

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT 1. CONTRACT ID CODE PAGE 1 OF 18 PAGES

2. AMENDMENT/MODIFICATION NO. **0008** 3. EFFECTIVE DATE **May 01, 2017** 4. REQUISITION/PURCHASE REQ. NO. 5. PROJECT NO. (If applicable)

6. ISSUED BY **U.S. Department of Energy
National Nuclear Security Administration
Sandia Field Office
P.O. Box 5400, MS 0184
Albuquerque, NM 87185-5400** CODE 7. ADMINISTERED BY (If other than Item 6) CODE

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, state, ZIP Code) **National Technology & Engineering Solutions of Sandia, LLC
Attn: John Murray
23500 W 105th Street MD300
Olathe, KS 66061** 9A. AMENDMENT OF SOLICITATION NO. 9B. DATED (SEE ITEM 11) 10A. MODIFICATION OF CONTRACT/ORDER NO. **DE-NA0003525** 10B. DATED (SEE ITEM 13) **12/16/2016**

CODE 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 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.**

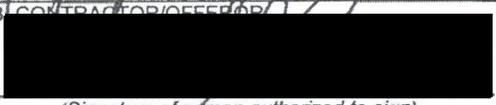
CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO (Specify authority): THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE-NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (Such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	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.)

The purpose of this modification is to: 1) incorporate several changes to the contract as described on page 2 thru 18; 2) Replace Appendix B, List of Applicable Directions and NNSA Policy Letters, in its entirety (Attachment 1); and 3) incorporate the fully executed Special Financial Agreement in Attachment G (Attachment 2); and 4) accept NTESS' revised transition plan dated April 12, 2017 (Attachment 3).

15A. NAME AND TITLE OF SIGNER (Type or print) **Victor Miller, Acting GC and Contracts Director
National Technology & Engineering Solutions of Sandia, LLC** 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print), **Lindsey VanNess, Contracting Officer
Sandia Field Office, NNSA**

15B. CONTRACTOR/OFFEROR BY  (Signature of person authorized to sign) 15C. DATE SIGNED **4/28/17** 16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer) 16C. DATE SIGNED **4.29.17**

The purpose of this modification is to: 1) incorporate several changes to the contract as described on page 2 thru 18; 2) Replace Appendix B, List of Applicable Directions and NNSA Policy Letters, in its entirety (Attachment 1); and 3) incorporate the fully executed Special Financial Agreement in Attachment G (Attachment 2); and 4) accept NTESS’ revised transition plan dated April 12, 2017 (Attachment 3).

- 1- Replace Section B-2, Contract Type and Value, paragraph (c), Table 2 – CLIN 0002 – Strategic Partnership Projects, in its entirety with the following:

Contract Period	Estimated Cost	Fixed Fee	Estimated Cost + Fixed Fee
Base Term 05/01/2017 – 9/30/2017	\$437,377,148	\$3,936,394	\$441,313,542
Base Term 10/01/2017 – 9/30/2018	\$1,048,090,188	\$9,432,812	\$1,057,523,000
Base Term 10/01/2018 – 9/30/2019	\$TBD	\$TBD	\$TBD
Base Term 10/01/2019 – 9/30/2020	\$TBD	\$TBD	\$TBD
Base Term 10/01/2020 – 9/30/2021	\$TBD	\$TBD	\$TBD
Base Term 10/01/2021 – 4/30/2022	\$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

- 2- Section H, clause H-4 ORGANIZATIONAL CONFLICT OF INTEREST (OCI) – SPECIAL PROVISION, change the date in the following sentence from “November 1st of each year” to “the first week in December of each year”.

The Contractor shall submit to the Contracting Officer annual Organizational Conflict of Interest (OCI) Disclosure Update Statements beginning the first week in December of each year after Contract award.

- 3- Replace H-24 CONTRACTOR COMMUNITY COMMITMENTS, in its entirety with the following:

H-24 CONTRACTOR COMMUNITY COMMITMENTS

The Contractor shall deliver within 180 calendar days after the effective date of the Contract, a community commitment plan that has been discussed between the Contractor and the community. The plan shall be consistent with the intent of DEAR 970.5226-3, "Community Commitment". The plan shall describe the Contractor's planned activities as to how it will be a constructive partner to the communities in the State of New Mexico and California. The Contractor is encouraged to consider specific performance goals around maximizing subcontracting to businesses within New Mexico and Strategic Partnerships with New Mexico's system of higher education. Reasonable costs associated with the development of the plan will be considered allowable, while costs associated with implementing the plan are unallowable.

- 4- Add the reference to the Personnel Appendix (Appendix C) in Section H, clause H-33 ADVANCE UNDERSTANDING REGARDING ADDITIONAL ITEMS OF ALLOWABLE AND UNALLOWABLE COSTS AND OTHER MATTERS, as follows:

From: (1) Personnel costs in accordance with Appendix A attached to this Contract.

To: (1) Personnel costs in accordance with Appendix A, *Statement of Work*, Chapter III, *Human Resources*, and Appendix C, *Personnel Appendix*, attached to this Contract.

- 5- H-33 ADVANCE UNDERSTANDING REGARDING ADDITIONAL ITEMS OF ALLOWABLE AND UNALLOWABLE COSTS AND OTHER MATTERS, add an additional paragraph to paragraph (a) to read as follows:

(2) Board of Managers Costs, consistent with Appendix A, subsection 3.3, Parent Organization(s), paragraphs (iv – vi). Annually the contractor shall submit to the Contracting Officer a request for approval of the BOM costs for the upcoming fiscal year NLT July 1st, this request will establish a not-to-exceed ceiling and will be captured below. The established cost ceiling set forth below shall not be exceeded without prior Contracting Officer approval. Costs may be reviewed at any time. In addition, the Contractor shall implement a tracking process, acceptable to the Contracting Officer, providing sufficient detail for reasonable accountability of these costs.

Contract Period	Cost Ceiling	Mod #
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April 1, 2017 – September 30, 2017		
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FY2018		
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FY2019		
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FY2020		
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FY2021		
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FY2022		
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6- Add the following new Section H clause as follows:

H-37 DEFINITION OF UNUSUALLY HAZARDOUS OR NUCLEAR RISK AND OTHER TERMS FOR PURPOSES OF FAR CLAUSE 52.250-1, INDEMNIFICATION UNDER PUBLIC LAW 85-804 (APR 1984) ALT I (APR 1984)

- i. The term "a risk defined in this contract as unusually hazardous or nuclear" as used in FAR Clause 52.250-1 means the risk of legal liability to third parties (including legal costs as defined in paragraph jj of Section 11 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. Section 2014 jj, notwithstanding the fact that the claim or suit may not arise under Section 170 of said Act), arising from actions or inactions in the course of the following performed by the Contractor, under this contract:
 1. Participation in activities in support of a nonproliferation effort on behalf of the United States, outside the United States, as described in (i) through (iii):
 - a. Participation in DOE/NNSA's Nuclear Emergency Search Team ("NEST");
 - b. Participation in DOE/NNSA's Accident Response Group ("ARG");
 - c. Participation in DOE/NNSA's Joint Technical Operations Team ("JTOT");

to the extent participation in these foregoing activities described in subparagraphs (i.), (ii.), or (iii.) above encompass nuclear activities involving real or suspected nuclear weapons, nuclear weapons components, or nuclear materials which can be readily utilized either (A) for the production or fabrication of nuclear weapons without substantial effort; or (B) for intentional widespread contamination or dispersal of harmful nuclear materials, whether or not such real or suspected weapons, components, or harmful nuclear materials are owned by the United States; and

2. Maintenance and repair of United States-owned nuclear weapons, as requested by the Department of Defense under DOE's Stewardship role for the United States nuclear weapons stockpile; and
3. Activities on behalf of the DOE/NNSA or other United States sponsored high risk activities as described in (i.) through (iv.) in response to imminent terrorist threats:
 - a. Chem-Bio Decontamination Foam which was developed by Sandia National Laboratories rendering inert both biological and chemical agents. These have been extensively tested in normal conditions and used to decontaminate facilities in the U.S., including the Senate Hart Office Building and may be slated for possible use outside the United

States.

- b. Synthetic Aperture Radar Systems which were developed, miniaturized, and produced for use by the military to provide all-weather, high-resolution imagery. The military is increasingly relying on the resulting images for maps of operations.
 - c. Monitors for Detecting Traces of Explosives which were developed by Sandia National Laboratories in both stationary and portable formats for screening personnel, cargo, small packages, and vehicles, and are being used by domestic and foreign governments at both public and private facilities.
 - d. Chem-Bio Detectors, developed by Sandia National Laboratories, to provide early warning of the presence of agents in public areas such as mass transportation systems including those deployed in the Washington, D.C. Metro and elsewhere.
4. Participation in tasks or activities by NTESS or its subcontractors on or after March 11, 2011, that is directed or authorized by the DOE/NNSA as an element of activities taken in response to the Japan earthquake and tsunami, including efforts to address and access damage to nuclear power plants and potential radioactive releases from these plants now and in the future; and
5. Other activities relating to non-proliferation, emergency response, anti-terrorism activities, or critical national security activities that involve the use, detection, identification, assessment, control, containment, dismantlement, characterization, packaging, transportation, movement, storage, or disposal of nuclear, radiological, chemical, biological, or explosive material, facilities, or devices, and nuclear weapons research, design, development, production, testing and maintenance, and development of technology as part of Government programs for nuclear weapons deployment, storage and stockpile stewardship, transportation, demilitarization, dismantlement or disposition, provided such activities are specifically requested or approved, in writing, by the President of the United States, the Secretary of Energy, the Deputy Secretary of Energy, or an Under Secretary, and further provided that the request or approval specifically identifies a particular project involving one of those activities and makes the indemnity provided by this clause applicable to that particular project under the contract.
- ii. The unusually hazardous or nuclear risks described above are indemnified only to the extent that they are not covered by the Price-Anderson Act, Section 170d of the Atomic Energy Act of 1954, as amended, (42 U.S.C. Section 2210d) or where the indemnification provided by the Price-Anderson Act is limited by the restriction on public Liability imposed by Section 170e of the Atomic Energy Act of 1954, as amended (42 U.S.C. Section 2210e) to an amount which is not sufficient to provide

complete indemnification for the legal liability to which the contractor is exposed.

iii. Additional Definitions of Terms

1. As used in this H-37 clause,
 - a. the term "nuclear materials" means source, special nuclear, or byproduct materials as those terms are defined in Section 11 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. Section 2014.
2. As used in FAR 52.250-1 INDEMNIFICATION UNDER PUBLIC LAW 85-804 (APR 1984) (ALTERNATE I) (APR 1984),
 - a. the term "Contractor" except as used in paragraphs (a) and (e) of I-29 FAR 52.250-1 means
 - i. National Technology & Engineering Solutions of Sandia, LLC (NTESS),
 - ii. NTESS' parent organization, Honeywell International, Inc., corporate successors of Honeywell International, Inc., and corporate affiliates of Honeywell International, Inc., and
 - iii. Employees, officers and directors of (A) and/or (B) above named or threatened to be named as defendants in lawsuits or litigation threatened or initiated by third parties which seek to impose or establish, or which could result in, a risk which is defined in this contract as unusually hazardous or nuclear, on account of actions or inactions of NTESS, or on account of actions or inactions undertaken by the corporations or individuals identified in subparagraph (A) and/or (B) above for, on behalf of, or with respect to, NTESS under this contract; and
 - b. the term "Contractor" as used in paragraphs (a) and (e) of I-29 52.250-1 means NTESS;
 - c. term "Contractor's business" means the management and operation of Sandia National Laboratories for DOE/NNSA under this contract;
 - d. the terms "Contractor's operations at any one plant or separate location in which this contract is being performed" and "a separate and complete major industrial operation in connection with the performance of this contract" mean the Sandia National Laboratories facilities located at Kirtland Air Force Base in Albuquerque, New Mexico and Livermore, California, and facilities in Tonopah, Nevada,

- 10- Correct the date of the clause of FAR 52.223-6 *Drug Free Workplace* in the table in section A. *FAR Clauses Incorporated by Reference* as follows:

From: May 2011 To: May 2001

- 11- Correct the date of the clause of FAR 52.232-24 *Prohibition on Assignment of Claims* in the table in section A. *FAR Clauses Incorporated by Reference* as follows:

From: Apr 1984 To: May 2014

- 12- Updated Section I clause I-12 FAR 52.247-67 *Submission of Transportation Documents for Audit (Feb 2006)*, paragraph (c) as follows:

From: Contractors shall submit the above referenced transportation documents to —**the Contracting Officer.**

To: Contractors shall submit the above referenced transportation documents to — **the Contracting Officer, as requested. Such documents shall remain on-site by the Contractor.**

- 13- Replace Section I clause I-17 DEAR 952.250-70 *Nuclear Hazards Indemnity Agreement (AUG 2016)*, in its entirety as follows:

I-17 DEAR 952.250-70 *Nuclear Hazards Indemnity Agreement (AUG 2016)*

(a) *Authority.* This clause is incorporated into this contract pursuant to the authority contained in subsection 170d. of the Atomic Energy Act of 1954, as amended (hereinafter called the Act.)

(b) *Definitions.* The definitions set out in the Act shall apply to this clause.

(c) *Financial protection.* Except as hereafter permitted or required in writing by DOE, the Contractor will not be required to provide or maintain, and will not provide or maintain at Government expense, any form of financial protection to cover public liability, as described in paragraph (d)(2) below. DOE may, however, at any time require in writing that the Contractor provide and maintain financial protection of such a type and in such amount as DOE shall determine to be appropriate to cover such public liability, provided that the costs of such financial protection are reimbursed to the Contractor by DOE.

(d)

(1) *Indemnification.* To the extent that the Contractor and other persons indemnified are not compensated by any financial protection permitted or required by DOE, DOE will indemnify the Contractor and other persons indemnified against (i) claims for public liability as described in subparagraph (d)(2) of this clause; and (ii) such legal costs of the Contractor and other persons indemnified as are approved by DOE, provided that DOE's liability, including such legal costs, shall not exceed the amount set forth in section 170e.(1)(B) of the Act in the aggregate for each nuclear incident or precautionary evacuation occurring within the United States or \$500 million in the

aggregate for each nuclear incident occurring outside the United States, irrespective of the number of persons indemnified in connection with this contract.

(2) The public liability referred to in subparagraph (d)(1) of this clause is public liability as defined in the Act which (i) arises out of or in connection with the activities under this contract, including transportation; and (ii) arises out of or results from a nuclear incident or precautionary evacuation, as those terms are defined in the Act.

(e)

(1) *Waiver of defenses.* In the event of a nuclear incident, as defined in the Act, arising out of nuclear waste activities, as defined in the Act, the Contractor, on behalf of itself and other persons indemnified, agrees to waive any issue or defense as to charitable or governmental immunity.

(2) In the event of an extraordinary nuclear occurrence which—

(i) Arises out of, results from, or occurs in the course of the construction, possession, or operation of a production or utilization facility; or

(ii) Arises out of, results from, or occurs in the course of transportation of source material, by-product material, or special nuclear material to or from a production or utilization facility; or

(iii) Arises out of or results from the possession, operation, or use by the Contractor or a subcontractor of a device utilizing special nuclear material or by-product material, during the course of the contract activity; or

(iv) Arises out of, results from, or occurs in the course of nuclear waste activities, the Contractor, on behalf of itself and other persons indemnified, agrees to waive—

(A) Any issue or defense as to the conduct of the claimant (including the conduct of persons through whom the claimant derives its cause of action) or fault of persons indemnified, including, but not limited to—

(1) Negligence;

(2) Contributory negligence;

(3) Assumption of risk; or

(4) Unforeseeable intervening causes, whether involving the conduct of a third person or an act of God;

(B) Any issue or defense as to charitable or governmental immunity; and

(C) Any issue or defense based on any statute of limitations, if suit is instituted within 3 years from the date on which the claimant first knew, or reasonably could have known, of his injury or change and the cause thereof. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. The waiver shall be judicially enforceable in accordance with its terms by the claimant against the person indemnified.

(v) The term *extraordinary nuclear occurrence* means an event which DOE has determined to be an extraordinary nuclear occurrence as defined in the Act. A determination of whether or not there has been an extraordinary nuclear occurrence will be made in accordance with the procedures in 10 CFR part 840.

(vi) For the purposes of that determination, *offsite* as that term is used in 10 CFR part 840 means away from “the contract location” which phrase means any DOE facility, installation, or site at which contractual activity under this contract is being carried on, and any contractor-owned or controlled facility, installation, or site at which the Contractor is engaged in the performance of contractual activity under this contract.

(3) The waivers set forth above—

(i) Shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action;

(ii) Shall be judicially enforceable in accordance with its terms by the claimant against the person indemnified;

(iii) Shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages;

(iv) Shall not apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;

(v) Shall not apply to injury to a claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place, if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law;

(vi) Shall not apply to any claim resulting from a nuclear incident occurring outside the United States;

(vii) Shall be effective only with respect to those obligations set forth in this clause and in insurance policies, contracts or other proof of financial protection; and

(viii) Shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim which is not within the protection afforded under (A) the limit of liability provisions under subsection 170e. of the Act, and (B) the terms of this agreement and the terms of insurance policies, contracts, or other proof of financial protection.

(f) *Notification and litigation of claims.* The Contractor shall give immediate written notice to DOE of any known action or claim filed or made against the Contractor or other person indemnified for public liability as defined in paragraph (d)(2). Except as otherwise directed by DOE, the Contractor shall furnish promptly to DOE, copies of all pertinent papers received by the Contractor or filed with respect to such actions or claims. DOE shall have the right to, and may collaborate with, the Contractor and any other person indemnified in the settlement or defense of any action or claim and shall have the right to (1) require the prior approval of DOE for the payment of any claim that DOE may be required to indemnify hereunder; and (2) appear through the Attorney General on behalf of the Contractor or other person indemnified in any action brought upon any claim that DOE may be required to indemnify hereunder, take charge of such action, and settle or defend any such action. If the settlement or defense of any such action or claim is undertaken by DOE, the Contractor or other person indemnified shall furnish all reasonable assistance in effecting a settlement or asserting a defense.

(g) *Continuity of DOE obligations.* The obligations of DOE under this clause shall not be affected by any failure on the part of the Contractor to fulfill its obligation under this contract and shall be unaffected by the death, disability, or termination of existence of the Contractor, or by the completion, termination or expiration of this contract.

(h) *Effect of other clauses.* The provisions of this clause shall not be limited in any way by, and shall be interpreted without reference to, any other clause of this contract, including the clause entitled Contract Disputes, provided, however, that this clause shall be subject to the clauses entitled Covenant Against Contingent Fees, and Accounts, records, and inspection, and any provisions that are later added to this contract as required by applicable Federal law, including statutes, executive orders and regulations, to be included in Nuclear Hazards Indemnity Agreements.

(i) *Civil penalties.* The Contractor and its subcontractors and suppliers who are indemnified under the provisions of this clause are subject to civil penalties, pursuant to 234A of the Act, for violations of applicable DOE nuclear-safety related rules, regulations, or orders.

(j) *Criminal penalties.* Any individual director, officer, or employee of the Contractor or of its subcontractors and suppliers who are indemnified under the provisions of this clause are subject to criminal penalties, pursuant to 223(c) of the Act, for knowing and willful violation of the Atomic Energy Act of 1954, as amended, and applicable DOE nuclear safety-related

rules, regulations or orders which violation results in, or, if undetected, would have resulted in a nuclear incident.

(k) *Inclusion in subcontracts.* The Contractor shall insert this clause in any subcontract which may involve the risk of public liability, as that term is defined in the Act and further described in paragraph (d)(2) above. However, this clause shall not be included in subcontracts in which the subcontractor is subject to Nuclear Regulatory Commission (NRC) financial protection requirements under section 170b. of the Act or NRC agreements of indemnification under section 170c. or k. of the Act for the activities under the subcontract.

(l) To the extent that the Contractor is compensated by any financial protection, or is indemnified pursuant to this clause, or is effectively relieved of public liability by an order or orders limiting same, pursuant to 170e of the Act, the provisions of the clause providing general authority indemnity shall not apply.

(End of clause)

- 14- Correct the title and paragraph (b) of Section I, paragraph C. *FAR and DEAR Clauses Incorporated in Full Text* clause I-18 DEAR 952.5203-3 *Contractor's Organization (DEC 2000) (CLASS DEVIATION)* as follows:

TITLE

From: **I-18 DEAR 952.5203-3 CONTRACTOR'S ORGANIZATION (DEC 2000)
(CLASS DEVIATION)**

To: **I-18 DEAR 970.5203-3 CONTRACTOR'S ORGANIZATION (DEC 2000)
(CLASS DEVIATION)**

Paragraph (b)

From: *[insert name or title of resident supervisory representative of the contractor]*

To: Director of Sandia National Laboratories

- 15- Correct the title in Section I, paragraph C. *FAR AND DEAR CLAUSES INCORPORATED IN FULL TEXT* of clause I-24 as follows:

From: **I-24 DEAR 970.5227-2 PATENT RIGHTS-MANAGEMENT AND
OPERATING CONTRACTS, FOR-PROFIT CONTRACTOR, ADVANCE
CLASS WAIVER (AUG 2002) ALTERNATE I (NNSA CLASS DEVIATION
OCT 2011)**

To: **I-24 DEAR 970.5227-12 PATENT RIGHTS-MANAGEMENT AND
OPERATING CONTRACTS, FOR-PROFIT CONTRACTOR, ADVANCE
CLASS WAIVER (AUG 2002) ALTERNATE I (NNSA CLASS DEVIATION
OCT 2011)**

16- Add a new Section I clause, I-29, in its entirety to Section I, paragraph C. *FAR AND DEAR CLAUSES INCORPORATED IN FULL TEXT*, as follows:

I-29 FAR 52.250-1, *Indemnification Under Public Law 85-804 (Apr 1984), Alternate I (Apr 1984)*

(a) "Contractor's principal officials," as used in this clause, means directors, officers, managers, superintendents, or other representatives supervising or directing --

- (1) All or substantially all of the Contractor's business;
- (2) All or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed; or
- (3) A separate and complete major industrial operation in connection with the performance of this contract.

(b) Under Public Law 85-804 (50 U.S.C 1431-1435) and Executive Order 10789, as amended, and regardless of any other provisions of this contract, the Government shall, subject to the limitations contained in the other paragraphs of this clause, indemnify the Contractor against --

- (1) Claims (including reasonable expenses of litigation or settlement) by third persons (including employees of the Contractor) for death; personal injury; or loss of, damage to, or loss of use of property;
- (2) Loss of, damage to, or loss of use of Contractor property, excluding loss of profit; and
- (3) Loss of, damage to, or loss of use of Government property, excluding loss of profit.

(c) This indemnification applies only to the extent that the claim, loss, or damage

- (1) arises out of or results from a risk defined in this contract as unusually hazardous or nuclear and
- (2) is not compensated for by insurance or otherwise.

Any such claim, loss, or damage, to the extent that it is within the deductible amounts of the Contractor's insurance, is not covered under this clause. If insurance coverage or other financial protection in effect on the date the approving official authorizes use of this clause is reduced, the Government's liability under this clause shall not increase as a result.

(d) When the claim, loss, or damage is caused by willful misconduct or lack of good faith on the part of any of the Contractor's principal officials, the Contractor shall not be indemnified for --

- (1) Government claims against the Contractor (other than those arising through subrogation); or

(2) Loss or damage affecting the Contractor's property.

(e) With the Contracting Officer's prior written approval, the Contractor may, in any subcontract under this contract, indemnify the subcontractor against any risk defined in this contract as unusually hazardous or nuclear. This indemnification shall provide, between the Contractor and the subcontractor, the same rights and duties, and the same provisions for notice, furnishing of evidence or proof, and Government settlement or defense of claims as this clause provides. The Contracting Officer may also approve indemnification of subcontractors at any lower tier, under the same terms and conditions. The Government shall indemnify the Contractor against liability to subcontractors incurred under subcontract provisions approved by the Contracting Officer.

(f) The rights and obligations of the parties under this clause shall survive this contract's termination, expiration, or completion. The Government shall make no payment under this clause unless the agency head determines that the amount is just and reasonable. The Government may pay the Contractor or subcontractors, or may directly pay parties to whom the Contractor or subcontractors may be liable.

(g) The Contractor shall --

(1) Promptly notify the Contracting Officer of any claim or action against, or any loss by, the Contractor or any subcontractors that may be reasonably be expected to involve indemnification under this clause;

(2) Immediately furnish to the Government copies of all pertinent papers the Contractor receives;

(3) Furnish evidence or proof of any claim, loss, or damage covered by this clause in the manner and form the Government requires; and

(4) Comply with the Government's directions and execute any authorizations required in connection with settlement or defense of claims or actions.

(h) The Government may direct, control, or assist in settling or defending any claim or action that may involve indemnification under this clause.

(i) The cost of insurance (including self-insurance programs) covering a risk defined in this contract as unusually hazardous or nuclear shall not be reimbursed except to the extent that the Contracting Officer has required or approved this insurance. The Government's obligations under this clause are --

(1) Excepted from the release required under this contract's clause relating to allowable cost; and

(2) Not affected by this contract's Limitation of Cost or Limitation of Funds clause.

(End of Clause)

17- Replace Section I clause I-20, DEAR 970.5204-3 *Access To and Ownership Of Records* in its entirety in Section I, paragraph C. *FAR AND DEAR CLAUSES INCORPORATED IN FULL TEXT*, as follows:

I-20 DEAR 970.5204-3 ACCESS TO AND OWNERSHIP OF RECORDS (OCT 2014) (DEVIATION)

(a) Government-owned records. Except as provided in paragraph (b) of this clause, all records acquired or generated by the contractor in its performance of this contract, including records series described within the contract as Privacy Act systems of records, shall be the property of the Government and shall be maintained in accordance with 36 Code of Federal Regulations (CFR), Chapter XII, -- Subchapter B, "Records Management." The contractor shall ensure records classified as Privacy Act system of records are maintained in accordance with FAR 52.224.2 "Privacy Act."

(b) Contractor-owned records. The following records are considered the property of the contractor and are not within the scope of paragraph (a) of this clause.

(1) Employment-related records (such as worker's compensation files; employee relations records, records on salary and employee benefits; drug testing records, labor negotiation records; records on ethics, employee concerns; records generated during the course of responding to allegations of research misconduct; records generated during other employee related investigations conducted under an expectation of confidentiality; employee assistance program records; and personnel and medical/health-related records and similar files), and non-employee patient medical/health-related records, except those records described by the contract as being operated and maintained by the Contractor in Privacy Act system of records.

(2) Confidential contractor financial information, internal corporate governance records and correspondence between the contractor and other segments of the contractor located away from the DOE facility (i.e., the contractor's corporate headquarters);

(3) Records relating to any procurement action by the contractor, except for records that under 48 CFR 970.5232-3 are described as the property of the Government; and

(4) Legal records, including legal opinions, litigation files, and documents covered by the attorney-client and attorney work product privileges; and

(5) The following categories of records maintained pursuant to the technology transfer clause of this contract:

(i) Executed license agreements, including exhibits or appendices containing information on royalties, royalty rates, other financial information, or commercialization plans, and all related documents, notes and correspondence.

- (ii) The contractor's protected Cooperative Research and Development Agreement (CRADA) information and appendices to a CRADA that contain licensing terms and conditions, or royalty or royalty rate information.
- (iii) Patent, copyright, mask work, and trademark application files and related contractor invention disclosures, documents and correspondence, where the contractor has elected rights or has permission to assert rights and has not relinquished such rights or turned such rights over to the Government.

(c) Contract completion or termination. Upon contract completion or termination, the contractor shall ensure final disposition of all Government-owned records to a Federal Record Center, the National Archives and Records Administration, to a successor contractor, its designee, or other destinations, as directed by the Contracting Officer. Upon the request of the Government, the contractor shall provide either the original contractor-owned records or copies of the records identified in paragraph (b) of this clause, to DOE or its designees, including successor contractors. Upon delivery, title to such records shall vest in DOE or its designees, and such records shall be protected in accordance with applicable federal laws (including the Privacy Act) as appropriate. If the contractor chooses to provide its original contractor-owned records to the Government or its designee, the contractor shall retain future rights to access and copy such records as needed.

(d) Inspection, copying, and audit of records. All records acquired or generated by the Contractor under this contract in the possession of the Contractor, including those described at paragraph (b) of this clause, shall be subject to inspection, copying, and audit by the Government or its designees at all reasonable times, and the Contractor shall afford the Government or its designees reasonable facilities for such inspection, copying, and audit; provided, however, that upon request by the Contracting Officer, the Contractor shall deliver such records to a location specified by the Contracting Officer for inspection, copying, and audit. The Government or its designees shall use such records in accordance with applicable federal laws (including the Privacy Act), as appropriate.

(e) Applicability. This clause applies to all records created, received and maintained by the contractor without regard to the date or origination of such records including all records acquired from a predecessor contractor.

(f) Records maintenance and retention. Contractor shall create, maintain, safeguard, and disposition records in accordance with 36 Code of Federal Regulations (CFR), Chapter XII, -- Subchapter B, "Records Management" and the National Archives and Records Administration (NARA)-approved Records Disposition Schedules. Records retention standards are applicable for all classes of records, whether or not the records are owned by the Government or the contractor. The Government may waive application of the NARA-approved Records Disposition Schedules, if, upon termination or completion of the contract, the Government exercises its right under paragraph (c) of this clause to obtain copies of records described in paragraph (b) and delivery of records described in paragraph (a) of this clause.

(g) Subcontracts.

(1) The contractor shall include the requirements of this clause in all subcontracts that contain the *Radiation Protection and Nuclear Criticality* clause at 952.223-72 , or whenever an on-site subcontract scope of work (i) could result in potential exposure to: A) radioactive materials; B) beryllium; or C) asbestos or (ii) involves a risk associated with chronic or acute exposure to toxic chemicals or substances or other hazardous materials that can cause adverse health impacts, in accordance with 10 CFR part 851. In determining its flow-down responsibilities, the Contractor shall include the requirements of this clause in all on-site subcontracts where the scope of work is performed in: (A) Radiological Areas and/or Radioactive Materials Areas (as defined at 10 CFR 835.2); (B) areas where beryllium concentrations exceed or can reasonably be expected to exceed action levels specified in 10 CFR 850; (C) an Asbestos Regulated area (as defined at 29 CFR 1926.1101 or 29 CFR 1910.1001); or (D) a workplace where hazard prevention and abatement processes are implemented in compliance with 10 CFR 851.21 to specifically control potential exposure to toxic chemicals or substances or other hazardous materials that can cause long term health impacts.

(2) The Contractor may elect to take on the obligations of the provisions of this clause in lieu of the subcontractor, and maintain records that would otherwise be maintained by the subcontractor.

(End of Clause)

18- Add paragraph 3.11 to Section J, Appendix A, Statement of Work, Chapter II, Work Scope Structure, in its entirety as follows:

3.11 National Museum of Nuclear Science and History

The Contractor shall manage and operate the DOE National Museum of Nuclear Science and History (NMNSH) pursuant to and in compliance with Public Law 102-190 Section 3137, (42 U.S.C. Section 7142) enacted December 5, 1991, Public Law 108-7 (officially entitled "Joint Resolution making consolidated appropriations for the fiscal year ending September 30, 2003, and for other purposes") and in accordance with other terms and conditions of this contract. The Contractor may enter into written agreements with third parties, such as the National Atomic Museum Foundation (NAMF), pertaining to operation of the NMNSH as approved by the Contracting Officer.

NNSA and the Contractor will jointly support a business plan that will, over time, decrease the direct support provided by the Contractor, phase-in the NAMF as the primary provider of operational resources and museum management, and reduce the Contractor role to one of management oversight.

The purpose of the Museum is to preserve and present historical materials and educate the public regarding military and peaceful uses of nuclear energy, as well as sponsor general science and technical exhibits, related to its purpose. The Contractor or third party may operate a retail outlet and offer items for sale provided they are consistent with the educational purpose of the NMNSH. Specifically excluded from sale are export-controlled items, nuclear weapons parts and components, and other high-risk items as defined by DOE/NNSA. DOE/NNSA retains, at its sole discretion, the authority to direct the removal of any items, which are inconsistent with the aforesaid purpose.

The Contractor may accept and use donations of money or gifts to the NMNSH as approved by the Contracting Officer. The Contractor, or third party designee, shall ensure that all revenues, including fees, charges, sales, and donations shall only be used to offset the management and operating expenses of the NMNSH and a separate bank account shall be established for the collection of such revenues. The costs associated with the management and operation of the NMNSH shall be segregated in the Contractor's accounting records or traceable from the records of the NAMF.

- 19- Replace Section J, Appendix A, Chapter III, paragraph 5.2.5 in its entirety as follows. This change incorporates NAP-31 *NNSA M&O Off-Site Extended Duty Assignments* as part of the process to review and approve assignments of individuals outside of their normal duty station for which the NNSA/DOE will reimburse all or some of their compensation or other expenses as follows:

From: 5.2.5 Assignments of individuals outside of their normal duty station for which the NNSA/DOE will reimburse all or some of their compensation or other expenses shall be approved by the Contracting Officer prior to beginning the assignment. Requests shall be submitted 30 days prior to the desired start date. The Contractor shall submit a report of all such assignments, to include the total cost of each assignment, reason for assignment, location, duration, and cost-share arrangement to the Contracting Officer by January 30 of each year unless otherwise specified.

To: 5.2.5 Assignments of individuals outside of their normal duty station for which the NNSA/DOE will reimburse all or some of their compensation or other expenses shall be approved in accordance with NAP-31, *NNSA M&O Off-Site Extended Duty Assignments*, or its successor, prior to beginning the assignment.

- 20- Replace Appendix B, List of Directives and NNSA Policy Letters, in its entirety with Attachment 1.
- 21- Incorporate the fully executed Special Financial Institution Agreement (Attachment 2) in Appendix G, Special Financial Institution Account Agreement.
- 22- Accept NTESS' revised transition plan dated April 12, 2017 (Attachment 3).

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.

Number	Date	Title
APPH Chapter X Revision 10	9/08/98	Accounting Practices & Procedures Handbook (APPH) Chapter X – Product Cost Accounting
DOE O 130.1	9/29/95	Budget Formulations
DOE M 140.1-1B	3/30/01	Interface with the Defense Nuclear Facilities Safety Board
DOE O 142.2A, Admin Chg. 1 dated 6/27/13	12/15/06	Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency
DOE M 142.2-1, Admin Chg. 1 dated 6/27/13	9/04/08	Manual for the Implementation of the Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency
DOE O 142.3A	10/14/10	Unclassified Foreign Visits and Assignments Program
DOE O 144.1 Admin Chg. 1 dated 11/6/09	1/16/09	Department of Energy American Indian Tribal Government Interactions and Policy
DOE O 150.1A	3/31/14	Continuity Programs
DOE O 151.1D	8/11/16	Comprehensive Emergency Management System ¹
DOE O 153.1	6/27/07	Departmental Radiological Emergency Response Assets
DOE O 200.1A	12/23/08	Information Technology Management
DOE O 205.1B, Admin Chg. 3 dated 4/29/14	5/16/11	Department of Energy Cyber Security Program ²
DOE M 205.1-3, Admin Chg. 1 dated 12/20/12	4/17/06	Telecommunications Security Manual ³
DOE O 206.1	1/16/09	Department of Energy Privacy Program
DOE O 206.2	2/19/13	Identity, Credential, and Access Management (ICAM)
DOE O 210.2A	4/08/11	DOE Corporate Operating Experience Program
DOE O 221.1B	9/27/16	Reporting Fraud, Waste, and Abuse to the Office of Inspector General
DOE O 221.2A	2/25/08	Cooperation With the Office of Inspector General

¹ Full implementation will be achieved in accordance with the approved implementation plan.

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

³ 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.

DOE O 225.1B	3/04/11	Accident Investigations
DOE O 226.1B	4/25/11	Implementation of Department of Energy Oversight Policy
NNSA SD 226.1B	8/12/16	NNSA Site Governance ⁴
DOE O 227.1A, dated 12/21/15	8/30/11	Independent Oversight Program
DOE O 231.1B, Admin Chg. 1 dated 11/28/12	6/27/11	Environment, Safety and Health Reporting
DOE O 232.2, Admin Chg. 1 dated 3/12/14	8/30/11	Occurrence Reporting and Processing of Operations Information
DOE O 241.1B Chg. 1 (Admin Chg) dated 4/26/16	12/13/10	Scientific and Technical Information Management
DOE O 243.1B, Admin Chg. 1 dated 7/8/13	3/11/13	Records Management Program
DOE O 252.1A, Admin Chg. 1 dated 3/12/13	2/23/11	Technical Standards Program
DOE O 313.1	11/19/09	Management and Funding of the Department's Overseas Presence
NA SD O 350.1	2/5/09	Management and Operating Contractor Service Credit Recognition
DOE O 410.2, Admin Chg. 1 dated 4/10/14	8/17/09	Management of Nuclear Materials
DOE O 412.1A, Admin Chg. 1 dated 5/21/14	4/21/05	Work Authorization System
DOE O 413.1B	10/28/08	Internal Control Program
DOE O 413.2C	10/22/15	Laboratory Directed Research and Development ⁵
DOE O 413.3B, Chg. 2 (Pg Chg) dated 5/12/16	11/29/10	Program and Project Management for the Acquisition of Capital Assets ⁶
DOE O 414.1D, Admin Chg.1 dated 5/8/13	4/25/11	Quality Assurance
DOE O 415.1, Admin Chg. 1 dated 1/16/13	12/3/12	Information Technology Project Management
NA SD 415.1	9/3/14	Project Oversight for Information Technology
DOE O 420.1C, Change 1 dated 2/27/15	12/4/12	Facility Safety
DOE O 420.2C	7/21/11	Safety of Accelerator Facilities
DOE O 422.1, Admin Chg. 2 dated 12/3/14	6/29/10	Conduct of Operations
DOE O 425.1D, Admin Chg. 1, dated 4/2/13	4/16/10	Verification of Readiness to Start up or Restart Nuclear Facilities

⁴ Full implementation will be achieved in accordance with the approved implementation plan dated 12/15/16.

⁵ Full implementation will be achieved in accordance with the approved Implementation plan dated 12/8/16.

⁶ The annual Value Engineering accomplishment progress report required by paragraph c.9 of the CRD shall be submitted to OECM through the SFO

DOE O 426.2 Admin Chg. 1, dated 7/29/13	4/21/10	Personnel Selection, Training, Qualification, and Certification Requirements for DOE Nuclear Facilities
DOE O 430.1B Admin Chg. 2, dated 4/25/11	9/24/03	Real Property and Asset Management
DOE O 433.1B, Admin Chg. 1 dated 3/12/13	4/21/10	Maintenance Management Program for DOE Nuclear Facilities
DOE N 435.1	8/9/11	Contact-Handled and Remote-Handled Transuranic Waste Packaging
DOE O 435.1, Chg. 1 dated 8/28/01	7/9/99	Radioactive Waste Management
DOE O 436.1	5/2/11	Departmental Sustainability
DOE O 440.2C, Admin Chg. 1 dated 6/22/11	11/27/02	Aviation Management and Safety
DOE M 441.1-1 Admin Chg. 1 dated 2/24/16	3/7/08	Nuclear Material Packaging ⁷
DOE O 442.2, Chg 1 (Pg Chg) dated 10/5/16	7/29/11	Differing Professional Opinions for Technical Issues Involving Environment, Safety, and Health
DOE N 443.1	1/21/16	Protection of Human Research Subjects in Classified Research
DOE O 443.1B, Chg 1 (Pg Chg) dated 4/21/16	3/17/11	Protection of Human Research Subjects
DOE O 452.1E	1/26/15	Nuclear Explosive and Weapon Surety Program ⁸
DOE O 452.2E	1/26/15	Nuclear Explosive Safety
NA SD 452.2	11/17/14	Nuclear Explosive Safety Evaluation Process
DOE O 452.3	6/8/05	Management of the Department of Energy Nuclear Weapons Complex
NNSA SD 452.3-1A	2/25/16	Defense Programs Business Process System
DOE O 452.4C	8/28/15	Security and Use Control of Nuclear Explosives and Nuclear Weapons ⁹
DOE O 452.6A	4/14/09	Nuclear Weapon Surety Interface with the Department of Defense
DOE O 452.7	5/14/10	Protection of Use Control Vulnerabilities and Designs
DOE O 452.8	7/21/11	Control of Nuclear Weapons Data
DOE O 456.1A	7/15/16	The Safe Handling of Unbound Engineered Nanoparticles
DOE O 457.1A	8/26/13	Nuclear Counterterrorism
DOE O 458.1, Admin Chg. 3 dated 1/15/13	2/11/11	Radiation Protection of the Public and the Environment
DOE O 460.1C	5/14/10	Packaging and Transportation Safety

⁷ 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.

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

⁹ Full implementation will be achieved in accordance with the implementation plan for NAP-24A dated 08/25/16.

DOE O 460.2A	12/22/04	Departmental Materials Transportation & Packaging Management
DOE M 460.2-1A	6/04/08	Radioactive Material Transportation Practices Manual
DOE O 461.1C	7/20/16	Packaging and Transportation for Offsite Shipment of Materials of National Security Interest
DOE O 461.2	11/1/10	Onsite Packaging and Transfer of Materials of National Security Interest
DOE O 462.1, Admin Chg. 1 dated 7/10/13	11/10/08	Import and Export of Category 1 and 2 Radioactive Sources and Aggregated Quantities
DOE O 470.3B	8/12/08	Graded Security Protection (GSP) Policy
DOE O 470.4B, Admin Chg. 1 dated 2/15/13	7/21/11	Safeguards and Security Program ¹⁰
DOE O 470.6	9/2/15	Technical Security Program
DOE M 470.4-4A	10/12/10	Information Security Manual ¹¹
DOE O 471.1B	3/1/10	Identification and Protection of Unclassified Controlled Nuclear Information
DOE O 471.3, Admin Chg. 1 dated 1/13/11	4/9/03	Identifying and Protecting Official Use Only Information
DOE M 471.3-1, Admin Chg.1 dated 1/13/11	4/9/03	Manual for Identifying and Protecting Official Use Only Information
DOE O 471.5	3/29/11	Special Access Program
DOE O 471.6, Admin Chg 2 dated 5/15/15	6/29/11	Information Security ¹²
DOE O 472.2, Chg. 1 dated 7/9/14	7/21/11	Personnel Security
DOE O 473.3A	3/23/16	Protection Program Operations ¹³
NNSA SD 473.3	9/10/2014	Enterprise Mission Essential Task List-Based Protective Force Training Program
DOE O 474.2, Admin Chg. 4 (Pg Chg) dated 9/13/16	6/27/11	Nuclear Material Control and Accountability
DOE O 475.1	12/10/04	Counterintelligence Program
DOE O 475.2B	10/3/14	Identifying Classified Information ¹⁴
DOE O 483.1A	11/6/13	DOE Cooperative Research and Development Agreements

¹⁰ Sandia shall provide SFO with the required documentation (DD254 or DOE F 470.1) for new classified SPP activity and shall provide notification as required to update the form through the lifecycle of the activity. This does not include those SPP activities excluded by policy.

¹¹ 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.

¹² Implementation of the “marking of documents in electronic environment requirements” listed in the CRD will be achieved in accordance with an approved implementation plan.

¹³ Full implementation will be achieved in accordance with the approved implementation plan, dated 10/3/16.

¹⁴ Full implementation will be achieved in accordance with the February 4, 2015 JORRB. SNL will implement classified email markings by 09/30/2016

DOE O 484.1 Admin Chg. 2	6/30/14	Reimbursable Work for the Department of Homeland Security
DOE O 522.1	11/3/04	Pricing of Departmental Materials and Services
DOE O 534.1B	1/6/03	Accounting
DOE O 551.1D, Chg. 2 dated 8/9/16	4/2/12	Official Foreign Travel
DOE O 5480.30, Chg. 1 dated 3/14/01	1/19/93	Nuclear Reactor Safety Design Criteria
DOE O 5639.8A	7/23/93	Security of Foreign Intelligence Information and Sensitive Compartmented Information Facilities
NAP 14.1-D	12/14/12	Baseline Cyber Security Program ¹⁵
NAP 14.3-B	5/2/08	Transmission of Restricted Data Over Secret Internet Protocol Router Network (SIPRNet)
NAP 23, Admin Chg. 1 dated 2/9/15	12/13/12	Atomic Energy Act Control of Import and Export Activities
NAP 24A	11/24/15	Weapon Quality Policy ¹⁶
NAP 31	11/22/16	NNSA M&O Off-Site Extended Duty Assignments ¹⁷
QP 100-1	3/1/13	Quality Requirements to UK and US Procurement Contracts and Loan Authorizations for Research, Design, and Development
NA SD 56XB, Rev. 2	5/10/04 (Release Date)	Nuclear Weapon Development and Production

¹⁵ Sandia Cyber Security Program Execution Guidance and Annual Operating Plan will be used in lieu of NAP 21 to define performance expectations for the cyber security program.

¹⁶ Full implementation in accordance with Implementation Plan for NAP-24A/NEA, dated 8/25/16. The term “prevented” in Attachment 2 Section 3.6.e, 3.6.3aii, and Attachment 4 Section 1.0 is commensurate with DOE O 452.1E, Section 4.b.1.

¹⁷ Full implementation will be achieved in accordance with an approval implementation plan.

**SPECIAL FINANCIAL INSTITUTION ACCOUNT
AGREEMENT FOR USE WITH THE PAYMENTS CLEARED
FINANCING ARRANGEMENT**

Agreement entered into this, 14 day of April, 2017, between the UNITED STATES OF AMERICA, represented by the Department of Energy (hereinafter referred to as "DOE" or "Government"), and National Technology & Engineering Solutions of Sandia, LLC (NTESS, LLC), a legal entity existing under the laws of the State of Delaware (hereinafter referred to as the Contractor) and U.S. Bank National Association, a financial institution corporation existing under the laws of the State of Ohio located at 800 Nicollet Mall BC-MN-H19U, Minneapolis, MN 55402 (hereinafter referred to as the Financial Institution).

RECITALS

- (a) On the effective date of May 01, 2017, DOE and the Contractor entered into Agreement(s) No. DE-NA0003525, or a Supplemental Agreement(s) thereto, providing for the transfer of funds on a payments-cleared basis.
- (b) DOE requires that amounts transferred to the Contractor there under be deposited in a special demand deposit account at a financial institution covered by Treasury-approved Government deposit insurance organizations that are identified in I TFM 6-9000.

These special demand deposits must be kept separate from the Contractor's general or other funds, and the parties are agreeable to so depositing said amounts with the Financial Institution.

- (c) The special demand deposit account shall be designated NTESS, LLC-General Account.

COVENANTS

In consideration of the foregoing, and for other good and valuable consideration, it is agreed that—

1. The Government shall have a title to the credit balance in said account to secure the repayment of all funds transferred to the Contractor, and said title shall be superior to any lien, title, or claim of the Financial Institution or others with respect to such accounts.
2. The Financial Institution shall be bound by the provisions of said Agreement(s) between DOE and the Contractor relating to the transfer of funds into the and withdrawal of funds from the above special demand deposit account, which are hereby incorporated into this Agreement by reference, but the Financial Institution shall not be responsible for the application of funds withdrawn from said account. After receipt by the Financial Institution of written directions from DOE, the Financial Institution shall act thereon and shall be under no liability to any party hereto for any action taken in accordance with the said written directions. Any written directions received by the Financial Institution from the Government upon DOE stationery and purporting to be signed by, or signed at the written direction of, the Government may, insofar as the rights, duties, and liabilities of the Financial Institution are concerned, be considered as having been properly issued and filed with the Financial Institution by DOE.

3. DOE, or its authorized representatives, shall have access to financial records maintained by the Financial Institution with respect to such special demand deposit account at all reasonable times and for all reasonable purposes, including, but without limitation to, the inspection or copying of such financial records, and any or all memoranda, checks, payment requests, correspondence, or documents pertaining thereto. Such financial records shall be preserved by the Financial Institution for a period of 6 years after the final payment under the Agreement.
4. In the event of the service of any writ of attachment, levy of execution, or commencement of garnishment proceedings with respect to the special demand deposit account, the Financial Institution shall promptly notify DOE at:

U.S. Department of Energy / National Nuclear Security Administration
Sandia Field Office
Contracting Officer
PO Box 5400, Building 802
Albuquerque, New Mexico 87185-5400

5. DOE shall authorize funds that shall remain available to the extent that obligations have been incurred in good faith by the Contractor under the Agreement referenced in Recital (a) between DOE and the Contractor to the Financial Institution for the benefit of the special demand deposit account. The Financial Institution agrees to honor upon presentation for payment all payments issued by the Contractor and to restrict all withdrawals against the funds authorized to an amount sufficient to maintain the average daily balance in the special demand deposit account in a net positive and as close to zero as administratively possible.

The Financial Institution agrees to service the account in this manner based on the requirements and specifications contained in Standard Purchase Order No. 1289553 including the latest revision. The Financial Institution agrees that per-item costs, detailed in the form "Pricing Workbook," contained in the Financial Institution's aforesaid bid will remain constant during the term of this Agreement. The Financial Institution shall calculate the monthly fees based on services rendered and invoice the Contractor. The Contractor shall issue a check or automated clearinghouse authorization transfer to the Financial Institution in payment thereof.

6. The Financial Institution shall post collateral in accordance with 31 CFR 202 with the Federal Reserve bank in an amount equal to the net balances in all of the accounts included in this Agreement (including the noninterest-bearing time deposit account), less the Treasury-approved deposit insurance.
7. This Agreement, with all its provisions and covenants, shall be in effect starting May 1, 2017, and ending the same day as the termination of the period of performance on the banking services Standard Purchase Order No. 1289553 including all revisions.
8. DOE, the Contractor, or the Financial Institution may terminate this Agreement at any time within the agreement period upon submitting written notification to the other parties 90 days prior to the desired termination date. The specific provisions for operating the account during this 90-day period are contained in Covenant 11.
9. DOE or the Contractor may terminate this Agreement at any time upon 30 days' written notice to the Financial Institution if DOE or the Contractor, or both parties, find that the Financial Institution has failed to substantially perform its obligations under this Agreement or that the Financial Institution is performing its obligation in a manner that precludes administering the program in an effective and efficient manner of that

precludes the effective utilization of the Government's cash resources.

10. Notwithstanding the provisions of Covenants 8 and 9, in the event that the Agreement, referenced in Recital (a), between DOE and the Contractor is not renewed or is terminated, this Agreement between DOE, the Contractor, and the Financial Institution shall be terminated automatically upon the delivery of written notice to the Financial Institution.
11. In the event of termination, the Financial Institution agrees to retain the Contractor's special demand deposit account for an additional 90-day period to clear outstanding payment items.

This Agreement shall continue in effect for the 90-day additional period, with exception of the following:

1. Term Agreement (Covenant 7)
2. Termination of Agreement (Covenant 8 and 9)

All terms and conditions of the aforesaid bid submitted by the Financial Institution that are not inconsistent with this 90-day additional term shall remain in effect for this period.

The Financial Institution has submitted the forms entitled "Technical Representations and Certifications" and Schedule of Financial Institution Processing Charges ("Pricing Workbook"). These forms have been accepted by the Contractor and the Government and are incorporated herein with the document entitled "Financial Institution's Information on Payments Cleared Financing Arrangement" as an integral part of this Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement, which consists of 5 pages, including the signature pages, to be executed as of the day and year first above written.

04/14/2017
Date Signed

By: Lindsey E. VanNess
(Typed Name of Contracting Officer)


(Signature of Contracting Officer)

WITNESS

(Typed Name of Witness)

National Technology & Engineering Solutions of Sandia, LLC.
(Name of Contractor)

(Signature of Witness)

By: Scott L. Aeilts
(Name of Contractor's Representative)

Note: In the case of a corporation, a witness is not required. Type or print names under all signatures.


(Signature of Contractor's Representative)

Associate Lab Director, Mission Services
(Title)

PO Box 5800, Albuquerque, NM 87185
(Address)

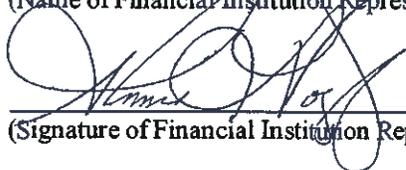
April 14, 2017
(Date Signed)

(Name of Witness)

U.S. Bank National Association
(Name of Financial Institution)

Sherrie L. Vogt
(Name of Financial Institution Representative)

(Signature of Witness)


(Signature of Financial Institution Representative)

Note: In the case of a corporation, a witness is not required. Type or print names under all signatures.

Senior Banking Relationship Manager
(Title)

7900 Jefferson NE, Albuquerque, NM 87109
(Address)

4-18-2017
(Date Signed)

NOTE

The Contractor shall cause the following Certificate to be executed under its seal, provided that the same individual shall not execute both the Agreement and the Certificate.

CERTIFICATE

I, Dave Douglass, certify that I am the Deputy Lab Director of National Technology and Engineering Solutions of Sandia, LLC named as Contractor herein; and that said Agreement was duly signed by Scott Aeilts, Associate Lab Director for the, and in behalf of, said LLC by the authority of its governing body and is within the scope of the LLC's authorities.


(Seal of the Limited Liability Company)(Signature)



NOTE

Financial Institution, if a corporation, shall cause the following Certificate to be executed under its corporate seal, provided that the same officer shall not execute both the Agreement and the Certificate.

** Please see attached "US Bank National Association Assistant Secretary's Certificate"*

CERTIFICATE

I, _____, certify that I am the _____ of the corporation named as Financial Institution herein; that _____, who signed this Agreement on behalf of the Financial Institution, was then _____ of said corporation and that said Agreement was duly signed for the and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

(Corporate Seal) (Signature)



**U.S. BANK NATIONAL ASSOCIATION
ASSISTANT SECRETARY'S CERTIFICATE**

I, Linda E. Bidon, an Assistant Secretary of U.S. Bank National Association, hereby certify that the following is a true and exact extract from the Bylaws of U.S. Bank National Association, a national banking association organized under the laws of the United States (the "Association").

**ARTICLE VI.
CONVEYANCES, CONTRACTS, ETC.**

All transfers and conveyances of real estate, mortgages, and transfers, endorsements or assignments of stock, bonds, notes, debentures or other negotiable instruments, securities or personal property shall be signed by any elected or appointed officer.

All checks, drafts, certificates of deposit and all funds of the Association held in its own or in a fiduciary capacity may be paid out by an order, draft or check bearing the manual or facsimile signature of any elected or appointed officer of the Association.

All mortgage satisfactions, releases, all types of loan agreements, all routine transactional documents of the Association, and all other instruments not specifically provided for, whether to be executed in a fiduciary capacity or otherwise, may be signed on behalf of the Association by any elected or appointed officer thereof.

The Secretary or any Assistant Secretary of the Association or other proper officer may execute and certify that required action or authority has been given or has taken place by resolution of the Board under this Bylaw without the necessity of further action by the Board.

I further certify that Sherrie L. Vogt, Vice President, is a duly appointed and qualified officer of the Association authorized to act under Article VI of the Bylaws of the Association and that such authority is in full force and effect as of the date hereof and has not been modified, amended or revoked.

IN WITNESS WHEREOF, I have set my hand this 18th day of April, 2017.

(No corporate seal)

Linda E. Bidon, Assistant Secretary



Sandia National Laboratories (SNL) M&O
Contract NNSA Contract DE-NA0003525, RFP
DE-SOL-0008470
Original - December 26, 2016

Revision - April 12, 2017

Transition Plan Deliverable (TPD)-1 NTESS SNL Transition Plan

**For the
U.S. Department of Energy National
Nuclear Security Administration**



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May be exempt from public release under the Freedom of Information Act
(5 U.S.C. 552), exemption number and category: Exemption 4.
Name/Org: Paul Cox/NTESS Date: 03/20/17 Guidance (if applicable): N/A