sup>11</sup>	M0043
DOE O 470.4B, Admin Chg. 2	1/17/17	Safeguards and Security Program <sup>12</sup>	M0018
DOE O 470.6, Chg 1	1/11/17	Technical Security Program <sup>13</sup>	M0032
DOE M 470.4-4A	10/12/10	Information Security Manual <sup>14</sup>	Award
DOE O 471.1B	3/1/10	Identification and Protection of Unclassified Controlled Nuclear Information	Award
DOE O 471.3, Admin Chg. 1	1/13/11	Identifying and Protecting Official Use Only Information	Award
DOE M 471.3-1, Admin Chg.1	1/13/11	Manual for Identifying and Protecting Official Use Only Information	Award
DOE O 471.5	3/29/11	Special Access Program	Award
DOE O 471.6, Admin Chg 2	5/15/15	Information Security <sup>15</sup>	Award
DOE O 472.2, Chg. 1	7/9/14	Personnel Security	Award
DOE O 473.3A, Chg. 1	1/2/18	Protection Program Operations <sup>16</sup>	M0043
NNSA SD 473.3	9/10/14	Enterprise Mission Essential Task List-Based Protective Force Training Program	M008
DOE O 474.2, Admin Chg. 4	9/13/16	Nuclear Material Control and Accountability	Award
DOE O 475.1	12/10/04	Counterintelligence Program	Award
DOE O 475.2B	10/3/14	Identifying Classified Information <sup>17</sup>	Award
DOE O 483.1B	12/20/16	DOE Cooperative Research and Development Agreements	M0018
DOE O 484.1 Admin Chg. 2	6/30/14	Reimbursable Work for the Department of Homeland Security	Award
DOE O 522.1	11/3/04	Pricing of Departmental Materials and Services	Award

<sup>11</sup> Will be implemented IAW the NNSA enterprise implementation plan. NTESS will coordinate with NNSA when requirements cannot be implemented within existing resources.

<sup>12</sup> Full implementation will be achieved in accordance with an approved implementation plan. DD254 or DOE F 470.1 shall be provided to SFO for new classified SPP activity. Notification to update the form shall also be provided through the lifecycle of the activity.

<sup>13</sup> Full implementation will be achieved in accordance with an approved implementation plan.

<sup>14</sup> DOE O 471.6, Admin Chg. 1, dated 06/20/2011, replaced DOE M 470.4-4A, except Section D and the classified Technical Surveillance Countermeasures Annex.

<sup>15</sup> Implementation of the “marking of documents in electronic environment requirements” listed in the CRD will be achieved in accordance with an approved implementation plan.

<sup>16</sup> Full implementation will be achieved in October 2018.

<sup>17</sup> Full implementation will be achieved in accordance with the February 4, 2015 JORRB. SNL will implement classified email markings by 09/30/2016.

<b>Number</b>	<b>Date</b>	<b>Title</b>	<b>Mod #</b>
DOE O 534.1B	1/6/03	Accounting	Award
DOE O 551.1D, Chg. 2	8/9/16	Official Foreign Travel	Award
DOE O 5480.30, Chg. 1	3/14/01	Nuclear Reactor Safety Design Criteria	Award
DOE O 5639.8A	7/23/93	Security of Foreign Intelligence Information and Sensitive Compartmented Information Facilities	Award
NAP 23, Admin Chg. 1	2/9/15	Atomic Energy Act Control of Import and Export Activities	Award
NAP 24A	11/24/15	Weapon Quality Policy <sup>18</sup>	Award
NAP 31	11/22/16	NNSA M&O Off-Site Extended Duty Assignments	M0008
QP 100-1	3/1/13	Quality Requirements to UK and US Procurement Contracts and Loan Authorizations for Research, Design, and Development	Award
NA SD 56XB, Rev. 2	5/10/04	Nuclear Weapon Development and Production <sup>19</sup>	M0008
Nevada Field Office (NSO) Order 410.X1	10/9/13	Nevada National Security Site and North Las Vegas Facilities General Use and Operations Requirements	M0018
NFO O 412.X1	6/27/16	Real Estate Operations Permit	M0018
NFO O 421.X1, Revision 1	4/18/17	Nuclear Facility Safety Management	M0018
NSO M 450.X2-1	5/30/07	Underground Nuclear Testing, Test Readiness, and Threshold Test Ban Treaty, Verification	M0018
NSO O 450.X5B	9/20/12	Subcritical Experiments	M0018

<sup>18</sup> Full implementation will be achieved in accordance with the approved IP dated 8/25/16. Attachment 3, Section 3.3, dated 11/24/15, is replaced with Attachment 3, Section 3.3, dated 6/22/17. The term “prevented” in Attachment 2 Section 3.6.e, 3.6.3a, and Attachment 4 Section 1.0 is commensurate with DOE O 452.1E, Section 4.b.1.

<sup>19</sup> Changes will be processed as described in Section H, clause H-14(c).

**SECTION J - APPENDIX E**

**SMALL BUSINESS SUBCONTRACTING PLAN**

**DOCUMENT REVISION HISTORY**

Revision	Date	Change Description
1	2/20/2018	<p>1) Replace the NTESS Program Administrator identified in <u>SECTION II. PROGRAM ADMINISTRATOR</u> of the Plan:</p> <p><b>FROM:</b> Delfinia L. Salazar, Small Business Program Manager, Telephone (505) 284-8963, email: <a href="mailto:dlsalaz@sandia.gov">dlsalaz@sandia.gov</a></p> <p><b>TO:</b> Paul R. Sedillo, Small Business Program Manager, Telephone (505) 844-7041, email: <a href="mailto:prsedil@sandia.gov">prsedil@sandia.gov</a></p> <p>2) Referred the point of contact identified in <u>SECTION V. REPORTS AND SURVEYS</u> that is responsible for the Individual Subcontracting Reports to <u>SECTION II. PROGRAM ADMINISTRATOR</u> of the Plan</p>



**National Technology & Engineering Solutions of Sandia, LLC  
Small Business Subcontracting Plan<sup>1</sup>**

**IDENTIFICATION DATA**

<b>Company Name:</b>	National Technology & Engineering Solutions of Sandia, LLC
<b>Dun &amp; Bradstreet Number:</b>	007113228
<b>Address:</b>	1515 Eubank Blvd SE Albuquerque, NM, 87123-3453
<b>Prime Contract Number:</b>	DE-NA0003525
<b>Item/Service Provided:</b>	Management & Operating Contract for Sandia National Laboratories
<b>Total Amount of Contract<sup>2</sup>:</b>	Transition and Base Period: \$13,015,548,428 (estimated) Option Terms: \$13,000,000,000 (estimated)
<b>Contract Performance Period<sup>1</sup>:</b>	Transition Period: January 18, 2017 – April 30, 2017 Base Period: May 1, 2017 – April 30, 2022 Option Terms: 5 one-year Option Terms (May 1, 2022 – April 30, 2027)

<sup>1</sup> Per FAR 52.219-9 (January 2017), this Small Business Subcontracting Plan covers the entire contract period including Transition, Base, and Option Term periods.

<sup>2</sup> Contract amount includes an estimated \$2.6 billion annually plus estimated Transition costs.

This Subcontracting Plan includes the following elements:

- Identification Data
- Subcontracting Plan Overview
- Plan Type
  - Section I. Goals
  - Section II. Program Administrator
  - Section III. Equitable Opportunity and Outreach Efforts
  - Section IV. Subcontracting Plan Flowdown
  - Section V. Reports and Surveys
  - Section VI. Records and Procedures
  - Section VII. Additional Subcontracting Plan Assurance

## **SUBCONTRACTING PLAN OVERVIEW**

The National Technology & Engineering Solutions of Sandia, LLC (NTESS) Small Business (SB) Subcontracting Plan communicates the goals and methods supporting flow-down requirements in accordance FAR 52.219-9 entitled “Small Business Subcontracting Plan.” Focus is placed on NTESS, a single purpose operating affiliate of Honeywell, which has established goals and will manage achievement of those goals through monitoring, measuring, and feedback analysis of administrative responsibilities, performance results, and small business outreach. The goals and results reported in this SB Subcontracting Plan are based on subcontracting activities associated with the Management and Operating (M&O) contract at Sandia National Laboratories (Sandia).

The integration of SB is not something NTESS does simply to meet National Nuclear Security Administration (NNSA) expectations; it is an important part of Honeywell’s and its teaming subcontractors’ culture and values. NTESS is solely owned by Honeywell. Teaming subcontractors are also represented by Northrop Grumman Corporation and Universities Research Association, Inc.

The Small Business Program Manager and Supplier Diversity team help procurement personnel to identify potential opportunities for small business placement and provides assistance with tools, processes, systems, and training so that we are connected with the SB supply base and encourage engagement of SBs across the full contract scope.

NTESS seeks capable small, small disadvantaged (SDB), women-owned (WOSB), HUBZone, veteran-owned (VOSB), and service-disabled veteran-owned (SDVOB) businesses to successfully support our mission at Sandia. SB subcontracting results are achieved through procurement strategy and business outreach. We incorporate outreach as a strategy to be involved in the business community and identify new supplier sources. NTESS will be actively engaged with affiliate organizations that help us accomplish outreach objectives throughout the year. Our objective is for NTESS’s engagement with SB development to be incorporated into all phases of our supply chain management processes.

NTESS’ core values include a commitment to ensure SB participation in significant and complex aspects of the site’s mission. We believe that such SB participation will support project goals, positively affect the local and regional communities, and provide a foundation for growth and expansion. Each line manager is personally responsible and accountable for using SB concerns within their areas of responsibility. We measure their performance against the goals as part of their performance evaluations.

NTESS’s approach is built on the belief that SBs should receive a durable benefit from supporting meaningful aspects of operations where their skills, innovation, and acumen allow us to safely accomplish the Sandia mission. Examples include identifying needed support of existing scope, including more challenging tasks/projects (e.g., design tasks, testing, and support to cutting edge R&D activities) and establishing a long-term based presence (e.g., environmental compliance support).

We have identified two SB concerns in this proposal that will perform services under the Sandia M&O contract. Sandia Technical Partners (STP) is a joint venture of four New Mexico-based SBs with a variety of technical capabilities aligned to Sandia mission areas. The partners are Los Alamos Technical Associates (LATA); Strategic Management Associates, Inc. (SMSI); Innovative Technology Partnerships (ITP); and Sigma Sciences, Inc. (SSI). We will employ STP on projects relating to the members’ core competencies, as well as to assist NTESS in identifying and mentoring New Mexico small businesses. Longenecker & Associates, a WOSB, will support Sandia safety, quality, and project delivery activities.

We plan to increase SB participation through implementation of a Mentor-Protégé program utilizing the Department of Energy (DOE) Mentor-Protégé program and the Small Business Administration (SBA) All Small Mentor-Protégé program. NTESS's program will seek SB concerns that have been in business for at least two years and have not previously participated in a Department of Energy (DOE) Mentor-Protégé or similar parent company programs. Through this approach, we provide fair opportunities for newly established SB concerns to enhance their operational skills.

We will select prospective protégés based on specific Sandia mission needs and ongoing/projected work scope. For example, we will seek protégés in the areas of research and development (advanced materials, bioscience, nanodevices), cybersecurity, waste management, project management/project controls, and environmental, safety, health and quality compliance. Our selection criteria include: (1) qualified as a SB and/or other socioeconomic category; (2) eligible to work under a government contract; and (3) demonstrated ownership and management commitment.

We commit to establish one Mentor-Protégé agreement within one year of the contract start date and identify an opportunity for a second agreement within Sandia's contract period of performance. Each agreement will have a maximum duration of three years. This timeframe allows sufficient time to establish clear, achievable goals for our protégés and maintain focus on their development progress. This approach also allows us to continue to provide Mentor-Protégé opportunities to other capable SB concerns.

We will mentor our SB protégés to help them strengthen their core competencies; recommend improvements to financial, administrative, and other functions/systems; and help them prepare for additional work. NTESS will also ensure that if local SB concerns are found to not be fully prepared, we will take actions to provide additional assistance to help them develop into reliable suppliers. This will facilitate opportunities for them to successfully compete for and perform future subcontract work. If necessary, we will use a variety of tools to locate and use SB entities from a variety of categories, from the local area as well as across the state and nationwide.

NTESS will leverage the small business program knowledge and performance of Honeywell and its integrated teaming subcontractors to ensure that the Sandia SB Plan meets or exceeds the established goals.

### **Plan Type: Individual Subcontracting Plan**

All elements are developed specifically for the entire contract period (including option periods) of this contract. Projected dollar and percentage goals are based on subcontracting activities associated with the U.S. DOE's prime contract No. DE-NA0003525.

## **SECTION I. GOALS**

In accordance with DEAR 970-1907-4 "The Small Business Subcontracting Program," NTESS will submit proposed subcontracting goals 60 days prior to the beginning of each fiscal year during the term of this contract, or by such other date authorized in writing by the Contracting Officer. The goals will be negotiated once each fiscal year and the agreement between NTESS and the Contracting Officer will be communicated in writing. This submittal will include subcontracting goals for SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB; all are collectively referred to as "small business concerns." Goals are based on separate dollars and percentages for each small business concern category as specified in FAR 52.219-9. Subcontracting dollars with Alaskan Native Corporations (ANC) and Indian Tribes are counted towards achievement of subcontracting goals for small business and small disadvantaged business concerns, regardless of the size or SBA certification status of the ANC or Indian Tribe.



DEAR 970-1907-4 “The Small Business Subcontracting Program” for M&Os, states:

“Pursuant to the clause at 48 CFR 52.219-9, Small Business Subcontracting Plan, which is required for all management and operating contracts, each management and operating contract shall include a subcontracting plan which is effective for the term of the contract. Goals for the contract shall be negotiated annually when revised funding levels are determined. The plan should include provisions for revising the goals or any other sections of the plan. Such revisions shall be in writing, approved by the contracting officer, and shall be specifically made a material part of the contract.”

The partial-FY2017 proposed goals outlined in this section are based on the estimated budget and forecast of procurement requirements, including those for Large Business (LB) concerns. We have used Sandia Corporation’s FY 2016 plan goals as the baseline for this plan. Dollar values in this plan reflect the five-month Base period of performance in FY 2017, preceding Transition period, and start of the Base period of the Contract.

NTESS will ensure ethical and accurate reporting standards in support of the goals proposed in this Small Business Subcontracting Plan. Our good faith effort to achieve small business subcontracting goals includes on-going commitment and involvement with small businesses through outreach efforts both at the local and national levels.

#### **I.A.1. Proposed Small Business Goals**

SB goals, shown in **Figure SB-1**, are expressed in terms of a percentage of total planned subcontracting dollars. The proposed goals are applicable to the contract period in accordance with DEAR 970-1907-4 “The Small Business Subcontracting Program.” In developing these goals, we considered the site’s historical performance in each category, our parent company’s lists of subcontractors, and our ability to quickly expand our SB suppliers list by identifying more SBs.

As shown in **Figure SB-2**, NTESS commits to raising its overall small business goals by 2% per year for the first five years of the contract, to 60% by FY 2022; small business socio-economic categories may be renegotiated annually per DEAR 970-1907-4.

The goal forecast is prepared from this subcontracting dollar base that reports the netted value of subcontracts and is adjusted by allowable M&O subcontracting exclusions for subcontract dollars with foreign-owned businesses, parent company affiliate businesses, exclusions consistent with 13 CFR 125.3 and exclusions designated by the Contracting Officer.

**Figure SB-1: NTESS Proposed Subcontracting Goals for FY17**

FY2017 Contract Value (1/18/17 – 9/30/17) \$1,098,881,761<sup>1</sup>

Total value of planned subcontracting \$425,466,667<sup>2</sup>  
*(This forecast total represents all business types)*

Contract Period 1  
 FY2017  
 (1/18/17 – 9/30/17)

Goals are expressed in both dollars and percentages	<b>Dollars</b>	<b>Percentages</b>
a. Small Business concerns	\$212,733,333	50.0
b. Large Business concerns	\$212,733,333	50.0
Total Subcontracting Amount:	\$425,466,667	100.0

**Small Business Categories**

c. SDB	\$42,546,667	10.0
d. WOSB	\$42,546,667	10.0
e. HUBZone Small Business	\$12,764,000	3.0
f. VOSB	\$21,273,333	5.0
g. SDVOSB	\$12,764,000	3.0

<sup>1</sup> Value derived by prorating 5/12 (five months) of estimated contract value (\$2.6 billion annually) plus approximately \$15.5 million of Transition costs per Contract No. DE-NA0003525.

<sup>2</sup> Value derived by prorating 5/12 (five months) of SB subcontracted dollars (\$1 billion annually) plus approximately \$8.8 million of subcontracts related to the Transition period of Contract No. DE-NA0003525.

**Figure SB-2: NTESS Proposed Subcontracting Goals<sup>1</sup> for FY17-FY22 (%)**

Small Business Category	Base + Transition						Option Terms 5 option years
	FY17	FY18	FY19	FY20	FY21	FY22	
Small Business (%)	50%	52%	54%	56%	58%	60%	60%
Small Disadvantaged Business (%)	10%	10%	10%	10%	10%	10%	10%
Women-Owned Small Business (%)	10%	10%	10%	10%	10%	10%	10%
HUBZone Small Business (%)	3%	3%	3%	3%	3%	3%	3%
Veteran-Owned Small Business (%)	5%	5%	5%	5%	5%	5%	5%
Service-Disabled Veteran-Owned Small Business (%)	3%	3%	3%	3%	3%	3%	3%

<sup>1</sup> Small business socio-economic categories may be renegotiated annually per DEAR 970-1907-4.

**Section I.B.1. - Description of all the principal types products and services that will be acquired under the initial year of this Contract**

In order to establish realistic and meaningful goals for this plan, we conducted a survey of SB providers. The results of that survey, as shown in **Figure SB-3**, confirmed that the SB community is capable of meeting requirements across a significant fraction of Sandia’s work areas. NTESS’ goal is to subcontract with all SB concerns in all potential categories to the maximum extent possible. NTESS will update the results of this survey periodically to ensure that all viable SB suppliers are given appropriate consideration.

**Figure SB-3** provides the principal supplies and services planned for subcontracting to SB concerns. NTESS’s goal is to use SB concerns to the maximum extent possible within each applicable North American Industry Classification System (NAICS) and SB socioeconomic category.

Figure SB-3. Principal Supplies and Services Subcontracting Opportunities								
SOW Chapter II	Product/Service	SB Concern						Large
		SB	VOSB	SDVOSB	HUBZone	SDB	WOSB	
1.0, 2.0	Scientific, engineering, and technical staff augmentation	X	X	X	X	X	X	X
2.7	Safety management expertise	X	X		X	X	X	
2.15	Emergency planning support and equipment	X	X	X	X			X
1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7	R&D support	X	X		X	X	X	X
1.9	LDRD S&T services	X	X			X	X	X
2.11	Construction	X	X	X	X	X	X	
2.8, 2.9	Environmental restoration and waste management support	X	X	X	X	X	X	X
1.11	Safeguards and security technology program	X	X	X		X	X	X

Figure SB-3 (continued). Principal Supplies and Services Subcontracting								
SOW Chapter II	Product/Service	SB Concern						Large
		SB	VOSB	SDVOSB	HUBZone	SDB	WOSB	
2.10	Laboratory facilities O&M	X	X	X	X	X	X	X
2.3	Project controls support	X	X		X	X	X	X
2.4	IT and cybersecurity support	X	X	X	X	X	X	X
2.4	Computer hardware/software	X	X	X	X	X	X	X
1.1.8 (iii)	Calibration services for diagnostic equipment	X		X	X	X	X	X
2.12	Training programs support	X	X	X		X	X	X
1.1.1.5	Machining (e.g., grinding, glazing, cutting, and smoothing of metals)	X	X	X	X		X	
2.10	Maintenance support (equipment, roads, facilities, automotive supplies)	X	X	X	X	X	X	X
2.4	Telecommunications, electronics equipment, and supplies (e.g., routers, switches, network support)	X	X	X	X	X	X	X
1.1.1.4	Scientific Capabilities, Experiments, and Tests	X				X	X	X
2.16	Records management support	X	X	X	X	X	X	X
2.14	Real property and asset management support	X	X	X	X	X	X	X
2.10	Utility operations support (e.g., chemicals, personal protective equipment, tools, equipment rental/leases)	X	X	X	X	X	X	X
2.16	Administrative support	X	X	X	X	X	X	X

### SECTION I. C.1 Method Used to Develop Subcontracting Goals

The method and quantitative basis (in dollars) used to establish the percentage goals and the areas to be subcontracted to all SB concerns involved a detailed analysis of the following.

- Contract SOW and expected project funding
- Data from NTESS's parent company including past experience with the development and implementation of SB subcontracting programs
- Consideration of local, state, and federal regulations and guidelines
- Information on SBs that NTESS teaming subcontractors have successfully used at other locations
- Analysis of the Sandia procurement historical data and experience
- Anticipated program requirements based on program objectives
- Published SB databases with accurate company size, capability, and experience information in order to expand upon our list of capable SB concerns to be considered for future subcontracting opportunities

**SECTION I.D. 1 Method Used to Identify Potential Sources for Solicitation Purposes**

NTESS will work closely with local, state, and national sources such as Chambers of Commerce, SB development organizations and trade associations to develop a valid and dynamic source list of capable small businesses.

NTESS will rely on the information contained in System for Award Management (SAM) found at <https://www.sam.gov> as an accurate representation of a SB concern’s size and ownership characteristics for the purposes of maintaining a SB source list. In circumstances where a subcontractor is not registered in SAM, NTESS will leverage its existing Supplier Data Sheet process. In addition to the SAM website, NTESS will participate in outreach activities, utilize the SBA’s Dynamic Small Business Search Tool, and publicize our subcontracting opportunities on Internet resources such as the DOE Office of Small Disadvantaged Business Utilization’s acquisition forecast. NTESS will also participate in regional and national socioeconomic trade fairs when possible to identify new potential small business sources.

Sources we will use to locate small business concerns include–

- Sandia’s Business Opportunity Website
- DOE Office of Small Disadvantaged Business Utilization
- NNSA Small Business Program
- Albuquerque, NM Chambers of Commerce
- Livermore, CA Chambers of Commerce
- Hispanic, Native American, and African American Chambers of Commerce
- Livermore, CA Hispanic and Asian Chambers of Commerce
- Albuquerque and Livermore Women’s Chamber of Commerce
- Albuquerque Small Business Development Center
- Southwest Minority Supplier Development Council
- Honeywell nation-wide Supplier Diversity Programs

**SECTION I.E.1 Indirect Cost Statement**

Indirect costs are not included in the SB concerns goals established in this subcontracting plan.

**SECTION II. PROGRAM ADMINISTRATOR:**

The subcontracting plan is administered by NTESS to assure that provisions of applicable law and the plan are implemented and performed. Any change in the name of the program administrator will be communicated without delay to the Contracting Officer in writing, and will not require immediate Contract modification. Changes, if any, will be included in the next applicable supplement agreement Contract modification.

<b>Name:</b>	Paul R. Sedillo
<b>Title:</b>	Small Business Program Manager (SBPM)
<b>Address:</b>	P.O. Box 5800, MS-1486 Albuquerque, NM 87185-1486
<b>Telephone:</b>	(505) 884-7041
<b>e-mail:</b>	<a href="mailto:prsedil@sandia.gov">prsedil@sandia.gov</a>

The Small Business Program Manager (SBPM) has general overall responsibility for the NTESS Small Business Subcontracting Program that involves developing, preparing, and executing individual subcontracting plans and monitoring performance relative to this particular plan. These duties include, but are not limited to, the following activities:

1. Developing and promoting company/division policy statements that demonstrate NTESS's support for awarding contracts and subcontracts to SB, HUBZone, SDB, WOSB, VOSB, and SDVOSB concerns.
2. Assuring that capable SB, HUBZone, SDB, WOSB, VOSB, and SDVOSB concerns are included on requests for information (RFI) or proposal (RFP) lists for applicable subcontract solicitations. Ensuring that procurement procedures are designed to permit the maximum possible participation of SB, HUBZone, SDB, WOSB, VOSB, and SDVOSB concerns.
3. Applying a 5% pricing preference for New Mexico-based SBs on appropriate procurements to encourage the development of local suppliers.
4. Reviewing acquisitions (e.g. reviewing for set-aside opportunities, promoting opportunities via Sandia's Business Opportunities Website, etc.) over the most current simplified acquisition threshold to ensure maximum small business participation and for statements and clauses which might tend to restrict or prohibit SB, HUBZone, SDB, WOSB, VOSB, and SDVOSB participation, in accordance with NTESS policies.
5. Coordinating Mentor-Protégé schedule of activities and reporting to the Office of Small Disadvantaged Business Utilization (OSDBU) Headquarters.
6. Conducting Buyer Socioeconomic training.
7. Conducting periodic reviews of internal processes governing supplier source selection.
8. Supporting outreach with business development organizations in New Mexico, California, and nationally by attending, sponsoring or arranging for the attendance of company representatives at business events that facilitate SB sourcing efforts. Events include: Workshops, Minority Business Enterprise Seminars, Business Expositions, Matchmaker Forums, Conferences, and other Outreach programs.
9. Encouraging lower-tier subcontractor participation in local and national small business outreach events through notification of events and opportunities to participate.
10. Ensuring support of external SB supplier award nominations. Provide nomination criteria and assist staff with process.
11. Create and maintain a SB Web page for SB informational purposes.
12. Counseling SB, HUBZone, SDB, WOSB, VOSB, and SDVOSB concerns on subcontracting opportunities and how to do business with NTESS.
13. Providing notice to subcontractors concerning penalties for misrepresentations of business status as SB, HUBZone, SDB, WOSB, VOSB, or SDVOSB concerns for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the contractor's subcontracting plan.
14. Monitoring NTESS's performance and making any adjustments necessary to achieve subcontract plan goals.
15. Preparing and submitting timely reports in the electronic Subcontracting Reporting System (eSRS) and the Management and Operating Contractor (M&O) Subcontract Reporting Capability (MOSRC).
16. Coordinating company activities during SB compliance reviews by federal agencies.
17. Ensure that SB subcontracting plans are required for large businesses that receive subcontracts exceeding \$700,000 (\$1,500,000 for construction), or most current thresholds per FAR 52.219-9. Review these plan and monitor progress to ensure SB goals are achieved. Any deviations must be justified and fully explained by the subcontractor.

18. Establish and maintain contacts and communication with parent organizations and network with other SB Program Managers within parent organizations to support, implement, or enhance the NTESS SB program.
19. Work with Procurement Director to form a Small Business Steering Committee made up of senior leaders from each major area of Sandia spend. Utilize the Steering Committee for strategic planning, resource and goal evaluation and to help ensure that key managers/requisitioners are aware of and supporting socioeconomic goals.

### **SECTION III. EQUITABLE OPPORTUNITY AND OUTREACH EFFORTS:**

NTESS is built upon a long history of strengths embodied by its parent company: technological innovation, leadership, outstanding people, and delivering on our commitments. The framework of our approach to increase small business utilization is built on the tenets of opportunity, access and support. The company will make every effort to ensure that internal business practices and procedures are reflective of a procurement environment where SB, HUBZone, SDB, WOSB, VOSB, and SDVOSB concerns will have an equitable opportunity to participate at the maximum extent practical. These efforts include, but are not limited to, the following activities:

Opportunity: Establishing aggressive small business subcontracting goals and then ensuring that our internal processes and procedures are geared to maximizing SB opportunities.

- Buyer goal performance and achievement
- Organizational commitment and accountability at all levels
- Annual participation at business outreach programs and events

Access: Internal efforts to guide and encourage purchasing personnel.

- Presenting workshops, seminars and training programs to staff
- Implementing a Small Business Strategy Team to identify issues and solutions pertaining to small business performance within procurement and among site customers.
- Establishing, maintaining and using small business source lists, guides, and other data for soliciting subcontractors.
- Contacting minority and small business development organizations
- Attending small, minority, and women-owned small business procurement conferences and business fairs.
- Partnering with applicable community organizations to host small business outreach events.

NTESS ensures that SB concerns will have an equitable opportunity to compete for subcontracts by following a procurement process that drives to maximize SB participation and by encouraging our personnel to seek the use of approved SB sources and to develop new capable sources on new business opportunities. The purpose of these efforts is to provide information and assistance to socioeconomic businesses and/or individuals who may be interested in becoming subcontractors to NTESS. These efforts include–

a. Outreach efforts to obtain sources–

- (1) Publicize subcontract opportunities through Sandia's Business Opportunity Website, and as appropriate, through participation in SB publications, trade fairs, federal procurement conferences, industry conferences and local affiliations, such as the Albuquerque Chambers of Commerce

(2) Be an active member of or collaborate with the following organizations–

- DOE Matchmaking Events
- Women’s Business Enterprise National Council
- Women’s Business Council Southwest
- National Association of Women Business Owners
- National 8(a) Association
- HUBZone Contractors’ National Council
- American Indian Chamber of Commerce of New Mexico (AICC)
- Minority Business Development Agency (MBDA)
- Albuquerque Chambers of Commerce, including Hispano, Black, and Greater Albuquerque
- NM Procurement Technical Assistance Programs (PTAPs) and Centers (PTACs)
- Small Business Administration (SBA)

(3) Use parent companies to gain access to various organizations supporting SB concerns

(4) Provide assistance to develop SB concerns in the following areas as appropriate–

- Bidders conferences to discuss and advise on specifications, statements of work and interpretation of requirements
- Provide a 5% pricing preference for appropriate procurements for capable New Mexico small, HUBZone, SDB, WOSB, VOSB, and SDVOSB concerns
- Site quality surveys to evaluate system and provide assistance to meet quality assurance requirements
- Post-award assistance to ensure requirements are fully understood and to assist in purchase order performance, as requested
- Financial assistance in the form of progress payments, where appropriate
- In-house SB symposia attended by procurement, projects, engineering, and facilities, to discuss and advise on new programs and upcoming requirements
- One-on-one interviews with SB concerns in-house and at SB conferences
- Supplier Kaizens for cycle time reduction or other process improvement

Collaborate with the Honeywell’s Socioeconomic Business Program Office (SEBPO), which is fully integrated across project and functional management. The SEBPO employs a full-time staff to ensure SB concerns are given every opportunity to participate on contracts. This office serves as the centralized location that proposal and project managers can contact to find SB concerns to meet the contract requirements. We identify capable SB concerns by using Sandia’s Business Opportunity Website and the government’s SAM and Dynamic Small Business Search, and notify them of subcontracting opportunities. We will also publicize opportunities at one-on-one counseling sessions and introductory meetings, trade fairs, federal procurement conferences, industry conferences, and local affiliations.

**SECTION IV. SUBCONTRACTING PLAN FLOW DOWN:**

NTESS agrees to include the clause at FAR 52.219-8, “Utilization of Small Business Concerns” in all subcontracts that offer further subcontracting opportunities, and that it will further require all subcontractors (except Small Business concerns), who receive subcontracts in excess of \$700,000,



(\$1,500,000 for construction), or most current thresholds, to adopt a subcontracting plan that complies with requirements at FAR 52.219-9, “Small Business Subcontracting Plan”.

**SECTION V. REPORTS AND SURVEYS:**

NTESS agrees to: (1) cooperate in any studies or surveys as may be required; (2) submit periodic reports which show compliance with the subcontracting plan; (3) register and enter required updates in the government-wide eSRS for Individual Subcontracting Reports (ISR) and the Summary Subcontracting Report (SSR); (4) ensure that subcontractors agree to submit the Subcontract Report for Individual Contracts and the Summary Subcontract Report in the eSRS; (5) provide information (e.g. NTESS’s prime contract number, DUNS number, and the e-mail address of the Offeror’s official responsible for acknowledging receipt of or rejecting the ISRs) to subcontractors to facilitate their filings in eSRS; (6) require that each subcontractor with a subcontracting plan provide the prime contract number, its own DUNS number, and the e-mail address of the subcontractor’s official responsible for acknowledging receipt of or rejecting the ISRs, to its subcontractors with subcontracting plans; and (7) submit site spend records in Management and Operating Contractor (M&O) Subcontract Reporting Capability (MOSRC) on a monthly basis, in accordance with Section H-22 of the Prime Contract.

As a Prime Contractor, NTESS will require applicable Subcontractors to register in the eSRS as a lower-tier subcontractor referencing the following set-up information:

<b>Required Element</b>	<b>Input Required</b>	<b>Where to find Input Information</b>
NTESS Prime Contract Number (eSRS)	Prime Contract #	Contact the Small Business Program Manager (SBPM) if not listed.
Subcontract Number	NTESS Purchase Order Number	(Reference Section I -Identification Data). Contract Number or Project Tracking Number.
DUNS Number	9-Digit Dun & Bradstreet (D&B) Number	Site/location specific ID for the subcontractor’s company. D&B contact number: 1-866-705-5711
Product and Service Codes	Alpha Numeric Code	Select code from report in eSRS
NAICS	6-Digit NAICS code	North American Industry Classification System Code. If unknown, there is a link to a web site search within the eSRS report or search here: <a href="http://www.census.gov/epcd/www/naics.html">http://www.census.gov/epcd/www/naics.html</a>

Input applicable reports in the eSRS within 30 days after the close of each calendar reporting period or contract completion. Update results in the eSRS for Individual Subcontracting Reports and the Summary Subcontracting Report by the deadline of each report period as indicated:

<u>Report Period Due</u>	<u>Report</u>	<u>Date Due</u>
10/01—03/31	Individual Subcontracting Report (ISR)	04/30
04/01—09/30	Individual Subcontracting Report (ISR)	10/30
10/01—09/30	Summary Subcontracting Report (SSR)	10/30

Follow individual report instructions to add the name of the individual authorized to receive and approve reports in the eSRS as indicated:

<b>Report</b>	<b>Prime- Govt Approval</b>	<b>Subcontract (lower-tier) Approval</b>
Individual Subcontracting Reports (ISR)	NNSA Administrating Contracting Officer	A) The individual identified in <u>SECTION II. PROGRAM ADMINISTRATOR</u> of this Plan  B) <u>Level Two and Subsequent Levels</u> – input the name/email for the Subcontract Administrator identified in the Subcontracting Plan
Summary Subcontracting Report (SSR)	NNSA Field Small Business Program Manager	• Email the summary for the fiscal year from all NNSA contracts and report to the NNSA Field Small Business Program Manager; SBPM will provide POC.
MOSRC		• Small Business Program Manager

**SECTION VI. RECORDS AND PROCEDURES:**

NTESS will maintain the following types of records to demonstrate procedures adopted to comply with the requirements and goals in this subcontracting plan. These records include, but are not limited to:

- A. Maintaining SB, HUBZone, SDB, WOSB, VOSB, and SDVOSB source lists, guides, and other data identifying such vendors.
- B. Organizations contacted for SB, HUBZone, SDB, WOSB, VOSB, and SDVOSB sources.
- C. On a contract-by-contract basis, all subcontract solicitations over the most current simplified acquisition threshold, which indicate for each solicitation (1) whether SB concerns were solicited, and if not, why not; (2) whether HUBZone SB concerns were solicited, and if not, why not; (3) whether SDB concerns were solicited, and if not, why not; (4) whether WOSB concerns were solicited, and if not, why not; (5) whether VOSB concerns were solicited, and if not, why not; (6) whether SDVOSB concerns were solicited, and if not, why not and (7) reasons for the failure of solicited SB, HUBZone, SDB, WOSB, VOSB, and SDVOSB concerns to receive the subcontract award.
- D. Records to support other outreach efforts, such as contacts with minority and SB trade associations, attendance at SB, SDB, WOSB, VOSB, and SDVOSB procurement conferences and trade fairs.
- E. Records to support internal activities to (1) guide and encourage purchasing personnel, such as workshops, seminars, training programs, incentive awards; and (2) monitor and evaluate compliance.

On a contract-by contract basis, records to support subcontract award data including the name, address, and business size of each subcontractor.

**SECTION VII. ADDITIONAL SUBCONTRACTING PLAN ASSURANCES:**

(A) NTESS will make a good faith effort to acquire articles, equipment, supplies, services, or materials, or obtain the performance of construction work from the small business concerns that it used in preparing the bid or proposal, in the same or greater scope, amount, and quality used in preparing and submitting the bid or proposal. Responding to a request for a quote does not constitute use in preparing a bid or proposal. NTESS used a small business concern in preparing the bid or proposal if--

(i) NTESS identifies the small business concern as a subcontractor in the bid or proposal or associated small business subcontracting plan, to furnish certain supplies or perform a portion of the subcontract; or

(ii) NTESS used the small business concern's pricing or cost information or technical expertise in preparing the bid or proposal, where there is written evidence of an intent or understanding that the small business concern will be awarded a subcontract for the related work if the Offeror is awarded the contract.

(B) NTESS will provide the Contracting Officer with a written explanation if the Contractor fails to acquire articles, equipment, supplies, services or materials or obtain the performance of construction work as described above to the Contracting Officer within 30 days of contract completion.

(C) NTESS will not prohibit a subcontractor from discussing with the Contracting Officer any material matter pertaining to payment to or utilization of a subcontractor.

(D) NTESS assures that small business subcontractors will be paid on time and in accordance with the terms and conditions of the underlying subcontract. NTESS will notify the Contracting Officer of reduced or untimely payments made to small business subcontractors in accordance with the written agreement on file between NTESS and the Contracting Officer.

This subcontracting plan was submitted by: National Technology & Engineering Solutions of Sandia, LLC

*Original Signed on file*

\_\_\_\_\_  
Delfinia L. Salazar  
Small Business Program Manager, NTESS  
Date: 10/20/2017

PLAN CONCURRED BY:

*Original Signed on file*

\_\_\_\_\_  
Gregory F. Gonzales  
NNSA Small Business Program Manager  
Date: 10/24/2017

PLAN ACCEPTED BY:

*Original Signed on file*

\_\_\_\_\_  
Corinne M. Sisneros  
NNSA Contracting Officer  
Date: 10/24/2017

**SECTION J - APPENDIX K**  
**PROGRAM MANAGEMENT AND COST REPORTS**

The Contractor shall submit monthly cost, schedule, and technical performance plans and reports as required by the Contracting Officer. The reports shall be consistent with and reconcilable to data captured in the Enterprise Portfolio Analysis Tool (EPAT) and Planning, Programming, Budgeting, and Evaluation (PPBE) tool. Consistent with the requirements of Section J, Appendix A, *Statement of Work*, the Contractor shall have systems in place to expand the information provided to a designated level consistent with the NNSA Defense Programs' approved Work Breakdown Structure (WBS), tailored by the designated Federal Program Manager.

(a) Monthly Submissions for Reporting

(1) Directed Cost Reporting at a minimum shall include:

- (i) Specified cost elements including labor, material, other procurements, and travel;
- (ii) Indirect/overhead costs to include overhead and fringe rates;
- (iii) Schedule status information at the specified activity level; and
- (iv) Performance measurement information when relevant.

(2) Weapon Program Management Reporting

The Contractor shall provide the following nuclear weapon programmatic information in support of program management and reporting requirements:

- (i) Program scope, milestones, changes to program baseline, accomplishments/benefits, and issues, risks, and opportunities;
- (ii) Year-to-date actual costs;
- (iii) Year-to-date commitments/encumbrances;
- (iv) Year-to-date total costs;
- (v) Budget Authority (BA) for the associated Budget and Reporting (B&R) Classification Codes by fiscal year of appropriation;
- (vi) Estimate at completion for the current fiscal year;
- (vii) Projected carry-over BA by fiscal year; and
- (viii) Earned value metrics for the current fiscal year, if applicable, per the Contracting Officer approved tailored EVMS approach.
- (ix) Project control reporting established by the designated Federal Program Manager.

The nuclear weapon programmatic information and status will be provided in a report that contains quadrant reporting (see Figure 1), performance reporting (see Figure 2), and earned value reporting per the Contracting Officer approved tailored EVMS approach (see Figure 3), as shown below or as requested by a Federal Program Manager.

(b) Annual Submissions for Reporting, such as, but not limited to:

Implementation Plans to include:

- (1) Spend Plans
- (2) Schedule Plans
- (3) Specifications of Scope of Work Activity

While identified as annual submissions, to remain relevant, the Contractor shall update these plans based on changes to budget, work scope and schedule and provide such information to NNSA when requested.

(c) Ad-hoc Submissions for Reporting such as, but not limited to:

- (1) Program Evaluation
- (2) Cost Estimating
- (3) Budget Validation
- (4) Earned Value Management Reporting, if applicable

The Contractor shall support these ad-hoc submissions by providing NNSA access to the appropriate systems and to Contractor personnel to analyze and evaluate plans, programs, and budgets. The Contractor shall ensure the costs of programs are presented accurately and completely. The Contractor shall support NNSA's evaluation of alternative technical strategies to ensure programs and projects can be efficiently implemented.

The Contractor shall provide the Contracting Officer, or designated authorized representative(s), access to information and documents comprising the Contractor's reporting system.

(d) Subcontractor Reporting

For projects not covered by DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*, or its successor, the Contractor shall include the above reporting requirements in all cost- reimbursement subcontracts when:

- (1) It is associated with a Defense Programs project where earned value management is required.
- (2) The value of the subcontract is greater than \$2 million, unless specifically waived by the Contracting Officer; or
- (3) It is determined prior to award that the subcontract effort is, or involves, a critical task related to the Contract.