

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE	PAGE OF PAGES 1   6
2. AMENDMENT/MODIFICATION NO. 0147	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY NNSA M&O Contracting Branch NA-APM-131 Albuquerque Complex P.O. Box 5400 Albuquerque NM 87185-5400	CODE 892332	7. ADMINISTERED BY (If other than Item 6) NNSA Kansas City Field OFC NA-00-KC P.O. Box 410202 Kansas City MO 64141-0202	CODE 05004
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) Honeywell Attn: Bert Gawthorp 23500 West 105th Street MS 300 Olathe KS 66061		(x)	9A. AMENDMENT OF SOLICITATION NO.
CODE 007119050 FACILITY CODE		x	9B. DATED (SEE ITEM 11)
			10A. MODIFICATION OF CONTRACT/ORDER NO. DE-NA0002839
			10B. DATED (SEE ITEM 13) 07/09/2015

**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) FAR 43.103 (a) (3)

**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 execute a settlement agreement between the National Nuclear Security Administration (NNSA) and Honeywell Federal Manufacturing Technologies, LLC (FM&T).

See continuation pages for details.

Payment:

Period of Performance: 07/09/2015 to 09/30/2025

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) Bert W. Gawthorp, Jr. General Counsel	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Christopher M. Duran
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED 11/29/2021
16B. UNITED STATES OF AMERICA 	16C. DATE SIGNED

The purpose of this modification is to execute the terms of the attached settlement agreement between the NNSA and FM&T and modify the contract accordingly. This modification does the following:

1. Modifies Table 1 – CLIN 0001 – Management and Operation of NSC and Table 2 –CLIN 0002 – Work for Others and Other reimbursable Work in B-2 CONTRACT TYPE AND VALUE as follows (changes in red, bold font):

**B-2 CONTRACT TYPE AND VALUE (MODIFIED 0017, 0065, 0092, 0119, 0147)**

(a) This is a performance-based Management and Operating (M&O) Contract with cost-plus-award-fee provisions.

(b) “DOE/NNSA work” as used herein is the work performed by the Contractor that is funded out of the Laboratory Table included in the President’s annual budget request for the National Security Campus. The estimated cost, award fee available, and award fee earned for CLIN 0001 (DOE and NNSA work) is set forth in Table 1 below:

Table 1 -- CLIN 0001 -- Management and Operation of NSC (MODIFIED 0017, 0119, 0147)

Contract Period	Estimated Cost	Base Fee	Award Fee Available	Award Fee Earned	Total Fee Earned (Base +Award Fee)
Transition Term	\$233,076	0			
Base Term (Year 1)	\$592,579,636	0	\$29,333,000	\$27,103,693	\$27,103,693
Base Term (Year 2)	\$605,912,677	0	\$29,993,000		
Base Term (Year 3)	\$619,242,756	0	\$30,653,000		
Base Term (Year 4)	\$632,618,400	0	\$31,315,000		
Base Term (Year 5)	\$646,662,528	0	\$32,010,000		
Option Term 1	\$661,341,768	0	<b>\$32,737,000</b> <b>\$44,737,000</b>		
Option Term 2 <b>(if exercised)</b>	\$676,354,226	0	<b>\$33,480,000</b> <b>\$45,480,000</b>		

Contract Period	Estimated Cost	Base Fee	Award Fee Available	Award Fee Earned	Total Fee Earned (Base +Award Fee)
Option Term 3 (if exercised)	\$ 691,707,467	0	<b>\$ 34,240,000</b> [To be determined (TBD) in accordance with (IAW) B-9]		
Option Term 4 (if exercised)	\$ 707,409,226	0	<b>\$ 35,017,000</b> [TBD IAW B-9]		
Option Term 5 (if exercised)	\$ 723,467,416	0	<b>\$ 35,812,000</b> [TBD IAW B-9]		

(c) The estimated cost and fixed fee for CLIN 0002 (Work for Others and Other Reimbursable Work) are set forth in Table 2 below. The estimated cost and the fixed fee for Work for Others and Other Reimbursable Work during the Base Term of the Contract and for each Option Term will be established by the NNSA prior to the commencement of the applicable fiscal year and may be revised and incorporated into the Table below through a modification. The Fixed-Fee for Work for Others and Other Reimbursable Work will be up to 4.7% of the estimated cost of all projects anticipated for the applicable fiscal year.

Table 2 CLIN 0002 -- Work for Others and Other reimbursable Work (MODIFIED 0065, 0092, 0119, **0147**)

Contract Period	Estimated Cost	Fixed Fee	Estimated Cost + Fixed Fee
Base Term (Year 1)	\$ 297,455,000	\$ 13,980,000	\$ 311,435,000
Base Term (Year 2)	\$ 334,868,000	\$ 15,054,000	\$ 349,922,000
Base Term (Year 3)	\$ 393,000,000	\$ 16,900,000	\$ 409,900,000
Base Term (Year 4)	TBD	TBD	TBD
Base Term (Year 5)	TBD	TBD	TBD

Contract Period	Estimated Cost	Fixed Fee	Estimated Cost + Fixed Fee
Option Term 1	TBD	TBD	TBD
Option Term 2 <b>(if exercised)</b>	TBD	TBD	TBD
Option Term 3 <b>(if exercised)</b>	TBD	TBD	TBD
Option Term 4 <b>(if exercised)</b>	TBD	TBD	TBD
Option Term 5 <b>(if exercised)</b>	TBD	TBD	TBD

2. Creates the following clause B-9, ANNUAL CONTROLLED BASELINE FOR OPTION TERMS 3, 4, AND 5 to provide the framework for the Annual Controlled Baseline process that will be used to calculate the Available Award Fee for Option Terms 3, 4, and 5:

**B-9 ANNUAL CONTROLLED BASELINE FOR OPTION TERMS 3, 4, AND 5**

**(a) Generation of an Annual Controlled Baseline (ACB). For Option Terms 3, 4, and 5, the Contractor shall develop an ACB for all NNSA-directed programs. By April 1, 2022, the Contractor shall submit a proposed ACB Process Framework (including definitions of qualifying changes, frequency of interim submissions, etc.) for developing the ACBs compliant with the requirements of this clause. Within 60 days of submission of the ACB Process Framework, NNSA and the Contractor will negotiate in good faith to develop a final ACB Process Framework to be approved by the Contracting Officer. The ACB will include all CLIN 0001 work and be measured at the program level (e.g., B61-12, W80-4, etc.) by resources category (i.e., labor, material, and other). As agreed to in the ACB Process Framework, certain limited activities may be measured below the program level as appropriate, but not below the B&R level. The ACB will be under configuration management and control, with all changes formally documented and accessible to NNSA. The ACB should be maintained in a manner consistent with, and reconcilable to, approved work authorizations, funding levels, and any programmatic reporting including EVMS or EVMS-like systems and any changes to the ACB shall be based on changes in the amount or character**

of the work in accordance with the approved baseline change process at KCNSC. The ACB will be submitted annually for Option Years 3, 4, and 5 by August 15<sup>th</sup> of the preceding year unless agreed to in advance by the Contracting Officer.

**(b) Composition of ACB Package.**

**(1) Composition and Reconciliation.** The ACB shall be presented at the level of detail specified in the approved ACB Process Framework. The ACB package shall include a reconciliation of the budget to the ACB that clearly identifies the following reconciling items:

- (A) Exclusions from the ACB as specified in (b)(2) below.**
- (B) That portion of the budget attributable to fee.**

**(2) Exclusions from the ACB.** The ACB shall not include:

- (A) Carryover, which is defined as the estimated costs of any work which was included in the ACB of a previous Contract Period;**
- (B) Estimated costs included in the enacted budget for any work to be performed by a DOE/NNSA prime contractor other than Contractor;**
- (C) Estimated costs of Inter-Contractor Purchases placed with Contractor by other DOE/NNSA prime contractors or their subcontractors.**

**(c) Calculation of Available Award Fees.**

- (1) Option Term 3 Available Award Fee.** Available Award Fee shall be calculated by reducing the relevant ACB by an exclusion factor of 18%, then applying a 4.50% award fee rate to the resulting value:  $(ACB) * (1 - 0.18) * (0.045)$ .
- (2) Option Term 4 Available Award Fee.** Available Award Fee shall be calculated by reducing the relevant ACB by an exclusion factor of 15.5%, then applying a 4.25% award fee rate to the resulting value:  $(ACB) * (1 - 0.155) * (0.0425)$ .
- (3) Option Term 5 Available Award Fee.** Available Award Fee shall be calculated by reducing the relevant ACB by an exclusion factor

of 15.5%, then applying a 4.25% award fee rate to the resulting value:  $(ACB) * (1 - 0.155) * (0.0425)$ .

- (4) **Minimum Available Award Fee.** As a result of the ACB calculations (identified in subparagraphs (1)-(3), above), the total available fee shall not be reduced below the values identified in TABLE 4, below:

**TABLE 4 – Minimum Available Award Fees**

<b>Contract Period</b>	<b>Minimum Available Award Fee Resulting from ACB Process</b>
<b>Option Term 3</b>	<b>\$ 34,240,000</b>
<b>Option Term 4</b>	<b>\$ 35,017,000</b>
<b>Option Term 5</b>	<b>\$ 35,812,000</b>

However, DEAR 970.5243-1, CHANGES (DEC 2000), will take precedence over these minimums if any material change to the amount or character of the work described in the "Statement of Work," results in a decrease to the Estimated Costs for a contract period below the original Estimated Costs in Table 1, and the NNSA will have the right to pursue an equitable adjustment to the amount of available fee in accordance with DEAR 970.5243-1.

- (5) **Annual ACB Adjustment.** The available award fee will be adjusted via bilateral modification once each contract period at the time the ACB attributable to current year funding is updated to reflect the enacted budget. The adjustment will be made using the fee base formula prescribed above. No other adjustment shall be made to the available award fee unless the approved year-end September 30th ACB reflects a plus or minus 10 percent change from the ACB based on the enacted budget. In accordance with the Changes Clause, the 10-percent change threshold shall apply only to material changes in the amount or character of work described in the Statement of Work. Table 2 above will be updated through unilateral modifications as applicable.

3. Exercises Option Terms 3, 4, and 5, in accordance with FAR 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000).
4. Incorporates executed Settlement Agreement into Contract DE-NA0002839—see attachment 1 of FM&T’s Contract DE-NA0002839, modification 0147.

## SETTLEMENT AGREEMENT

This Settlement Agreement (the “Agreement”) is between the National Nuclear Security Administration (the “Administration”), on behalf of the United States Government (the “Government”), and Honeywell Federal Manufacturing & Technologies, LLC (“Contractor”) (each referred to herein as a “Party,” and, collectively, as the “Parties”).

**WHEREAS**, the Government awarded the Contractor contract DE-NA0002839 (the “Contract”) on July 15, 2015, for the management and operation of the Kansas City National Security Campus;

**WHEREAS**, on August 25, 2020, Contractor filed a certified claim asserting entitlement to an increase to the amount of available fee for Base Year 4 (FY2019), Base Year 5 (FY2020), Option Term 1 (FY2021), Option Term 2 (FY2022), Option Term 3 (FY2023), Option Term 4 (FY2024), and Option Term 5 (FY2025), pursuant to Department of Energy Acquisition Regulation § 970.5243-1, CHANGES (DEC 2020);

**WHEREAS**, after the Government denied the claim in a Contracting Officer’s Final Decision dated March 19, 2021, Contractor appealed the denial to the Civilian Board of Contract Appeals (the “CBCA”), on April 23, 2021, and the appeal was docketed as CBCA Appeal Number 7110;

**WHEREAS**, the Parties previously resolved, compromised, and settled Contractor’s appeal with regard to Base Years 4 and 5 on September 28, 2021; and

**WHEREAS**, the Parties intend to resolve, compromise, and settle all remaining elements of Contractor’s appeal in their entirety;

**NOW THEREFORE**, in consideration of the promises set forth herein and for good and valuable consideration, the Parties mutually agree as follows:

(a) One-Time Increases of Available Award Fee for Option Terms 1 and 2. In full resolution of Contractor’s claim for an adjustment to the available award fee for Option Terms 1 and 2 (FY2021 and 2022) under the Contract, the Government will modify the Contract to reflect an increase of \$12,000,000 to the total available award fee for each, Option Term 1 and 2. Though the increase for Option Term 1 will be identified in a bilateral modification (the “Modification”) executed concurrently with this Agreement, any additional funding required to cover earned fee associated with the additional \$12,000,000 in available award fee will be managed by the Contractor in a fee variance account. NNSA will provide guidance on how to liquidate the variance account by April 15, 2022.

(b) Institution of an Annual Controlled Baseline (“ACB”). The Parties will institute, through the Modification, a process for establishing and executing an ACB process that will address future potential adjustments to available award fee for Option Terms 3, 4, and 5. The agreed-upon award fee calculation rates and exclusion calculation rates to be utilized in the ACB process are, for:

- (i) Option Term 3: 4.50% award fee calculation rate and an 18.0% exclusion rate;
- (ii) Option Term 4: 4.25% award fee calculation rate and an 15.5% exclusion rate; and
- (iii) Option Term 5: 4.25% award fee calculation rate and an 15.5% exclusion rate.

(c) Concurrent Execution of Remaining Options. The Modification will identify that the Government has concurrently executed Option Terms 3, 4, and 5, subject to the limitations identified in Contract clause B-7 (AVAILABILITY OF APPROPRIATED FUNDS).

(d) Release of Claims. Upon execution of this Agreement and the Modification, Contractor releases the Government and its contractors and their officers, agents, representatives, and employees from all claims regarding the available award fee under the Contract at issue in the CBCA litigation. The Contractor agrees that the ACB process identified in the Modification will fairly compensate it for any material changes related to the amount of work scope under CLIN 0001 throughout the Contract's period of performance.

(e) Dismissal of Appeal. The Parties will file a joint motion to the CBCA seeking to dismiss CBCA Appeal No. 7110 with prejudice within 10 days of execution of this Agreement.

(f) Adequacy and Sufficiency of Consideration. The Parties acknowledge the adequacy and sufficiency of the consideration herein.

(g) Costs and Attorneys' Fees. Each Party is responsible for its own costs and attorneys' fees related to the resolution of Contractor's claim and appeal, including all requests and claims that preceded the claim, appeal, and this Agreement.

(h) Integration. There are no collateral agreements, reservations, or understandings between the Government and Contractor, either expressed or implied, oral or written, except as specifically set forth herein. No modification to this Agreement shall be binding unless it is reduced to writing and signed by the authorized representatives of the Parties. This Agreement is the joint product of Contractor and the Government, and it shall not be construed against either Party on the ground of sole authorship.

(i) No Admission of Liability. This Agreement does not constitute an admission of liability by either the Government or Contractor in relation to Contractor's claim or appeal.

(j) Representation and Binding Nature. All persons executing this Agreement confirm and state that they are duly authorized to execute this Agreement, have carefully read the foregoing, know the contents hereof, and sign their name freely. This Agreement shall be binding upon and inure to the benefit of each of the Parties, their heirs, executors, administrators, agents, representatives, attorneys, successors, assigns, subsidiaries, parents, and affiliates.

(k) Exceptions. The Parties agree that specifically excluded from the scope and terms of this Agreement are: (i) actions and/or claims involving fraud pursuant to the Contract Disputes Act of 1978, as amended; (ii) any criminal, administrative, or civil claims arising under internal revenue laws, Internal Revenue Service Code, or regulations promulgated thereunder, or any other tax related claims; and (iii) any other claims or administrative remedies available to the Government. Further, this Agreement does not preclude the Government from pursuing any investigations, claims, or remedies against the Contractor, of whatsoever nature, if the Government becomes aware of any false or materially inaccurate facts or information provided by Contractor in relation to this Agreement or the subject-matter addressed herein.

(l) Counterparts. This Agreement may be executed in two counterparts, each of which, when so executed, shall be deemed to constitute an original and all of which, when taken together, shall constitute one and the same Agreement. Facsimile, and electronic copies of, signatures shall be deemed originals.



(m) Execution and Effective Date. This Agreement shall not be binding until it is signed by both Parties. This Agreement shall become effective on the date it is signed by the last Party to sign, which shall constitute the Effective Date as defined herein.

**IN WITNESS WHEREOF**, Contractor and the Government have caused this Agreement to be executed by their duly-authorized officers and representatives, respectively, on the dates indicated below.

**Honeywell Federal Manufacturing &  
Technologies LLC**

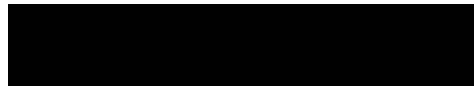
By:



Bert W. Gawthorp, Jr.  
FM&T General Counsel  
Honeywell FM&T, LLC  
Date: November 29th, 2021

**National Nuclear Security Administration**

By:



Christopher Duran  
Contracting Officer  
Office of Acquisition Management, NNSA  
Date: November 30, 2021