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| 2. AMENDMENT/MODIFICATION NO. P00195 | 3. EFFECTIVE DATE See Block 16C | 4. REQUISITION/PURCHASE REQ. NO. | 5. PROJECT NO. (If applicable) |
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|--|---------------|--|---------------|
| 6. ISSUED BY NNSA M&O Contracting Branch NA-PAS-211 Albuquerque Complex P.O. Box 5400 Albuquerque NM 87185-5400 | CODE 05115 | 7. ADMINISTERED BY (If other than Item 6) NNSA Los Alamos Field OFC NA-LA 3748 West Jemez Road Los Alamos NM 87544 | CODE 05003 |
|--|---------------|--|---------------|

| | | |
|---|-----|--|
| 8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) Triad National Security, LLC Attn: H. Rich Heitman 505 KING AVE COLUMBUS OH 43201 | (x) | 9A. AMENDMENT OF SOLICITATION NO. |
| | | 9B. DATED (SEE ITEM 11) |
| | x | 10A. MODIFICATION OF CONTRACT/ORDER NO. 89233218CNA000001 |
| | | 10B. DATED (SEE ITEM 13) 06/08/2018 |

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 electronic communication which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by letter or electronic communication, provided each letter or electronic communication 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 data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b). |
| | C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: |
| X | D. OTHER (Specify type of modification and authority) P.L. 95-91 and Other Applicable Laws |

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.)

UEI: X7WUS5LRBQU3
The purpose of this Modification to revise and update Appendix A - Statement of Work, Appendix C - Personnel Appendix, and Appendix D - Key Personnel.
Payment:
Period of Performance: 11/01/2018 to 10/31/2028

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) Thomas E. Mason, Laboratory Director | 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Wendy L. Bauer | |
| 15C. DATE SIGNED 1/31/25 | 16B. UNITED STATES OF AMERICA  (Signature of Contracting Officer) | 16C. DATE SIGNED |

The purpose of this Modification to revise and update Appendix A – Statement of Work, Appendix C – Personnel Appendix, and Appendix D – Key Personnel as follows:

1. Part III - Section J, List of Attachments, Appendix A - Statement of Work, is revised as follows:

FROM:

Section J, Appendix A, Statement of Work, Section 3.2.3

If the Contractor proposes to establish or modify a Non-base Incentive Compensation Plan, documentation shall be provided to the Contracting Officer, for approval, no later than 60 days prior to proposed implementation. The dollar amount authorized to fund the Incentive Compensation Plan shall not exceed 2.0% of the total annual salary base as of the end of the previous plan year. Such proposal must contain:

- (i) A description of the design of the Incentive Compensation Plan, including the funding methodology to be used, the total percentage of annual salary base, the eligible positions, the performance period, and how pay pursuant to this plan will be linked to Contract performance goals;
- (ii) A description of the specific pass-over rate, i.e., percent of participants who will not receive an incentive;
- (iii) A description of how the plan includes pay at risk; and
- (iv) Any other information the Contracting Officer requests to assist understanding of the Incentive Compensation Plan.

TO:

Section J, Appendix A, Statement of Work, Section 3.2.3

If the Contractor proposes to establish or modify a Non-base Incentive Compensation Plan, documentation shall be provided to the Contracting Officer, for approval, no later than 60 days prior to proposed implementation. The dollar amount authorized to fund the Incentive Compensation Plan shall not exceed 3.0% of the total annual salary base as of the end of the previous plan year. Such proposal must contain:

- (i) A description of the design of the Incentive Compensation Plan, including the funding methodology to be used, the total percentage of annual salary base, the eligible positions, the performance period, and how pay pursuant to this plan will be linked to Contract performance goals;
- (ii) A description of the specific pass-over rate, i.e., percent of participants who will not receive an incentive;
- (iii) A description of how the plan includes pay at risk; and
- (iv) Any other information the Contracting Officer requests to assist understanding of the Incentive Compensation Plan.

2. Part III – Section J, List of Attachments, Appendix C – Personnel Appendix is replaced in its entirety as attached.

3. Part III - Section J, List of Attachments, Appendix D, Key Personnel, is revised as follows:

FROM:

| Name | Position |
|------------------------------|---|
| Thomas E. Mason, Ph.D. | Laboratory Director |
| Robert B. Webster, Ph.D. | Deputy Director Weapons |
| John L. Sarrao, Ph.D. | Deputy Director Science, Technology & Engineering (ST&E) |
| Kelly J. Beierschmitt, Ph.D. | Deputy Director Operations |
| Charles W. Nakhleh, Ph.D. | Associate Laboratory Director, Weapons Physics |
| James C. Owen | Associate Laboratory Director, Weapons Engineering |
| John C. Benner | Associate Laboratory Director, Weapons Production |
| Nancy Jo Nicholas | Associate Laboratory Director, Global Security |
| Steven A. Coleman | Associate Laboratory Director, Environment, Safety, Health, Quality |
| David F. Teter | Associate Laboratory Director, Capital Projects |
| LeAnne Stribley | Associate Laboratory Director, Business Management |
| Bret Simpkins | Associate Laboratory Director, Facilities and Operations |
| Unica Viramontes | Associate Laboratory Director, Defense Protection Programs |

TO:

| Name | Position |
|---------------------------|---|
| Thomas E. Mason, Ph.D. | Laboratory Director |
| Robert B. Webster, Ph.D. | Deputy Director Weapons |
| J. Patrick Fitch | Deputy Director Science, Technology & Engineering (ST&E) |
| Mark Davis | Deputy Director Operations |
| Charles W. Nakhleh, Ph.D. | Associate Laboratory Director, Weapons Physics |
| TBD | Associate Laboratory Director, Weapons Engineering |
| David Dooley | Associate Laboratory Director, Weapons Production |
| Nancy Jo Nicholas | Associate Laboratory Director, Global Security |
| Steven A. Coleman | Associate Laboratory Director, Environment, Safety, Health, Quality |
| David F. Teter | Associate Laboratory Director, Capital Projects |
| Scott L. Aeilts | Associate Laboratory Director, Business Management |
| Bret Simpkins | Associate Laboratory Director, Facilities and Operations |
| Unica Viramontes | Associate Laboratory Director, Defense Protection Programs |

Attachment

Appendix C - Personnel Appendix

PART III – Section J

APPENDIX C - PERSONNEL APPENDIX

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1.0 Introduction

This appendix sets forth certain Contractor Human Resources Management expenses that have cost implications under this Contract and are not covered explicitly in the Federal Acquisition Regulations (FAR) or Department of Energy Acquisition Regulations (DEAR) cost principles. This appendix identifies those costs (including those associated with changes that may be prescribed by State or local laws) deemed eligible for reimbursement when incurred in keeping with FAR 31.201-2. The Contractor shall seek Contracting Officer approval prior to incurring costs not specifically identified as allowable in the Contract. The Contractor shall identify and treat all unallowable costs and directly associated unallowable costs in accordance with the criteria set forth in FAR 52.230-2, Cost Accounting Standards, including but not limited to placing unallowable costs in appropriate allocation bases.

All the Contractor's personnel policies shall comply with the terms and conditions of this Contract including but not limited to FAR Part 31, Contract Cost Principles and Procedures. If there is a conflict between the Contractor's policies and the terms of this Contract, the Contract will govern. Nothing in this Personnel Appendix makes costs allowable or reasonable that would otherwise be unallowable or unreasonable. To the extent that certain costs are required to implement federal, state, or local laws, the Contractor will provide notification of its implementation plan, with expected costs, to the contracting Officer at least 60 days before implementation.

In situations where changes may set a precedent among the Department of Energy/National Nuclear Security Administration (DOE/NNSA) contractors, the Contractor will consult with the Contracting Officer regarding program cost reimbursement prior to implementation, even if there is no expected increase in cost.

The Contractor shall establish effective management review procedures and internal controls to ensure that requirements set forth herein are met. The Contractor will follow the principles below in meeting the requirements of DEAR 970.5203-1, Management Controls.

Human Resource Programs:

- (1) Are market based as evidenced by comparisons with applicable industry comparators;
- (2) Fulfill the requirements of the DOE/NNSA mission, meet strategic direction of DOE/NNSA, and are in the best interests of the Government;
- (3) Are adopted to support the business needs of the Contractor and/or local conditions above;
- (4) Apply to all employees of the Contractor engaged in the work under this Contract, to the extent practicable, irrespective of the place of performance of work, and are consistent with collective bargaining agreements, as applicable;
- (5) Are documented in policies and/or in Summary Plan Descriptions and are available to DOE/NNSA;
- (6) Are in compliance with rules and regulations incorporated into this Contract and applicable laws; and

(7) Are affordable within the constraints of the resources available to the Contractor.

Either party may request revisions to this Appendix, and both the parties agree to give consideration in good faith to any such request. When revisions to this Appendix are made, a Contract modification will be executed to effect the changes.

The Contract, including this Appendix, is for the exclusive benefit and convenience of the parties hereto. Nothing contained herein shall be construed as granting, vesting, creating, or conferring any right or benefit upon past, present, or future employees of the Contractor, or upon any other third party.

2.0 Compensation

The Contractor shall develop, implement, and maintain formal policies, practices, and procedures to be used in the administration of its compensation system consistent with FAR 31.205-6 and DEAR 970.3102-05-6 *Compensation for Personal Services*.

i. Overtime

The Contractor shall maintain adequate internal controls to ensure that employee overtime is authorized only if cost effective and necessary to ensure performance of work under this Contract.

ii. Special Allowances

Special Allowances may be paid to employees in specific work environments and situations. Reimbursement shall be in accordance with the Contracting Officer approved plan, and is limited to the following elements:

| Program |
|--|
| Shift Differential |
| Saturday/Sunday Premium Pay |
| Sunday Overtime |
| Extended Workweek |
| Call In Emergency |
| Acting Pay |
| Individual Compensation Action in Excess of Salary Range |
| Overtime Pay |
| On-Call Differential Pay |
| Uniform allowance |
| Isolation allowance |
| Nevada National Security Site allowance |

iii. Severance Pay

The Contractor may provide one week’s pay for each complete year of service, not to exceed a total of 26 weeks of pay in accordance with Section J, Appendix A 3.2.4. Employees who are subject to a reduction in force in the first year of service may be eligible to receive one week of severance.

iv. Variable Pay: Triad is authorized to implement the following Variable Pay programs consistent with Section J, Appendix A, Statement of Work 3.2.3, the contractor is authorized to fund an incentive compensation program for non-Key Personnel through a recurring non-base incentive authorization not to exceed 3.0% of the total annual base salary of the previous plan year.

| |
|--|
| Incentive Compensation Programs |
| Triad Incentive Compensation Plan |

v. Retention Pay:

Contractor may provide Non-Key Personnel through a recurring non-base incentive providing a retention incentive to retain employees with critical skills and/or high demand skills needed to meet near-term mission priorities not to exceed 2.5% of the total annual base salary of the previous plan year. Below are the current Retention programs.

| |
|--|
| Retention Compensation Programs |
| Environmental Pay Program |
| Operator Supervisory Incentive Pay |
| Nuclear Criticality Safety Retention |
| Construction Projects Retention Plan |
| MC&A Technical Qualification Incentive |
| Triad Retention Plan |

vi. Hire-on Incentive

The Contractor is authorized to provide a one-time hire-on incentive, not to exceed 20% of annualized base pay or \$25,000 whichever is less, to an eligible external hire in accordance with internal policies.

vii. Service Credit

Service Credit for cost reimbursement for employee benefits to include post-retirement benefit (PRB) eligibility generally will be determined in accordance with NNSA Supplemental Directive NA SD 350.1A, M&O Contractor Service Credit Recognition (the “Directive”) and any exception to this Directive granted to Triad National Security,

LLC.

Pursuant to an approved exception, the Contractor is authorized to recognize prior accrued service for employees transferring from the following companies that are comprised of at least one of the parent companies of the Contractor (Affiliated Companies):

- UT Battelle, LLC (Management & Operating Contractor at the Oak Ridge National Laboratory),
- Battelle Energy Alliance, LLC (Management & Operating Contractor at the Idaho National Laboratory),
- Brookhaven Science Associates, LLC (Management & Operating Contractor at Brookhaven National Laboratory),
- Alliance for Sustainable Energy, LLC (Management & Operating Contractor at the National Renewable Energy Laboratory) and
- Battelle Memorial Institute (Management & Operating Contractor at the Pacific Northwest National Laboratory)

The Contractor may not recognize service credit with any other company that is comprised of a parent company of the Contractor without express Contracting Officer approval. With respect to the NNSA SD 350.1 exception that was granted to the Contractor, the Contractor is authorized to recognize previous years of service with the Affiliated Companies only with respect to the following benefits:

- Eligibility for and accrual rate for vacation benefit
- Eligibility for and accrual rate for sick leave and other leaves of absence
- Eligibility for vesting and receipt of benefit for market-based retirement plans
- Determination of severance benefits
- Eligibility for dental and life insurance benefits
- Eligibility and/or determination of benefit for long- and short-term disability
- Eligibility for access only (no employer subsidy) to retiree welfare benefits

The Contractor is not authorized to recognize service credit with Affiliated Companies for any other benefits not specifically set forth above. In no circumstance is the Contractor authorized to provide hire-on incentives to employees who transfer employment from any Affiliated Companies to the Contractor.

viii. Pay in Lieu of Notice

In the event an Employee of the Contractor resigns and the Contractor determines the continued services of such Employee may create an immediate safety or security concern during the period of notice or if his/her presence at the work site during the notice period is not desired, the Contractor may pay the employee at his/her base pay

for two (2) weeks in lieu of continuing the employee's employment for two weeks.

ix. Compensation Exceeding Salary Range.

The Contractor shall obtain Contracting Officer advance approval for any salary amount paid an employee in excess of the Contractor-established salary range for the position. Salaries resulting from a demotion of an employee that results in a lower salary range do not require Contracting Officer approval.

3.0 Labor Relations – Collective Bargaining Agreements

Costs of wages, fringe benefits, and other expenses incurred pursuant to the provisions of the collective bargaining agreements and revisions thereto are allowable costs provided the Contractor adheres to requirements provided in Appendix A for the following effective bargaining units.

- Triad National Security, LLC Master Labor Agreement with Local Signatory Unions
 - Southwest Regional Council of Carpenters and its affiliated Local Union 1319
 - International Association of Heat and Frost Insulators and Asbestos Workers Local Union No. 76
 - International Association of Bridge, Structural, Ornamental and Reinforcing Ironworkers Local Union No. 495
 - Laborers’ International Union of North America Local No 16
 - International Association of Operative Plasterers and Cement Masons Local No. 254
 - International Union of Operating Engineers Local Union No. 953
 - International Union of Painters and Allied Trades District Council 36, Local Union No. 823.
- United Union of Roofers, Water proofers, and Allied Workers Local Union No. 123
 - International Brotherhood of Teamsters, Local No. 492
 - International Brotherhood of Electrical Workers Local Union No. 611
 - SMART International Association of Sheet Metal, Air, Rail, and Transportation Workers Local Union No. 49
 - United Association Journeymen and Apprentices of the Plumbing and Pipefitting Industry, Local Union 412

Expenses associated with employee representation activities that are not prohibited by Section 302 of the Labor Management Relations Act, 29 U.S.C § 186, or any other applicable law or regulation, are allowable costs.

4.0 Group Insurance and Legally Required Payments

- i. Costs incurred in implementing, administering, and funding comprehensive DOE/NNSA approved group insurance plans are allowable. Administrative costs associated with the

effective administration of the plans include contracts with plan providers and activities such as publicizing, enrolling, maintaining records, and providing employees with assistance in understanding and collecting their benefits.

- ii. The costs related to the following types of benefit plans are allowable:
 - (1) Short Term Disability
 - (2) Long-Term Disability
 - (3) Group Life Insurance
 - (4) Accident/Business Travel Accident Insurance
 - (5) Dental
 - (6) Medical
 - (7) Vision
 - (8) Retiree Health and Welfare Benefits
 - (9) Worker's Compensation
 - (10) Executive Life Insurance
 - (11) Gap Insurance (DIGI)

- iii. Reasonable administrative costs of providing voluntary benefit plans to employees that are 100% employee paid are allowable unless otherwise determined by the Contracting Officer.

5.0 Displaced Workers Medical Benefits Program (DWMBP)

The Contractor may provide Displaced Workers Medical Benefits to displaced workers if provision of such benefit is set forth in the Contractor's workforce restructuring plan that is approved by DOE/NNSA.

Benefits under the DWMBP are available to displaced workers who are not eligible for health insurance coverage under another plan, e.g., another employer's health plan, the Contractor's retiree medical plan, a spouse's medical plan, or Medicare. Generally, DWMBP benefits are as follows (note: NNSA may approve Contractor workforce restructuring plans that include fewer years of coverage):

1. For the first 12-month period after the termination date, the Contractor shall continue to pay the employer portion of the medical premium and the separated employee will pay a premium equal to the monthly premium paid by active employees for the type and level of coverage the separated Employee has at the termination Date.
2. Beginning in the second year after the termination date, the separated employee will be responsible for one-half of the full Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) rate for this coverage and the Contractor shall pay the remainder.
3. Beginning in the third and final year of the DWMBP, the separated employee will be responsible for paying the full COBRA. At the end of the third year the employee's

coverage eligibility ends.

6.0 Retirement Plans

The Contractor shall administer the following Plans:

Defined Benefit Plan (DB):

- Triad Defined Benefit Pension Plan (TCP1)

Nonqualified Benefit Plans:

- Triad 415 Restoration Plan (TCP1)
- Triad 401(a)(17) Restoration Plan (TCP1)

Defined Contribution (DC) Plan:

- Triad 401(k) Savings Plan (TCP1)
- Triad 401(k) Retirement Plan (TCP2)

i. General

Reasonable costs involved in implementing, administering, and funding DOE/NNSA approved retirement plans are allowable. Employer related administrative costs of the Plans shall be paid out of plan assets, to the extent possible and legally permissible. Reasonable administrative costs associated with the effective administration of the Plans include contracts with plan providers and activities such as publicizing, enrolling, maintaining records, and providing employees with assistance in understanding and collecting their benefits. In addition, only compensation reimbursed by DOE/NNSA under the Contract is authorized to be considered as eligible earnings for purposes of the Plans.

ii. Qualified Defined Contribution Plan

Contractor funds contributed on behalf of participating employees who cancel their participation in the plan or whose employment is terminated, pursuant to the provisions of the plan, shall be used to offset the Contractor's contributions obligated to be made on behalf of other participants in the plan. In the event this Contract with the Contractor is terminated, funds not committed to participants pursuant to provisions of the Plans in effect at Los Alamos National Laboratory shall be returned to DOE/NNSA.

iii. Non-Qualified Plans

The Contractor will be reimbursed for costs for the Nonqualified Plans only in accordance with the following:

1. Eligible compensation for purposes of the Triad 415 Restoration Plan, Triad 401(a)

(17) Restoration Plan shall be limited only to the compensation reimbursed under the Contract.

2. Any necessary changes to the Triad 415 Restoration Plan and the Triad 401(a) (17) Restoration Plan that need to be made to affect the participation and compensation limitations set forth in this Appendix, shall be made no later than 120 days after the effective date of the modification of the Personnel Appendix.
3. The Non-Qualified Plans are funded on a pay-as-you-go basis. The plans and amendments thereof require approval of the Contracting Officer.

7.0 Paid/Unpaid Time Off

The Contractor may implement the following paid and unpaid time off programs in accordance with the Contracting Officer approved plan, and in addition to Section 4.0, Group Insurance and Legally Required Payments, paragraph (ii).

i. Paid Time Off

- (1) Holiday: Up to 10 holidays within a calendar year at the basic rate of pay.
- (2) Paid Time Off (PTO): Contractor may provide PTO in accordance with the Human Resources Policy.
- (3) Paid Sick Leave: Effective December 26, 2022, full and part-time employees will no longer accrue sick leave. Accrued unused sick leave (legacy sick leave) hours can be used in accordance with the Human Resources Policy. Casual employees will accrue paid sick leave in accordance with the Human Resources Policy.
- (4) Maternity and Parental Leave: Contractor may provide paid leave in accordance with the Human Resources Policy of the Contractor.
- (5) Compassionate Care Leave: Contractor may provide paid leave in accordance with the Human Resources Policy.
- (6) Other miscellaneous Paid Leaves include:
 - Job Incurred Illness or Injury Leave
 - Jury Duty
 - Fitness for Duty
 - Emergency Activities
 - Civil Emergency and Civil Preparedness Training
 - Voting Time
 - Community Involvement and Outreach Time
 - Authorized Leave with Pay
 - Military Leave
 - Tribal Government Service Leave
 - Professional Research or Teaching Program
 - Advanced Study Program

- Investigatory Leave
- Military Supplemental Leave

ii. Unpaid Leave

Unpaid absences may be granted on a short-term basis of less than 30 days or a long-term basis of more than 30 days for personal, governmental service, programmatic, entrepreneurial, medical, or parental leave reasons or due to suspension of the employee's security clearances.

iii. Report Pay

Contractor may grant leave for a condition that prevents employees from safely traveling to or performing work onsite. Report Pay Leave is only available to employees who cannot telework. Contracting Officer approval is required for grants of more than 24 hours of Report Pay Leave for contractor employees. The Contractor shall have policies and procedures to track Report Pay Leave and it must ensure employees do not receive both Report Pay and any other paid time off. For events or conditions that exceed one week, and with Contracting Officer pre-approval, the Contractor may provide Report Pay Leave to employees in an amount that is commensurate with employees' normal schedule. For example, an employee who works 20 hours per week receives 20 hours of Report Pay. However, for Non-Exempt Employees, in no event can Report Pay Leave be provided at more than 40 hours per week, even if the employee's normal work schedule exceeds 40 hours per week.

8.0 Training and Education

i. General

- (1) Employee training and education shall be directly related to the employee's current position or to another position to which the employee may reasonably be moved.
- (2) The Contractor shall establish written procedures outlining a system of approval for all requests for training and education. Such system shall provide an approval structure for in-house and outside training programs and educational assistance. Local colleges and universities will be utilized as primary sources.
- (3) Per FAR 31.205-44, overtime compensation for training and education is unallowable.

ii. Training

- (1) Internal Training Programs. Internal training programs may include but are not

limited to orientation, job training, supervisory training, and executive development. Such training programs may be conducted during employee's workday or after hours to the extent no overtime is associated with the training, as overtime payments for training hours are unallowable under FAR 31.205-44(a) (Deviation May 2023). Reasonable costs of in-house training including necessary equipment, materials, and instructor personnel are allowable.

- (2) External Training Programs. Employees may be selected by the Contractor to participate in job-related training courses, technical meetings, professional society meetings, seminars, conferences, and other specialized training courses away from the site(s) facilities. Allowable costs for such training courses may include employee's regular pay, travel and subsistence expenses, in accordance with the Federal Travel Regulation, and the cost of tuition, fees, and course materials. Business travel and conference management shall be managed in accordance with the DOE/NNSA conference management requirements.

iii. Workforce Development

Section 3126 (a) of the James M. Inhofe National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2023 (Public Law 117-263) authorizes the NNSA to allow its M&O contractors at covered facilities to develop and implement workforce development and training partnership programs to further the education and training of employees or prospective employees of such management and operating contractors to meet the requirements of section 4219 of the Atomic Energy Defense Act (50 U.S.C. 2538a). "Covered facilities" as defined in the NDAA includes LANL in Los Alamos, New Mexico. "Prospective employee" means an individual who has applied (or who, based on their field of study and experience, is likely to apply) for a position of employment with a management and operating contractor to support plutonium pit production at a covered facility.

iv. Education

- (1) Academic cooperation program. The Contractor may approve the assignment of certain selected individuals at the graduate or undergraduate level, who are currently enrolled in recognized colleges or universities, to projects proposed by the college or university and approved by the Contractor. Such assignments are to be made primarily to further the individual's training, experience, and education. The training the individual receives will be credited by the academic institution; these individuals shall not be paid by the Contractor. The Contractor is authorized to provide travel expenses and M&IE to individuals approved by the Contractor under this program.
- (2) Special employment programs. The Contractor may authorize the administration of special employment programs for students at the postgraduate, graduate, undergraduate, and pre-college levels to the extent that these programs are

consistent with FAR 31.205.44 (Deviation May 2023). Internship or membership fees associated with nationally recognized special employment programs that are paid to other institutions in support of these programs are allowable. The Contractor may also authorize the administration of special employment programs for schoolteachers to advance science curriculum development in Northern New Mexico public schools. Costs associated with salaries, transportation, and relocations shall be in accordance with the Contract and shall be reported not later than November 30th, annually to the Contracting Officer. A description of the Contractor's special employment programs shall be provided to the Contracting Officer annually.

- (3) Fellowship programs. The Contractor may incur costs associated with participation in programs (e.g., consortium arrangements such as the National Physical Sciences Consortium for Graduate Degrees for Minorities and Women and the National Consortium for Graduate Degrees for Minorities in Engineering, DOE/NNSA/Contractor academy/leadership programs, Laboratory science education initiatives) to provide graduate fellowships to students in science and engineering. Costs associated with employment of students shall include salaries, transportation, and relocation. A description of these programs shall be provided not later than November 30th, annually to the Contracting Officer.

The Contractor is authorized to operate a fellowship program to strengthen employment pipelines through consortium fellowships. Participants will be hired as either a Scientist 1 or a Research and Development Engineer 1. Participants are paid a full salary while working at the Los Alamos National Laboratory and a portion of their salary (50%) while away at school, if enrolled in full-time graduate level education. The program is limited to no more than twelve participants per year. A fellowship may not last more than two years. The Contractor will require fellowship participants to enter into an agreement indicating they will reimburse all costs, including salary and benefits, if the fellow does not remain employed by the Contractor for two months for every one month that the fellowship participant was attending graduate school, upon the fellow's return to LANL after completion of the graduate work.

v. Honoraria

The Contractor is authorized to provide either a stipend or an honorarium and costs of travel and M&IE for a person chosen to give a lecture or to discuss topics of interest with Contractor employees.

The Contractor will provide a report with the names and associated stipend costs or honorarium plus travel costs for the previous calendar year to the Contracting Officer by April 1.

vi. Service academy research program

The Contractor may participate in a cooperative summer program with military academies by assigning members of the faculty (officers) and cadets/midshipmen to work in various LANL programs. During these periods of assignment, the individuals shall continue to receive their military salary. The Contractor may reimburse the individuals for work-related travel costs and M&IE, during the period of assignment at LANL.

9.0 Travel, Relocation, and Meals and Incidental Expenses (M&IE)

The Contractor may reimburse transportation, lodging, and M&IE for employees who are required to travel in conjunction with the performance of work under this Contract. The Contractor also may reimburse transportation, lodging and M&IE for individuals who are not employees, but who are covered by an agreement (i.e., guest scientist) with the Contractor, to support work under the Contract and who are required to travel in conjunction with the performance of work under this Contract. Costs of the foregoing shall be allowable only to the extent they are incurred in accordance with the FAR, DEAR, and FTR and do not exceed the maximum per diem rates in effect at the time of travel set forth in the FTR, prescribed by the General Services Administration. To the extent that transportation, lodging and M&IE are addressed anywhere in this Personnel Appendix, all costs must be incurred in accordance with the FAR, DEAR, and FTR and such costs shall not exceed the maximum per diem rates in effect at the time of travel set forth in the FTR, prescribed by the General Services Administration.

- a) The Contractor may deviate from this Appendix in specific instances where it is approved by the Contracting Officer and to the extent such deviations conform to regulations and law. The Contractor will maintain records for audit review.
- b) The Contractor may provide relocation expenses for Exempt Employees and Non-Exempt employees with critical skills. Relocation expenses shall be incurred in accordance with the provisions, limitations, and exclusions of the FAR and the FTR.
- c) The Contractor may provide reduced travel allowances for limited term hire employees supporting capital projects at the site. These allowances are limited to a one-year period and shall be made in accordance with the Contractor's approved policies that are in effect on the date that the Personnel Appendix is effectuated by modification to the Contract. Any deviations to the one-year limit or to the Contractor policies require Contracting Officer approval 30 days prior to the start date of the assignment.

10.0 Recruiting

- a) The Contractor may pay for the individual interviewee's, and spouse's or domestic partner's, transportation expenses and meals and incidental expenses in accordance with the DEAR, FAR and the FTR.

- b) The costs of recruitment of personnel including nominal costs for promotional items for recruitment purposes, employment advertising, services of staffing sourcing vendors, services of employment agencies at rates not in excess of standard commercial rates, participation in corporate recruiting activities, campus recruiting, and career fairs are allowable.
- c) If the Contractor requests that applicants who live more than 50 miles from LANL report to LANL for a pre-employment interview, the Contractor may pay for the applicant's transportation expenses, lodging, and MI&E, in accordance with the DEAR, FAR and FTR.

11.0 Special Employee Activities

- a) Service and retirement awards.

The Contractor may recognize employees' years of service and employees' retirement through award programs.

Up to 0.02% of the total salary base associated with full-time and part-time Exempt, Non-Exempt, and craft employees may be spent annually on service and retirement award programs.

- b) Performance award programs.

The Contractor may recognize employees or groups of employees who have distinguished themselves by their significant contributions and outstanding performance in the course of their work. The Contractor may provide awards to employees or groups of employees in the form of cash. Additionally, noteworthy achievements and special efforts may be recognized by the presentation of plaques, certificates, and memorabilia.

Up to 0.15% of the total salary base for full-time and part-time Exempt, Non-Exempt, and craft employees may be spent annually to fund performance award programs.

- c) Employee Referral Program.

The Contractor is authorized to implement an Employee Referral Bonus Program. Contracting Officer approval is required for initial program implementation and all changes to policy impacting referral bonus maximums. The Contractor will provide the Contracting Officer an annual report addressing cost and program effectiveness.

- d) Other Programs.

- i. Employee morale activities. Consistent with FAR 31.205-13, the Contractor may

provide an employee morale program not to exceed \$50 per employee (full-time or part-time), per fiscal year.

Contractor will provide the Employee Morale Program Plan for Contracting Officer approval prior to implementation. In order to be considered allowable costs, expenditures of recreation and morale funds must be consistent with Federal Acquisition Regulations (FAR) Subpart 31.2 (e.g. 31.205-13, 31.205-14, 31.205-51) as supplemented by Department of Energy Regulations (DEAR) Subpart 931.2, 970.31, and other provisions of the Contract or as approved by the Contracting Officer.

12.0 Community Involvement and Outreach

The Contractor may authorize employees to participate in educational and community outreach consistent in accordance with the Community Involvement and Outreach Plan approved by the Contracting Officer. The salaries, wages, and fringe benefits of employees while engaged in such approved activities will be treated as allowable costs.

Educational and community outreach does not include activities conducted by elected or appointed officials during an employee's regularly scheduled workday. Compensation associated with educational and community outreach outside of the employee's normal work schedule shall not be reimbursed under the Contract. The Contractor shall submit a report annually, as part of the Diversity Plan Report, no later than November 30, to the Contracting Officer on the types of educational and community outreach and number of hours utilized in the fiscal year that ended the previous September 30. Some examples of permissible educational and community outreach include, but are not limited to:

- a) Promotion of Science, Technology, Engineering, and Mathematics in the educational setting (elementary school through higher education institutions)
- b) Science Bowl and Science Fairs
- c) Charity drives
- d) Employee giving campaigns

13.0 Other Provisions

Assignments to/from Parent Company

1. The Contractor may loan, at no cost to the Government, individuals working under this Contract to other operations of parent company on a non-interference basis as determined by the Contractor. Loans longer than six months, regardless of the level of effort, require Contracting Officer approval.
2. It is recognized that the technical and staffing needs of the Contractor will vary during performance of this Contract. The Contractor may obtain direct support from employees of the Regents of University of California, Battelle Memorial Institute, Texas A&M University Systems (Contractor Parent Companies) and Fluor and HII (Affiliated

Companies) to meet technical and staffing requirements on an as-needed basis. Services performed by Contractor Parent Company and Affiliated Personnel will be paid by the Contractor to the Contractor Parent Company or Affiliated Company at cost, without fee or profit through Contracting Officer approved Secondment Agreement Form. Any direct costs and allocable indirect costs associated with such assignments shall be consistent with FAR 31.201-2. An annual report due not later than September 30th annually, setting forth the assignments of Contractor Parent Company personnel shall be provided to the Contracting Officer.

14.0 Partnerships with Contractor University Entities

The Contractor may establish reasonable partnerships with the Contractor University Entities in support of the Contract work. The purpose of these efforts will be to leverage scientific knowledge of the Contractor University Entities through such partnerships to develop solutions to scientific issues that benefit Contract work.