

2. AMENDMENT/MODIFICATION NO. 0037
 3. EFFECTIVE DATE See Block 16C
 4. REQUISITION/PURCHASE REQ NO
 5. PROJECT NO (If applicable)

6. ISSUED BY CODE 05115
 NNSA M&O Contracting Branch
 NA-APM-131
 Albuquerque Complex
 P.O. Box 5400
 Albuquerque NM 87185-5400
 7. ADMINISTERED BY (If other than Item 6) CODE 05004
 NNSA Kansas City Field OFC
 NA-00-KC
 P.O. Box 410202
 Kansas City MO 64141-0202

8. NAME AND ADDRESS OF CONTRACTOR (No street, county, State and ZIP Code)
 HONEYWELL
 Attn: JOHN MURRAY
 23500 WEST 105TH STREET
 MS 300
 OLATHE KS 66061
 9A. AMENDMENT OF SOLICITATION NO (x)
 9B. DATED (SEE ITEM 11)
 10A. MODIFICATION OF CONTRACT/ORDER NO X
 DE-NA0002833
 10B. DATED (SEE ITEM 13)
 07/09/2015
 CODE 007119050 FACILITY CODE

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended is not extended
 Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment. (b) By acknowledging receipt of this amendment on each copy of the offer submitted, or (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 the 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 Schedule

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE
 A THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO IN ITEM 10A
 B THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)
 X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF P.L. 95-91, Clause DEAR 970.5243-1 CHANGES
 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)

The purposes of this modification are to:
 1. Update the tables in Section B-2 regarding Estimated Costs and Fees and Earned Award Fee,
 2. Update Section J, Appendix B, Award Fee Plan.

See Page 2.

Payment:

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

15A. NAME AND TITLE OF SIGNER (Type or print) RICK LAVELOCK, VP, ISC
 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Ralph B. Tennant II

15B. CONTRACTOR/OFFEROR [Redacted Signature] 15C. DATE SIGNED 2-6-17
 16B. UNITED STATES OF AMERICA [Redacted Signature] 16C. DATE SIGNED 2/7/17

1. Clause B-2, CONTRACT TYPE AND VALUE, paragraph (b) Table 1, is modified and replaced in its entirety as follows. The dollar figures for Base Term Year 1 are filled in for Award Fee Earned and Total Fee Earned in accordance with the NNSA Fee Determining Official's determination.

Table 1 -- CLIN 0001 -- Management and Operation of NSC

Contract Period	Estimated Cost	Base Fee	Award Fee Available	Award Fee Earned	Total Fee Earned (Base + Award Fee)
Transition Term	\$ 233,076	\$0	\$0	\$0	\$0
Base Term (Year 1)	\$592,579,636	\$0	\$29,333,000	\$27,103,693	\$27,103,693
Base Term (Year 2)	\$605,912,677	\$0	\$29,993,000		
Base Term (Year 3)	\$619,242,756	\$0	\$30,653,000		
Base Term (Year 4)	\$632,618,400	\$0	\$31,315,000		
Base Term (Year 5)	\$646,662,528	\$0	\$32,010,000		
Option Term 1 (if exercised)	\$661,341,768	\$0	\$32,737,000		
Option Term 2 (if exercised)	\$676,354,226	\$0	\$33,480,000		
Option Term 3 (if exercised)	\$691,707,467	\$0	\$34,240,000		
Option Term 4 (if exercised)	\$707,409,226	\$0	\$35,017,000		
Option Term 5 (if exercised)	\$723,467,416	\$0	\$35,812,000		

2. Table 2 CLIN 0002 – Work for Others and Other Reimbursable Work is modified and replaced in its entirety as follows. The dollar figures for Base Term Year 2 are changed from "\$TBD" to the agreed upon Cost and Fee figures.

Contract Period	Estimated Cost	Fixed Fee*	Estimated Cost + Fixed Fee
Base Term Year 1	\$297,455,000	\$13,980,000	\$311,435,000
Base Term Year 2	\$362,600,000	\$16,300,000	\$378,900,000
Base Term Year 3	\$TBD	\$TBD	\$TBD
Base Term Year 4	\$TBD	\$TBD	\$TBD
Base Term Year 5	\$TBD	\$TBD	\$TBD
Option Term 1 (if exercised)	\$TBD	\$TBD	\$TBD
Option Term 2 (if exercised)	\$TBD	\$TBD	\$TBD
Option Term 3 (if exercised)	\$TBD	\$TBD	\$TBD
Option Term 4 (if exercised)	\$TBD	\$TBD	\$TBD
Option Term 5 (if exercised)	\$TBD	\$TBD	\$TBD

3. Section J, Appendix B, Award Fee Plan. The attached award fee plan, consisting of 12 pages, is hereby included as Appendix B.
4. All other terms and conditions remain unchanged.

Fiscal Year 2017
DOE/NNSA Strategic Performance Evaluation and Measurement Plan (PEMP)

Honeywell Federal Manufacturing and Technologies

MANAGEMENT AND OPERATION OF THE

Kansas City National Security Campus

Contract Number: DE-NA0002839

Performance Evaluation Period: October 01, 2016 through September 30, 2017



John Riccardelli
President
Honeywell FM&T

9/28/16
Date



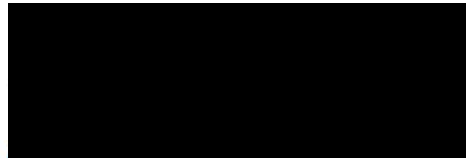
Mark Holecek
Field Office Manager
Kansas City Field Office
National Nuclear Security Administration

9/29/16
Date



Kaniah W Konkoly-Thomas
General Counsel
Honeywell FM&T

9/28/16
Date



Hilary A. Cole
Contracting Officer
Kansas City Field Office
National Nuclear Security Administration

9/29/16
Date

FY 2017 Performance Evaluation and Measurement Plan

Document Revision History

Revision	Date	Change Description
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INTRODUCTION

The Kansas City National Security Campus (KCNSC) is a Government leased facility, owned by the United States Department of Energy (DOE), herein referenced as “the plant,” and is managed by Honeywell Federal Manufacturing and Technologies (FM&T). Pursuant to the terms and conditions of the Contract, this NNSA Performance Evaluation and Measurement Plan (PEMP) sets forth the criteria in which Honeywell FM&T performance will be evaluated and upon which the determination of the amount of award fee earned shall be based. The available award fee amounts for FY 2017 are specified in Section B, *Supplies or Services and Prices/Costs*, of the contract. This PEMP promotes a strategic Governance and Oversight framework based on prudent management of risk, accountability, transparency, and renewed trust. It has been written to implement the collective governance and oversight reform principles as expressed by the DOE/National Nuclear Security Administration (NNSA).

PERFORMANCE BASED APPROACH

DOE/NNSA will use a performance-based approach to evaluate Honeywell FM&T performance. The performance-based approach is comprised of Goals, Objectives, and Key Outcomes (KOs) that will be measured against authorized work in terms of cost, schedule, and technical performance, as well as respective outcomes, demonstrated performance, and impact to the DOE/NNSA mission.

MISSION

KCNSC

The objective of this Contract is to obtain non-nuclear production services to support National Nuclear Security Administration (NNSA) and broader national security requirements. Honeywell FM&T shall be fully responsible for functions to support NNSA Stockpile Stewardship and Management Program activities directed by the Office of Defense Programs (DP). Furthermore, Honeywell FM&T shall directly support the NNSA Offices of Safeguards Transportation and Nuclear Non-Proliferation in addition to other Department of Energy (DOE) offices. Beyond DOE/NNSA, Honeywell FM&T shall provide services to ongoing missions for other Government agencies or privately owned organizations in accordance with policies identified in the operating requirements.

MISSION PERFORMANCE

The Plant is accountable for and will be evaluated on successfully executing mission work in accordance with applicable DOE/NNSA safety, quality, and security requirements consistent with the terms and conditions of the Contract. Protection of worker and public safety, the environment, and security are essential and implicit elements of successful mission performance. Accordingly, safety and security improvements and accomplishments are integral to mission performance and will be evaluated in meeting all Goals. The model for this PEMP is to rely on The Plant’s leadership to use appropriate DOE contractual requirements and recognized industrial standards based on consideration of assurance systems, and the related measures, metrics, and evidence. **The Plant is expected to manage in a safe, secure, efficient, effective, results-driven manner, with appropriate risk management and transparency to the government, while taking appropriate measures to minimize costs that do not compromise core objectives and mission performance.** Quality products and services are expected to be delivered on-schedule and within budget.

CONSIDERATION OF CONTEXT IN PERFORMANCE EVALUATION

The evaluation of performance will consider “context” such as unanticipated barriers (e.g., budget restrictions, rule changes, circumstances outside The Plant’s control), degree of difficulty, significant accomplishments, and other events that may occur during the performance period. A significant safety

or security event may result in an overall limitation to adjectival ratings. Such impacts may be mitigated by the response to the incident, and by other initiatives to improve overall safety or security performance. The Plant is encouraged to note significant safety and security continuous improvements.

PERFORMANCE RATING PROCESS

DOE/NNSA will review performance throughout the performance evaluation period, and provide tri-annual feedback reports to The Plant highlighting successes and/or needed improvement. At the end of the performance evaluation period, an evaluation of The Plant's performance will be completed and documented in a Performance Evaluation Report (PER). The PER will include the performance ratings for the subject performance evaluation period. Objectives and Key Outcomes (KOs) will be assessed in the aggregate to determine an adjectival performance rating for each Goal. DOE/NNSA will consider The Plant's end of performance evaluation period self-assessment status report in the performance evaluation. The performance ratings will be determined in accordance with FAR 16.401(e) (3) yielding ratings of Excellent, Very Good, Good, Satisfactory or Unsatisfactory. The Goals will then be considered in the aggregate to provide an overall rating and percentage of award fee earned for the contract. Notwithstanding the overall strategic framework, any significant failure may impact the overall rating and award fee earned.

PEMP CHANGE CONTROL

It is essential that a baseline of performance expectations be established at the beginning of the performance period to equitably measure performance, and that changes to that baseline are carefully managed. Any change to the PEMP requires concurrence by the appropriate program office and the NNSA Senior Procurement Executive prior to the Field Office Manager and Contracting Officer signatures. While recognizing the unilateral rights of DOE/NNSA as expressed in the contract terms and conditions, bilateral changes are the preferred method of change whenever possible.

FINAL DECISION

The Plant may request a face-to-face meeting with the FDO to highlight their site's strategic performance at the end of the performance evaluation period. This meeting should occur within the first two weeks after the end of the period. The Fee Determining Official (FDO) makes the final decision regarding the performance ratings and percentage of award fee earned. This is a unilateral decision made solely at the discretion of the FDO.

TOTAL AVAILABLE AWARD FEE ALLOCATION

Performance Category	Goal	% At-Risk Fee Allocation
Programs	Goal-1: Manage the Nuclear Weapons Mission	40%
Programs	Goal-2: Reduce Nuclear Security Threats	10%
Programs	Goal-3: DOE and Strategic Partnership Project Mission Objectives	2.5%
Programs	Goal-4: Science, Technology, and Engineering (ST&E)	5%
Operations & Mission Execution	Goal-5: Operations and Infrastructure	32.5%
Leadership	Goal-6: Leadership	10%

UNEARNED FEE

DOE/NNSA reserves the right to withdraw and redistribute DOE/NNSA unearned fees.

INNOVATIVE SOLUTIONS

The Plant will recommend innovative, science-based, systems-engineering solutions to the most challenging national and global problems. The Plant will also provide evidence to support programmatic needs and operational goals tempered by risk. DOE/NNSA will take into consideration all major functions including safety and security contributing to mission success. In addition, The Plant is expected to recommend and implement innovative business and management improvement solutions that enhance efficiencies.

Goal-1: Manage the Nuclear Weapons Mission

Successfully execute Nuclear Weapons mission work in a safe and secure manner in accordance with DOE/NNSA Priorities, Program Control Document and Deliverables, Program Implementation Plans, and Weapon Quality Assurance Requirements. Integrate across the Kansas City National Security Campus, while maintaining a DOE/NNSA enterprise-wide focus, to achieve greater impact on strategic national security priorities.

Objectives:

- Objective-1.1 Accomplish work as negotiated with program sponsors and partners integrating quality requirements into an effective Quality and Nuclear Enterprise Assurance program at their sites and through their suppliers that results in the design, production, and delivery of safe, secure, and reliable weapon products meeting performance, transportation, and cost effective operations.
- Objective-1.2 Maintain knowledge of the state of the stockpile, resulting from successful execution of the stockpile surveillance program and a robust scientific and engineering understanding for the delivery of the annual stockpile assessment.
- Objective-1.3 Execute stockpile work to deliver stockpile system maintenance, production, limited-life component exchanges, weapon containers and dismantlements.
- Objective-1.4 Demonstrate the application of new strategies, technologies, and scientific understanding to support stewardship of the existing stockpile and future stockpile needs.
- Objective-1.5 Sustain unique science and engineering capabilities, facilities and essential skills to ensure current and future Nuclear Weapons mission requirements will be met.
- Objective-1.6 Execute Phase 6.X product realization processes and activities in support of nuclear weapon life extension programs, modifications, and alterations in accordance with NNSA requirements, Nuclear Weapons Council guidance, and NNSA project control processes: to 1) integrate schedules; 2) lower risks; 3) control costs; and, 4) control change.

Key Outcome(s):

- KO-1.1 Quality Performance Scorecard: Achieve quality performance metrics as described in the KCFO Quality Performance Scorecard Definition.
- KO-1.2 Execute the following Weapon Quality Assurance initiatives:
 - Implement continuous improvement projects to correct identified systemic weapon product/process defects (nonconformance).
 - Continue supplier quality management improvements that ensure validation of procured weapon product to design and quality requirements.
- KO-1.3 Demonstrate effective risk management of supplier base and implement efficient strategies to achieve mission requirements.

Goal-2: Reduce Nuclear Security Threats

Successfully execute authorized global nuclear security mission work in a safe and secure manner to include the Defense Nuclear Nonproliferation, Nuclear Counterterrorism, and Counter Proliferation and Incident Response missions. Integrate across the NNSA enterprise to achieve greater impact on a focused set of strategic national security priorities.

Objectives:

- Objective-2.1 Support efforts to secure, account for, and interdict the illicit movement of nuclear weapons, weapons-useable nuclear materials and radiological materials.
- Objective-2.2 Support U.S. national and nuclear security objectives in reducing global nuclear security threats through the innovation of unilateral and multi-lateral technical capabilities to detect, identify, and characterize: 1) foreign nuclear weapons programs, 2) illicit diversion of special nuclear materials, and 3) global nuclear detonations.
- Objective-2.3 Support efforts to achieve permanent threat reduction by managing and minimizing excess weapons-useable nuclear materials and providing nuclear materials for peaceful uses.
- Objective-2.4 Support efforts to prevent proliferation, ensure peaceful nuclear uses, and enable verifiable nuclear reductions in order to strengthen the nonproliferation and arms control regimes.
- Objective-2.5 Sustain and improve nuclear counterterrorism and counterproliferation science, technology, and expertise; execute unique emergency response missions, implement policy in support of incident response and nuclear forensics missions, and assist international partners/ organizations.

Key Outcome(s):

- KO-2.1 Field Operations – Support Stabilization new city deployments and existing city sustainment trainings. Provide planning for national level Render Safe exercises as well as watch bill support for national level Render Safe and Forensics exercises.
- KO-2.2 Readiness – Procure and/or manufacture tools and equipment for use in counterterrorism and accident missions. Provide equipment management and depot operations for Stabilization, Render Safe and DFO (DOE Forensics Operations) missions.
- KO-2.3 Technology Development – Propose new tools, processes, procedures and/or concepts that would enhance the capability or efficiency of the missions, and participate in the Technical Integration (TI) programs.

Goal-3: DOE and Strategic Partnership Project Mission Objectives

Successfully execute high-impact work for DOE and Strategic Partnership Project Mission Objectives safely and securely. Demonstrate the value of the work in addressing the strategic national security needs of the U.S. Government.

Objectives:

- Objective-3.1 Pursue and perform high-impact work for DOE that strategically integrates with the DOE/NNSA mission, and leverages, sustains and strengthens unique science and engineering capabilities, facilities and essential skills.
- Objective-3.2 Pursue and perform high-impact Strategic Partnership Projects that strategically integrates with the DOE/NNSA mission, and leverages, sustains and strengthens unique science and engineering capabilities, facilities and essential skills in support of national security mission requirements.

Key Outcome(s):

None

Goal-4: Science, Technology, and Engineering (ST&E)

Successfully advance national security missions and advance the frontiers of ST&E in accordance with budget profile, scope, cost, schedule and risk while achieving the expected level of quality, safety and security. Effectively manage Kansas City National Security Campus Plant Directed Research and Development (PDRD) and Technology Transfer programs to advance the frontiers of ST&E.

Objectives:

- Objective-4.1 Execute a research strategy that is clear and aligns discretionary investments (e.g., (PDRD)) with KCNSC strategy and supports DOE/NNSA priorities.
- Objective-4.2 Ensure that research is relevant, enables the national security missions, and benefits DOE/NNSA and the nation.
- Objective-4.3 Ensure that research is transformative, innovative, leading edge, high quality, and advances the frontiers of science and engineering.
- Objective-4.4 Maintain a healthy and vibrant research environment that enhances technical workforce competencies and research capabilities.
- Objective-4.5 Research and develop high-impact technologies through effective partnerships and technology transfer mechanisms that support the KCNSC strategy, DOE/NNSA priorities and impact the public good; ensure that reporting and publishing (via DOE's Public Access Plan) requirements for broad availability of federally funded scientific research are implemented.

Key Outcome(s):

None

Goal-5: Operations and Infrastructure

Effectively and efficiently manage the safe and secure operations of the KCNSC while maintaining an NNSA enterprise-wide focus; demonstrate accountability for mission performance and management controls; assure mission commitments are met with high-quality products and services; and maintain excellence as a 21st century government-owned, contractor-operated facility.

Objectives:

- Objective-5.1 Deliver effective, efficient, and responsive environment, safety, health and quality (ESH&Q) management and processes.
- Objective-5.2 Accomplish capital projects in accordance with scope, cost, and schedule baselines.
- Objective-5.3 Deliver effective, efficient, and responsive safeguards and security. Deliver effective site emergency management programs in support of the DOE/NNSA Emergency Management Enterprise.
- Objective-5.4 Manage NNSA infrastructure to maintain, operate and modernize DOE/NNSA facilities, infrastructure, and equipment in an effective, energy efficient manner that minimizes operational, security, and safety risks. Improve site conditions via: 1) disposition of unneeded infrastructure and excess hazardous materials, 2) increasing the viable use of facilities and equipment, and 3) delivering cost efficient improvements. Demonstrate progress to advance the Department of Energy's crosscut initiative to halt the growth of deferred maintenance and support arresting the declining state of infrastructure while working collaboratively with NNSA to implement management improvements (e.g, G2, MDI, BUILDER, and AMPs). Support NNSA's corporate sustainability and energy conservation goals including use of ESPCs and UESCs.
- Objective-5.5 Deliver efficient and effective business operations and systems, financial management, including financial transparency, budget formulation and execution, and internal controls.
- Objective-5.6 Deliver efficient and effective management of legal risk and incorporation of best legal practices.
- Objective-5.7 Deliver effective, efficient, and responsive information technology and cyber security.

Key Outcome(s):

- KO-5.1 Bannister Disposition: Support KCFO/preferred planning partner pre-transfer efforts, completion of a transfer agreement, and complete all physical and personnel actions necessary to transfer complete Bannister operations to the commercial partner.
- KO-5.2 Improve contractor oversight processes to ensure comprehensive and accurate reporting, timely identification and correction of issues, including metrics that provide accurate, meaningful, and timely information concerning the health of the security program. Implement consistent tools for conducting site assessments with a risk management strategy.
- KO-5.3 Support milestones for the improvement of emergency preparedness and response core capabilities and demonstrate site-specific actions to increase overall readiness

and performance. Integrate the Headquarters Emergency Management Team and Emergency Operations Center into site exercises and operations (NA-40).

KO-5.4

Complete revisions to Continuity of Operations planning to assure that operations can be continued or reconstituted after an unplanned event involving loss of facilities, workforce, supply chain, or critical systems.

Goal-6: Leadership

Successfully demonstrate leadership in supporting the direction of the overall DOE/NNSA mission, improving safety culture, the responsiveness of Honeywell Federal Manufacturing and Technologies leadership team to issues and opportunities for continuous improvement internally and across the Enterprise, and parent company involvement/commitment to the overall success of the KCNSC and the Enterprise.

Objectives:

- Objective-6.1 Define and implement a realistic strategic vision for the Kansas City National Security Campus, in alignment with the NNSA Strategic Vision, which demonstrates enterprise leadership and effective collaborations across the NNSA enterprise to ensure DOE/NNSA success.
- Objective-6.2 Demonstrate performance results through the institutional utilization of a Contractor Assurance System and promoting a culture of critical self-assessment, transparency, and accountability through the entire organization, while also leveraging parent company resources and expertise.
- Objective-6.3 Demonstrate leadership engagement in integrating Nuclear Security Enterprise (NSE) activities; enhancing cooperation and problem solving among NSE elements; and incorporating best practices and lessons learned from other NSE elements.
- Objective-6.4 Exhibit professional excellence in performing roles/responsibilities while pursuing opportunities for continuous learning.

Key Outcome(s):

None