

EXCEPTION TO SF 30, APPROVED BY NARS 5/79			
AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE 1 OF 2
2. AMENDMENT/MODIFICATION NO. M107	3. EFFECTIVE DATE October 1, 2009	4. REQUISITION/PURCHASE REQ. NO. NA27344	5. PROJECT NO. (If applicable)
6. ISSUED BY CODE		7. ADMINISTERED BY (If other than Item 6)	
U.S. Department of Energy/NNSA SC M&O Contract Support Division P.O. Box 5400 Albuquerque, NM 87185-5400		U.S. Department of Energy/NNSA Livermore Site Office M/S L-293 7000 East Avenue Livermore, CA 94550	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, country, State, and ZIP Code)		9A. AMENDMENT OF SOLICITATION NO.	
Lawrence Livermore National Security, LLC Lawrence Livermore National Laboratory M/S L-294 7000 East Avenue Livermore, CA 94550			
		9B. DATED (SEE ITEM 11)	
		x 10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC52-07NA27344	
		10B. DATED (SEE ITEM 13)	
CODE	FACILITY CODE	May 8, 2007	
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 ex-tended. 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 25, 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 ACKNOWLEDGEMENT 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) see attached			
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 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 data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103 (b).			
x C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Clause H-19 Modification Authority, Clause I-120 Changes, and Mutual Agreement			
D. OTHER (Specify type of modification and authority)			
E. IMPORTANT: Contractor __ is not, __XX__ is required to sign this document and return __2__ copies to the issuing office.			
14. DESCRIPTION OF AMENDMENT /MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) The contract is hereby modified to incorporate the changes to the contract Terms and Conditions as specified on page 2 of this modification. All other terms, conditions, total estimate cost and fees remain unchanged.			
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.			
15A. NAME AND TITLE OF SIGNER (Type or print) Paul E. Rosenkoetter Director, Prime Contract Management		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Ronna Promani, Contracting Officer U.S. Department of Energy /NNSA	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED 10/1/09	16B. UNITED STATES OF AMERICA By	16C. DATE SIGNED 10/1/09
(Signature of person authorized to sign)		(Signature of Contracting Officer)	

The following changes to the contract terms and conditions are incorporated into the contract and are summarized as follows.

H-6 Parent Oversight Plan	Paragraphs (c) and (d) revised.
H-8 Utilization of Parent Organization Support	Paragraph (b)(1) revised.
B-2 Contract Type and Value	Paragraph (e)(2) revised.

The changes to the contract terms and conditions are attached.

B-2 CONTRACT TYPE AND VALUE (M-107)

- (a) This Contract is a Cost-Reimbursement Management and Operating type contract that includes a Fixed Fee 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 LLNL. 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 LLNL.
- (b) Estimated Cost for the Contract's Transition Term.
- (1) The Estimated Cost for the Transition Term of the Contract is:
- | | |
|----------------------------------------|---------------------|
| <u>Transition Term of the Contract</u> | <u>Cost Ceiling</u> |
| 09May07 – 30Sep07 | \$ 13,836,279.00 |
- (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 Fee</u>	<u>Total Estimated Cost and</u>
01Oct07 – 30Sep08	\$1,260,000,000
01Oct08 – 30Sep09	\$1,260,000,000
01Oct09 – 30Sep10	\$1,260,000,000
01Oct10 – 30Sep11	\$1,260,000,000
01Oct11 – 30Sep12	\$1,260,000,000
01Oct12 – 30Sep13	\$1,260,000,000
01Oct13 – 30Sep14	\$1,260,000,000

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

<u>Contract Period Fee</u>	<u>Maximum Available</u>
01Oct07 – 30Sep08	\$45,542,169
01Oct08 – 30Sep09	\$45,542,169
01Oct09 – 30Sep10	\$42,506,024
01Oct10 – 30Sep11	\$42,506,024
01Oct11 – 30Sep12	\$42,506,024
01Oct12 – 30Sep13	\$39,469,880
01Oct13 – 30Sep14	\$39,469,880

- (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, excluding for Reimbursable work, utilizing the calculation method described below.

$$\begin{array}{rcccl}
 \text{Congressional Appropriation} & & \text{Maximum} & & \text{Adjusted} \\
 \hline
 \text{Available} & \times & \text{Available} & = & \text{Maximum} \\
 \text{Total Estimated Cost \& Fee} & & \text{Fee} & & \text{Fee for that Year}
 \end{array}$$

- (4) For FY 2008 through FY 2014, 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 each Award Term period earned by the Contractor is:

- (1) For the Award Term period specified in (d)(2) below, 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.
- (2) The Fixed Fee for each Award Term period earned by the Contractor related to the DOE/NNSA work effort, excluding 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.

<u>Contract Period</u>	<u>Total Estimated Cost</u>	<u>Fixed</u>
<u>Fee</u>		
*	\$ *	\$ *

[*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.

<u>Contract Period</u>	<u>Total Estimated Cost</u>	<u>Maximum Available Performance</u>
<u>Incentive Fee</u>		
*	\$ *	\$ *

[*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, excluding Reimbursable work. The fee will be adjusted in proportion to the change between the President's Budget and the Congressional appropriation.

Congressional Appropriation	Maximum	Adjusted
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$$\frac{\text{President's Budget}}{\text{X Available Fee}} = \text{Maximum Available Fee for that Year}$$

(e) Estimated Cost and Fee for Reimbursable Work.

- (1) The estimated cost and the maximum available fee for FY 2008 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 through a modification to this clause. The fee for each reimbursable work project will be 2.5% of the estimated cost of each project. If the work sponsor or the Government subsequently orders material changes in the amount or character of the Reimbursable Work, an equitable adjustment of the fee, if any, shall be made in accordance with the "Changes" clause. If the Contractor anticipates exceeding the estimated cost for reimbursable work due to new reimbursable work projects, an adjustment to the estimated cost and maximum available fee for reimbursable work shall be submitted for approval by the Contracting Officer.
- (2) The maximum available fee for each fiscal year shall be 2.5% of the estimated cost of NNSA's total estimated budget for reimbursable work. The estimated cost and maximum available fee related to the reimbursable work effort for the specified period is:

<u>Contract Period</u>	<u>Estimated Cost</u>	<u>Maximum Available Fee</u>	<u>Estimated Cost + Max Available Fee</u>
01Oct07 – 30Sep08	\$ 328,000,000	\$ 8,200,000	\$ 336,200,000
01Oct08 – 30Sep09	\$ 332,000,000	\$ 8,300,000	\$ 340,300,000
01Oct09 – 30Sep10	\$ 290,000,000	\$ 7,250,000	\$ 297,250,000
01Oct10 – 30Sep11			
01Oct11 – 30Sep12			
01Oct12 – 30Sep13			
01Oct13 – 30Sep14			

(f) Provisional Payment of Fee.

- (1) The Fixed Fee for FY 2008 and each subsequent fiscal year shall be paid monthly at the rate of one-twelfth (1/12) of the annual fixed fee 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, excluding 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.
- (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 \$13,836,279.00 and associated accounting and appropriation data is:

<u>Fund</u>	<u>Year</u>	<u>Report</u>	<u>SGL</u>	<u>Class</u>	<u>Object</u>	<u>Program</u>	<u>Amount</u>
00900	2007.01	100351	61000000	25200		2220660	\$ 867,500
00900	2007.01	100351	61000000	25200		2220743	\$ 1,750,000
00900	2007.01	100351	61000000	25200		2221940	\$ 1,873,000
00900	2007.01	100351	61000000	25200		2221079	\$ 1,270,500
01551	2007.01	100351	61000000	25200		2220210	\$ 1,239,000
00900	2007.01	100351	61000000	25200		2220660	\$ 595,000
00900	2007.01	100351	61000000	25200		2220684	\$ 290,279
00900	2007.01	100351	61000000	25200		2220715	\$ 725,000
00900	2007.01	100351	61000000	25200		2220723	\$ 2,405,000
00900	2007.01	100351	61000000	25200		2221925	\$ 965,000
00900	2007.01	100351	61000000	25200		2221946	\$ 600,000
00900	2007.01	100351	61000000	25200		2220803	\$ 600,000
00900	2006.01	100351	61000000	25200		2220785	\$ 315,000
00900	2007.01	100351	61000000	25200		2221949	\$ 88,000
00900	2007.01	100351	61000000	25200		2222031	\$ 253,000

- (i) (1) If the Contractor is part of a "teaming arrangement" as defined 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.

- (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.

H-6 PARENT OVERSIGHT PLAN (M-107)

- (a) On an annual basis, the Contractor shall provide a Parent Oversight Plan that details the Parent Organization's planned activities to monitor the Contractor's performance of statement of work activities including ISM and ISSM performance, and to assist the Contractor in meeting Laboratory mission and operational requirements. Elements of the Plan may be incorporated into the Laboratory's Performance Evaluation Plan. The Parent Oversight Plan for the FY 2008 is set forth as an appendix to the Contract's Section J. The Parent Oversight Plan shall identify the official(s) responsible for administration of the plan.
- (b) The annual Parent Oversight Plan update shall be submitted to the Contracting Officer six months prior to the forthcoming fiscal year for Contracting Officer review and approval.
- (c) The annual estimated cost for the Parent Oversight Plan is detailed below by contract period. Costs associated with subsequent annual Plan updates for the remainder of the Contract term will be incorporated into this clause via supplemental agreement modification. Costs shall only include: the actual direct labor costs of the persons performing such services; a percentage factor of direct labor costs to cover fringe benefits and payroll taxes; travel; and other direct costs. Any fee or other indirect costs such as allocation for overhead, G&A, and Cost of Money will not be reimbursed. The Contractor shall charge to the account of the Government using the special financial institution account as provided in the Contract's Section I Clause entitled "Payments and Advances," or as otherwise directed by the Contracting Officer.

Contract Period	Cost Estimate	Mod #
10/01/2007-09/30/2008	\$4,177,243	M-003
10/01/2008-09/30/2009	\$3,712,955	M-053
10/01/2009-09/30/2010	\$2,344,137	M-107
10/01/2010-09/30/2011		
10/01/2011-09/30/2012		
10/01/2012-09/30/2013		
10/01/2013-09/30/2014		

- (d) The Contractor shall provide periodic reports of Parent Oversight activities and costs incurred as required by the Contracting Officer.

Contract Period	Actual Costs	Mod #
10/01/2007-09/30/2008	\$2,901,859	M-107
10/01/2008-09/30/2009		
10/01/2009-09/30/2010		
10/01/2010-09/30/2011		
10/01/2011-09/30/2012		
10/01/2012-09/30/2013		
10/01/2013-09/30/2014		

- (e) Cost limitations set forth in paragraph (c) above shall not be exceeded without prior Contracting Officer approval. The Parties agree that the costs may be reviewed further for appropriateness and scope. In addition, the Parties agree that a tracking process, acceptable to the Contracting Officer, providing sufficient detail for reasonable accountability, shall be implemented. The Parties agree to negotiate in good faith any adjustments to these amounts as a result of empirical information from any such tracking system or reviews.

H-8 UTILIZATION OF PARENT ORGANIZATION SUPPORT (M-107)

- (a) Parent Organization Systems
- (1) The Parties agree that applying the Contractor's Parent Organization systems to site operations for the purpose of streamlining the Laboratory's operational, administrative and business systems, and Parent Organization services provided for that purpose, are allowable costs. The use of the Contractor's Parent Organization systems is encouraged provided that such systems are more efficient and represent an overall cost savings to the Government versus existing site systems, and data is readily transferable to a successor contractor. The Contracting Officer must approve the Contractor's proposed plan to use its Parent Organization systems. Such system and related support services are not considered a "Subcontract" as contemplated by the Contract's Section I Clause entitled "DEAR 970.5244-1 Contractor Purchasing System.(Deviation)"
- (2) If the Contractor's proposed plan is approved by the Contracting Officer, the Contractor may incur amounts for the approved systems and related support services and shall charge to the account of the Government using the special financial institution account as provided in the Contract's Section I Clause entitled "Payments and Advances," or as otherwise directed by the

Contracting Officer. Costs shall only include: the actual direct labor costs of the persons performing such services; materials; subcontracts; travel; other direct costs; and applicable indirect costs applied in accordance with the Contractor's Parent Organization's disclosed accounting practices, or, if applicable, Cost Accounting Standards Disclosure Statement. A separate fee for use of such systems and associated services is unallowable.

- (3) The Contractor shall provide periodic reports of activities and costs incurred as required by the Contracting Officer.
- (4) Rights in software and systems. The Contractor agrees to and does hereby grant to the Government an irrevocable, nonexclusive, paid-up license by or for the Government, in any Contractor-owned software and systems brought in and used under this Clause. Said license shall be limited to the continued operations of the Lawrence Livermore National Laboratory by successor contractors.

(b) Parent Organization Experts

- (1) The utilization of Parent Organization experts, which are defined herein as employees of Parent Organizations, for the purpose of achieving improvement in management and performance either to resolve deficiencies identified through Parent Organization oversight or in accordance with the Section H clause entitled "Contractor Multi-Year Strategy For Performance Improvement" are allowable costs subject to the conditions contained herein. Such Parent Organization experts' services are not considered a "Subcontract" as contemplated by the Contract's Section I Clause entitled "DEAR 970.5244-1 Contractor Purchasing System." The total estimated cost for Parent Organization experts' services is to be determined by the Contracting Officer during the Transition Period, and annually thereafter, and added via supplemental agreement contract modification.

Contract Period	Estimated Cost	Actual Cost	Mod #
10/01/2007-09/30/2008	\$925,000	\$724,863	M-107
10/01/2008-09/30/2009	\$1,250,000		M-053
10/01/2009-09/30/2010	\$4,000,000		M-107
10/01/2010-09/30/2011			
10/01/2011-09/30/2012			
10/01/2012-09/30/2013			
10/01/2013-09/30/2014			

- (2) The Contractor may incur costs for its Parent Organization experts and shall charge to the account of the Government using the special financial institution account as provided in the Contract's Section I Clause entitled "Payments and Advances," or as otherwise directed by the Contracting Officer. Costs shall only include: the actual direct labor costs of the persons performing such services; a percentage factor of direct labor costs to cover fringe benefits and payroll taxes; travel; and other direct costs. Any fee or other indirect costs such as allocation for overhead, G&A, and Cost of Money will not be reimbursed.
- (3) The Contractor shall provide periodic reports of activities and costs incurred as required by the Contracting Officer.