

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT D CODE		PAGE OF PAGES 1 2	
2. AMENDMENT/MODIFICATION NO. 0192		3. EFFECTIVE DATE See Block 16C		4. REQUISITION/PURCHASE REQ. NO.	
6. ISSUED BY NNSA M&O Contracting Branch NA-PAS-211 Albuquerque Complex P.O. Box 5400 Albuquerque NM 87185-5400		CODE 05115		5. PROJECT NO. (If applicable) 05005	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) National Technology & Engineering Solutions of Sandia, LLC Attn: Richard Sweeney 1515 EUBANK BLVD. SE P.O. BOX 5800, MS-0180, 87185-0180 ALBUQUERQUE NM 871850180		(X)		9A. AMENDMENT OF SOLICITATION NO.	
CODE 007113228		FACILITY CODE		9B. DATED (SEE ITEM 11)	
		X		10A. MODIFICATION OF CONTRACT/ORDER NO. DE-NA0003525	
				10B. DATED (SEE ITEM 13) 12/16/2016	

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), Mutual Agreement of the Parties; DEAR 970.5204-2 Dec 2000 Deviation

E. IMPORTANT Contractor ☐ is not ☒ is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

UEI: LUJEP CRT377

See page 2.

Payment:

Period of Performance: 01/18/2017 to 04/30/2027

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) Richard Sweeney		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Maria D. Trujillo	
15C. DATE SIGNED Date: 2023.09.28 16:06:55 -06'00' Signature of person authorized to sign		16B. UNITED STATES OF AMERICA Signature of Contracting Officer	
		16C. DATE SIGNED 09/28/2023	

Previous edition unusable

The Purpose of this Modification is to update Section B-2 *Contract Type and Value*; and replace Section J, Appendix B, *List of Directives*, Appendix C, *Personnel Appendix*, and Appendix L, *Performance Evaluation and Management Plan* as follows:

1. Section B, clause B-2 *CONTRACT TYPE AND VALUE*, Table 2: CLIN 0002, *Strategic Partnership Projects*, add FY2024 Estimated Cost, Fixed Fee, and Estimated Cost + Fixed Fee in as follows:

Contract Period	Estimated Cost	Fixed Fee	Estimated Cost + Fixed Fee
FY2024	\$1,343,030,000	\$12,087,270	\$1,355,117,270

2. Section J, Appendix B, *List of Directives*, is replaced in its entirety with Attachment 1.
3. Section J, Appendix C, *Personnel Appendix*, is replaced in its entirety with Attachment 2.

Attachment 2 captures changes to the *Personnel Appendix* previously communicated via the following letters issued by Contracting Officer Lindsey E. VanNess to NTESS:

Letter dated August 8, 2023, Subject: *Updated Recreation and Morale Program*;
Contract No. DE-NA0003525

Letter dated August 31, 2023, Subject: *Approved Benefits for 2024 Open Enrollment*;
Contract No. DE-NA0003525

4. Section J, Appendix L, *Performance Evaluation and Management Plan*, Fiscal Year 2023 is replaced in its entirety with *Performance Evaluation and Management Plan*, Fiscal Year 2024 at Attachment 3.
5. All other terms remain unchanged.

Part III - Section J
APPENDIX B, List of Applicable Directives

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. All requirements in the CRD, or otherwise invoked by reference, shall be fully implemented no later than 30 days after incorporation into the contract unless otherwise addressed in an NNSA-approved or pending implementation plan.

Number	Date	Title	Mod #
APPH Chapter X Revision 10	9/08/98	Accounting Practices & Procedures Handbook (APPH) Chapter X – Product Cost Accounting	Award
DOE O 140.1A	6/15/20	Interface with the Defense Nuclear Facilities Safety Board	Award M0050 M0097
DOE O 142.2A, Admin Chg. 1	6/27/13	Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency	Award
DOE M 142.2-1, Admin Chg. 1	6/27/13	Manual for the Implementation of the Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency	Award
DOE O 142.3B, Chg 1 (Ltd Chg)	3/2/22	Unclassified Foreign National Access Program ¹	Award M0018 M0085 M0155
DOE O 144.1 Admin Chg. 1	11/6/09	Department of Energy American Indian Tribal Government Interactions and Policy	Award
DOE O 150.1B	12/21/21	Continuity Programs ²	Award M0166
DOE O 151.1D, Chg 1 (Min Chg)	10/4/19	Comprehensive Emergency Management System	Award M0082
DOE O 153.1A	11/17/22	Departmental Nuclear Emergency Support Team Capabilities	Award M0176
DOE O 200.1A, Chg (LtdChg)	08/11/23	Information Technology Management	M0192
DOE O 205.1C, Chg 1 (LtdChg)	2/3/22	Department of Energy Cybersecurity Program ³	M0072 M0147
NA SD 205.1	7/6/17	Baseline Cybersecurity Program	M0032
DOE M 205.1-3, Admin Chg. 1	12/20/12	Telecommunications Security Manual ⁴	Award

¹ Full implementation will be achieved in accordance with a NNSA-approved implementation plan (IP).

² Full implementation will be achieved by 09/30/2024 in accordance with a NNSA-approved IP.

³ SNL will evaluate NNSA Cyber Security Program Plan releases to ensure requirements are adequately addressed.

⁴ 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.

Number	Date	Title	Mod #
DOE O 206.1, Chg 1	11/01/18	Department of Energy Privacy Program	Award M0063
NA SD 206.1	06/22/18	Privacy Program	M0050
DOE O 206.2, Chg. 1, (Ltd Chg)	9/2/22	Identity, Credential, and Access Management (ICAM)	Award M0166
NA SD 206.2	4/14/18	Implementation of Personal Identity Verification for Uncleared Contractors ⁵	M0063
DOE O 210.2A	4/08/11	DOE Corporate Operating Experience Program	Award
NAP 220.1	06/19/18	Internal Affairs Program	M0050
DOE O 221.1B	9/27/16	Reporting Fraud, Waste, and Abuse to the Office of Inspector General	Award
DOE O 221.2A	2/25/08	Cooperation With the Office of Inspector General	Award
DOE O 225.1B	3/04/11	Accident Investigations	Award
DOE O 226.1B	4/25/11	Implementation of Department of Energy Oversight Policy	Award
NNSA SD 226.1C	10/1/19	NNSA Site Governance	M0008 M0085
DOE O 227.1A, Admin Change 1	1/21/20	Independent Oversight Program	Award M0100
DOE O 231.1B, Admin Chg. 1	11/28/12	Environment, Safety and Health Reporting	Award
DOE O 232.2A Chg 1 (MinChg)	10/4/19	Occurrence Reporting and Processing of Operations Information	Award M0026 M0082
DOE O 241.1B Chg. 1	4/26/16	Scientific and Technical Information Management	Award
DOE O 243.1C	2/7/22	Records Management Program ⁶	Award M0147
NA SD 251.1B	10/26/20	Directives Management	M0050 M0116
DOE O 252.1A, Admin Chg. 1	3/12/13	Technical Standards Program	Award
DOE O 313.1	11/19/09	Management and Funding of the Department's Overseas Presence	Award
NA SD 350.1	2/5/09	Management and Operating Contractor Service Credit Recognition	Award M0008
NAP 401.1	11/24/15	Weapon Quality Policy ⁷ (renumbered from NAP 24A in M0057). Only attachment 3.	Award M0127 M0151

⁵ Full implementation will be achieved by 12/2025 in accordance with the NNSA-approved plan.

⁶ Full implementation will be achieved by 09/30/2024 in accordance with the NNSA-approved plan.

⁷ Attachment 3 remains in effect until the DPBPS federal requirements document becomes effective. Attachment 3, Section 3.3, dated 11/24/15, is replaced with Attachment 3, Section 3.3, dated 6/22/17 in accordance with NNSA Guidance and Clarification (G&C) Message 2017-001, and G&C Message 2018-001.

Number	Date	Title	Mod #
NAP 401.1A	7/20/21	Weapon Quality Policy	M0127
DOE O 410.2, Admin Chg. 1	4/10/14	Management of Nuclear Materials	Award
DOE O 411.2	1/4/17	Scientific Integrity	M0018
NAP-412.1	2/11/19	Financial Integration	M0072
DOE O 412.1A, Admin Chg. 1	5/21/14	Work Authorization System	Award
NAP 413.1 (recertified)	9/14/22	Data Collection for Cost Estimating	M0057 M0166
DOE O 413.2C, Chg 1	8/2/18	Laboratory Directed Research and Development	Award M0050
DOE O 413.3B, Chg. 6	1/12/21	Program and Project Management for the Acquisition of Capital Assets ⁸	M0018 M0032 M0050 M0116
DOE O 414.1D, Ltd Chg. 2	9/15/20	Quality Assurance	Award M0100
DOE O 415.1, Chg 2	1/13/17	Information Technology Project Management	M0018
NA SD 415.1A	4/27/21	Project Oversight for Information Technology	Award M0151
DOE O 420.1C, Chg. 3 (LtdChg)	11/14/19	Facility Safety	Award M0063 M0082
DOE O 420.2D	9/9/22	Safety of Accelerators ⁹	Award M0176
DOE O 422.1, Chg 4 (Ltd Chg)	2/3/22	Conduct of Operations	Award M0082 M0147
DOE O 425.1D, Chg 2 (Min Chg)	10/4/19	Verification of Readiness to Start up or Restart Nuclear Facilities	Award M0082
DOE O 426.2 Admin Chg. 1	7/29/13	Personnel Selection, Training, Qualification, and Certification Requirements for DOE Nuclear Facilities	Award
NNSA SD 430.1	1/18/17	Real Property Asset Management	M0018
DOE O 433.1B, Admin Chg. 1	3/12/13	Maintenance Management Program for DOE Nuclear Facilities	Award
DOE N 435.1	8/9/11	Contact-Handled and Remote-Handled Transuranic Waste Packaging	Award
DOE O 435.1, Chg. 2	1/11/21	Radioactive Waste Management	Award M0116

⁸ The annual Value Management/Engineering progress report required by paragraph 10. Of the CRD shall be submitted to Program Offices through the SFO.

⁹ Full implementation will be achieved by 04/01/2025 in accordance with a NNSA-approved implementation plan.

Number	Date	Title	Mod #
DOE O 436.1A	4/25/23	Departmental Sustainability ¹⁰	Award M0192
DOE O 437.1	12/11/20	Bridge and Tunnel Management	M0116
DOE O 440.2C, Ltd Chg. 3	3/21/23	Aviation Management and Safety	Award M0100 M0180
DOE M 441.1-1 Admin Chg. 1	2/24/16	Nuclear Material Packaging ¹²	Award
DOE O 442.1B	1/31/19	Department of Energy Employee Concerns Program	M0072
DOE O 442.2, Chg 1 (Pg Chg)	10/5/16	Differing Professional Opinions for Technical Issues Involving Environment, Safety, and Health	Award
DOE N 443.1	1/21/16	Protection of Human Research Subjects in Classified Research	Award
DOE O 443.1C	11/26/19	Protection of Human Research Subjects	Award M0085
DOE O 452.1F	1/22/23	Nuclear Explosive and Weapon Surety Program	Award M0192
DOE O 452.2F	7/27/20	Nuclear Explosive Safety	Award M0121
NA SD 452.2B	6/23/21	Nuclear Explosive Safety Evaluation Processes	Award M0032 M0127
DOE O 452.3	6/8/05	Management of the Department of Energy Nuclear Weapons Complex	Award
NNSA SD 452.3- 1A	2/25/16	Defense Programs Business Process System ¹⁴	Award
NNSA SD 452.3- 2	1/19/17	Phase 6.X Process	M0018
NA SD 452.4-1	1/27/22	Nuclear Enterprise Assurance (NEA) ¹⁵	M0151
DOE O 452.4C	8/28/15	Security and Use Control of Nuclear Explosives and Nuclear Weapons	Award
DOE O 452.6A, Chg 1	2/17/21	Nuclear Weapon Surety Interface with the Department of Defense	Award M0116
DOE O 452.7, Chg 1	5/29/20	Protection of Use Control Vulnerabilities and Designs	Award M0093
DOE O 452.8	7/21/11	Control of Nuclear Weapons Data	Award
DOE O 456.1A	7/15/16	The Safe Handling of Unbound Engineered Nanoparticles	Award
DOE O 457.1A	8/26/13	Nuclear Counterterrorism	Award

¹⁰ Full implementation will be achieved in accordance with a NNSA-approved implementation plan.

¹² 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.

¹⁴ Changes will be processed as described in Section H, clause H-14(b)(4).

¹⁵ Full implementation will be achieved in accordance with a NNSA-approved implementation plan.

Number	Date	Title	Mod #
DOE O 458.1, Ltd Chg. 4	9/15/20	Radiation Protection of the Public and the Environment	Award M0100
DOE O 460.1D, Chg 1	6/10/22	Hazardous Materials Packaging and Transportation Safety	M0018 M0155
DOE O 460.2B	6/10/22	Departmental Materials Transportation Management	Award M0155
DOE O 461.1C, Chg. 1 (Min Chg)	10/4/19	Packaging and Transportation for Offsite Shipment of Materials of National Security Interest	Award M0085
DOE O 461.2	11/1/10	Onsite Packaging and Transfer of Materials of National Security Interest	Award
DOE O 462.1, Admin Chg. 1	7/10/13	Import and Export of Category 1 and 2 Radioactive Sources and Aggregated Quantities	Award
DOE O 470.3C, Ltd Chg 1	9/9/20	Design Basis Threat (DBT)	Award M0043 M0100
DOE O 470.4B, Admin Chg. 3 (LtdChg)	9/23/21	Safeguards and Security Program	M0018 M0131
NA SD 470.4-2, Admin Change 1	6/16/21	Enterprise Safeguards and Security Planning and Analysis Program	M0050 M0151
DOE M 470.4-4A	10/12/10	Information Security Manual (only Section D and the classified Technical Surveillance Countermeasures Annex.)	Award
DOE O 470.6, Chg 1	1/11/17	Technical Security Program	Award M0032
NA SD 470.6	2/25/22	Technical Security Program ¹⁶	M0155
DOE O 471.1B	3/1/10	Identification and Protection of Unclassified Controlled Nuclear Information	Award
DOE O 471.5	3/29/11	Special Access Program	Award
DOE O 471.6, Admin Chg 3	9/12/19	Information Security ¹⁷	Award M0057
NA SD 471.6	12/9/19	Operations Security Program	M0085
DOE O 471.7	2/3/22	Controlled Unclassified Information ¹⁸	M0151
DOE O 472.2A	6/10/22	Personnel Security	Award M0155
DOE O 473.1A	8/30/21	Physical Protection Program ¹⁹	M0131
DOE O 473.2A	8/30/21	Protective Forces Operations	M0131
NNSA SD 473.3	9/10/14	Enterprise Mission Essential Task List-Based Protective Force Training Program	M0008

¹⁶ Full implementation will be achieved by FY2029 in accordance with a NNSA-approved implementation plan.

¹⁷ Implementation of the “marking of documents in electronic environment requirements” listed in the CRD will be achieved in accordance with the approved plan dated 06/01/2020.

¹⁸ Full implementation will be achieved in accordance with a NNSA-approved implementation plan.

¹⁹ Full implementation will be achieved by 06/28/2024 in accordance with a NNSA-approved implementation plan.

Number	Date	Title	Mod #
DOE O 474.2A	2/7/23	Nuclear Material Control and Accountability	Award M0176
DOE O 475.1	12/10/04	Counterintelligence Program	Award
DOE O 475.2B	10/3/14	Identifying Classified Information	Award
NAP 476.1, Admin Chg. 1	2/9/15	Atomic Energy Act Control of Import and Export Activities (renumbered from NAP 23 in M0057)	Award
DOE O 483.1B, Chg. 2 (LtdChg)	12/13/19	DOE Cooperative Research and Development Agreements	M0072 M0085
DOE O 484.1, Chg 3, (Ltd Chg)	3/21/23	Reimbursable Work for the Department of Homeland Security	Award M0180
DOE O 486.1A	9/4/20	Foreign Government Sponsored or Affiliated Activities	M0072 M0100
DOE O 520.1B, Chg 1 (LtdChg)	11/11/22	Financial Management and Chief Financial Officer Responsibilities	M0116 M0176
DOE O 522.1A	8/2/18	Pricing of Departmental Materials and Services	Award M0050
NAP 530.1	5/26/23	Cost Allocation Optimization	M0192
NAP 540.2	11/22/16	NNSA M&O Off-Site Extended Duty Assignments (renumbered from NAP 31 in M0057)	M0008
DOE O 550.1, Chg. 1 (LtdChg)	12/13/19	Official Travel	Award M0085
DOE O 5639.8A	7/23/93	Security of Foreign Intelligence Information and Sensitive Compartmented Information Facilities	Award
QP 100-1	3/1/13	Quality Requirements to UK and US Procurement Contracts and Loan Authorizations for Research, Design, and Development	Award
NA SD 56XB, Rev. 2	5/10/04	Nuclear Weapon Development and Production ²¹	M0008
Nevada Field Office (NFO) Order 410.X1, Rev 1	11/15/21	Nevada National Security Site and North Las Vegas Facilities General Use and Operations Requirements	M0018 M0147
NFO O 421.X1, Rev 2	5/4/20	Nuclear Facility Safety Management	M0018 M0097
NSO M 450.X2-1	5/30/07	Underground Nuclear Testing, Test Readiness, and Threshold Test Ban Treaty, Verification	M0018

²¹ Changes will be processed as described in Section H, clause H-14(b)(4).

Part III - Section J

APPENDIX C

PERSONNEL APPENDIX

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1.0 Introduction

This appendix sets forth certain Contractor Human Resources Management policies and related 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 deemed eligible for reimbursement when incurred in keeping with FAR 31.201-2. The terms and conditions of this Contract, FAR Part 31, DEAR 931, and DEAR 970.30 may not cover every element of “personnel costs” but, failure to include any item of cost does not imply that it is allowable. 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.

Approval of personnel policies under contract DE-AC04-94AL85000 does not transfer to this Contract. Policies applicable under the Contract must be brought into compliance with the SOW and this Personnel Appendix. All of 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.

The Contractor will obtain prior Contracting Officer approval of changes to its existing policies in those areas identified within the scope of the Personnel Appendix when such changes are expected to increase costs to the Government. 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. This requirement is not intended to prohibit the Contractor from taking advantage of efficiency gains realized from new and innovative approaches in providing Human Resource services.

The Contractor shall establish effective management review procedures and internal controls to ensure that requirements set forth herein are met. For areas that require prior approval of the Contracting Officer, the Contractor will submit required documents and seek Contracting Officer approval, prior to incurrence of costs. 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 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.

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 of action or any other right or benefit upon past, present, or future employees of the Contractor, or upon any other third party.

2.0 Compensation (*Modified 0063, 0057, 0158, 0180*)

- (i) General
Section 2.0, *Compensation*, does not apply to bargaining unit employees. Section 3.0 sets forth allowable costs associated with bargaining unit employees.
- (ii) 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. The Contractor shall submit to the Contracting Officer overtime utilization reports no later than 30 days after the end of the fiscal year for the fiscal year that just ended. If the report indicates that overtime comprised 2.5% (See Section I, clause FAR 52.222-2 *Payment of Overtime Premiums*) or more of the overall payroll, the Contracting Officer may request that the Contractor submit a plan to lower the overall overtime usage rate.
- (iii) Extended Workweek and Flextime (*REPLACED 0158*)
When deemed essential to the performance of work under this Contract and there is no ability to provide other forms of relief, management may approve extended workweek or flextime options for exempt employees in accordance with the Contracting Officer approved plan.

Flextime: Part-time or full-time exempt employees are eligible to accumulate additional time to support short-term business (4 weeks or less) requiring additional hours worked to balance workload shifts. Flextime begins to accrue after the fifth hour over an employee's weekly schedule. An employee's flextime accrual may not exceed 80 hours at any given time.

Extended Workweek: Full time exempt employees are eligible to be paid straight time for all hours worked after their regularly scheduled hours for the pay period (through May 31, 2024) to support high priority projects requiring multi-month, multi-year efforts. After May 31, 2024, exempt employees may be paid straight time for all hours worked after the

fifth hour over the employee's defined workweek.

Employees may not be on extended workweek *and* earn flextime. Extended workweek or flextime cannot be earned in the same period with time charging codes associated with paid time off except for employer required training and employer required medical exams/treatment.

(iv) Call-In Emergency

Non-represented employees who are called during off time to report for a work assignment outside their standard work schedule (called-in emergency) may be paid a minimum of four (4) hours pay for time worked (at straight time rate or overtime rate as the circumstance may require at the time of the called-in emergency), no matter whether the employee worked less than 4 hours.

(v) Differentials and On-Call Pay

Differentials and on-call pay may be paid to employees in specific work environments and situations. Reimbursement shall be in accordance with the Contracting Officer approved differentials and on-call pay plan, and is limited to the following programs:

Program
Sensitive Compartmented Information Facility (SCIF) Differential
Classified Administrative Specialist (CAS) Differential
Night Shift Differential
Working Condition Differential (Z-Machine)
Incident Commander Differential
Uniformed Security Supervisor Differential
Tonopah Test Range and Nevada Test Range Differential
Nuclear Incident Response Program (NIRP) On-Call Pay
On-Call Pay
Document Control Stipend

(vi) Approval of Individual Compensation Actions in Excess of Salary Range

The Contractor shall obtain Contracting Officer approval for any proposed salary amount paid an employee in excess of the Contractor-established salary range 30 days prior to payment.

(vii) Severance Pay

The Contractor will be reimbursed for providing severance pay in the accordance with the following: 1) eligible, non-bargaining unit Contractor employees will receive a basic severance benefit that is equal to 2 weeks base rate salary; and 2) eligible, non-bargaining unit Contractor employees will receive a supplemental severance benefit equal to one week base rate salary for each full year of completed service, up to 24 weeks. In no event will the

Contractor be reimbursed for providing severance to an employee to the extent the severance pay exceeds 26 weeks of base rate salary.

Bargaining employees are eligible for severance pay in accordance with their labor agreement.

(viii) Service Credit

Service Credit for cost reimbursement for employee benefits to include post-retirement benefit (PRB) eligibility will be determined in accordance with NNSA Supplemental Directive NA SD O 350.1, *M&O Contractor Service Credit Recognition*, or its successor.

(ix) 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.

(x) Retention Incentive and Sign-On Bonus Plans (*Modified 0180*)

- (1) The Contractor may implement a retention incentive plan to retain employees with critical skills, and/or high demand skills needed to meet near-term mission priorities in accordance with the Contracting Officer approved plan.
- (2) The Contractor may implement a sign-on bonus plan to attract critical skill, high demand talent, in accordance with the Contracting Officer approved plan.
- (3) Subject to the availability of funds, the cumulative budget for these plans shall not exceed 0.25% of payroll per calendar year. No later than April 1st of each year, the Contractor shall provide a report that includes, but is not limited to: each incentive accepted by employee number; offer to acceptance ratio; duration of the retention period; critical skill or hard-to-recruit talent being addressed; exceptions to policy; retention of employees in these programs; plans to realign the program(s) as mission priorities evolve; and overall program effectiveness.

3.0 Labor Relations – Collective Bargaining Agreements (*Modified 0063*)

Costs of wages, fringe benefits, and other expenses incurred pursuant to the provisions of collective bargaining agreements and revisions thereto are allowable costs provided the Contractor adheres to requirements provided in Appendix A, Statement of Work, Chapter III, Section 7.0, Labor Relations for the following Collective Bargaining Agreements:

- Collective Bargaining Agreement with the Metal Trades Council, AFL- CIO.
- Collective Bargaining Agreement with the Office & Professional

- Employees International Union Local 251 AFL-CIO.
- Collective Bargaining Agreement with the Security Police Association (SPA).

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 (Modified 0063)

- (i) General Provisions 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 such items as publicizing, enrolling, maintaining records, and providing employees with assistance in understanding and collecting their benefits.
 - (1) Annual renewal of the group insurance policies, certificates and accounts, cost-sharing arrangements, renewal of Group Services Agreements establishing new premium rates and the implementation of changes of minor significance does not require Contracting Officer approval.
- (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
- (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. A summary of the administrative costs for these benefits will be provided to the Contracting Officer no later than February 1st after the program year has ended.

5.0 Displaced Workers Medical Benefits Program (DWMBP) (Modified 0063)

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 (see Section J, Appendix A, Statement of Work, Chapter III Section 3.2 *Reductions in Contractor Employment - Workforce Restructuring*, Section 3.2.2.2).

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 less years of coverage):

- (i) 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.
- (ii) 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.
- (iii) 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 *(Modified 0018 and Replaced 0116)*

(i) The Contractor shall administer the following plans:

1. Defined Benefit Plan (DB):

- NTESS Retirement Income Plan

2. Nonqualified Benefit Plans:

- NTESS 401(a)(17) Restoration Plan
- NTESS Mid-Career Retirement Plan
- NTESS Non-Qualified Pension Plan
- NTESS 415 Excess Benefit Plan

3. Defined Contribution (DC) Plan:

- NTESS Savings and Income Plan

(ii) General Provisions

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. Reasonable administrative costs associated with the effective administration of the plans include such items 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 qualified plans.

(iii) Qualified Defined Contribution Plan

Contractor funds contributed on behalf of participating employees, who cancel their participation in the plan or whose employment is terminated, which are not vested 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 Sandia National Laboratories shall be returned to DOE/NNSA.

(iv) Non-Qualified Plans

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

1. As of the first day of the Base Term of the Contract, the NTESS 401 (a)(17) Restoration Plan will accept no new entrants. The only participants in this plan will be the individuals listed in Appendix B of the NTESS 401(a)(17) plan document as of May 1, 2017.

Eligible compensation for purposes of the NTESS 415 Excess Benefit Plan and/or NTESS 401(a)(17) Restoration Plan shall be limited only to the compensation reimbursed under the Contract. Benefits calculated on DB plan service and earnings under previous contracts continue to be allowed for reimbursement under this contract.

2. Any necessary changes to the NTESS 401(a) (17) Restoration Plan that need to be made to effect the participation and compensation limitations set forth in 6.0(iv)(1-2) of this Appendix, shall be made no later than 120 days after the effective date the Contract is awarded.
3. Sandia Corporation 415 Excess Benefit Plan shall be terminated no later than 120 days after the effective date of the Contract.

The Non-Qualified Plans are funded on a pay as you go basis. The plans and amendments thereof require approval of the Contracting Officer. No later than 60 days after the end of the fiscal year, the Contractor shall report the following data to the Contracting Officer: number of individuals receiving benefits, benefits amount paid to include supporting data to determine the benefit paid; and any other data as requested by the Contracting Officer.

7.0 Paid/Unpaid Time Off (*Modified 0063, 0192*)

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) Holiday: Up to 13 holidays within a calendar year at the basic rate of pay.
- (ii) Vacation: Up to 200 hours vacation accrual based on service as noted below, with an option to buy additional vacation hours, and vacation donation for an applicable emergency.

Years of Service	Vacation Days
New Hire	15
1 – 2 Years	15
3 – 4 Years	18
5 – 9 Years	20
10 – 14 Years	22
15 – 19 Years	24
20+ Years	25

- (iii) Sickness Absence: Up to 6 weeks of paid sickness absence at the basic rate of pay, and 20 weeks at a percentage of pay, to include 6 weeks of Family Leave.
- (iv) Other Allowable Paid Leave:
 - (1) Paid Absence: Up to 40 hours for bereavement, incidental family care, tribal appointments, and regulatory required time off, and up to 20 hours for voluntary firefighter time (excluding time incurred to travel or for training)
 - (2) Jury/Witness Duty
 - (3) Work Closure
- (v) Unpaid Leave: Unpaid absences and leaves of absence may be granted in the following categories:
 - (1) Excused Unpaid Time: Up to 160 hours for one-time emergencies that require an employee's immediate attention when no other options are available.
 - (2) Unpaid Leaves of Absence: Up to 12 months for Personal Leave of Absence or Child Care Leave of Absence; up to 36 months for Educational Leave of Absence or Special Leave of Absence; and up to 60 months for Military Leave of Absence.
- (vi) Military Leave of Absence

Military Leave of Absence for training that is consistent with the provisions established in 5 U.S.C. 6323 shall, at minimum, comply with all applicable provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA). Such plan shall be subject to Contracting Officer approval if it provides more benefits than are required by law.

(vii) Security Leave (Suspension of Access Authorization)

If the access authorization of a contractor employee is suspended by direction of the Manager (as that term is defined in 10 C.F.R. 710.5), the Contractor may transfer the employee to work not requiring access authorization if such work is available, without reducing the employee's base compensation. If the Contractor determines that no work is available, which does not require access authorization or it is not in its best interest to provide such work, the Contractor may put the employee on unpaid leave until final disposition of the matter.

If at any stage of the access authorization procedure following a suspension or at the conclusion of the administrative review process provided under 10 CFR Part 710, the employee's access authorization is reinstated, the Contractor will offer the employee reinstatement in the same or a comparable position to the one held prior to suspension, if available.

8.0 Training and Education (*Modified 0032, 0063*)

(i) General

- (1) The 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. 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) Education (*Modified 0063*)

Education costs may be paid to employees participating in the programs listed below, in accordance with the Contracting Officer approved plan.

NTESS Program	Description
Full Time	For existing employees to pursue a graduate degree in a critical skill field. Employees must be enrolled in a full-time graduate program to be eligible for reimbursement. The program is limited to a maximum of 2 years, or the length of the program, whichever is less.
Part Time	For employees pursuing graduate degree in a critical skill field while continuing to work 30 hours per week. Employees must be enrolled in a full-time graduate program to be eligible for reimbursement.
Tuition Assistance	Tuition for employees taking courses or working toward an associate, bachelor, or graduate degree on-line or at a local university while working full-time. Employee working part time are eligible for half of a full-time employee's benefit. Tax assistance will not be provided for any tuition assistance.

(iv) Retraining

When a layoff occurs or is contemplated, affected employees who have completed the service requirement, as determined by the Contractor, may be retrained to learn necessary skills for jobs at SNL for which there are vacancies or for which the employees have transfer rights.

9.0 Travel, Relocation, and Subsistence

- (i) The Contractor may pay transportation, lodging, meals, and incidental expenses for travel that is in conjunction with, and required for, the performance of work under this Contract. Travel costs shall be allowable to the extent they are incurred in accordance with the FAR, DEAR, and Federal Travel Regulation (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.
- (ii) The Contractor may deviate from this Appendix in specific instances where it is determined and approved by the Contracting Officer to be economically advantageous to DOE/NNSA and to the extent such deviations conform to regulations and law. The Contractor will maintain records for audit review.

- (iii) Relocation expenses shall be incurred in accordance with the provisions, limitations and exclusions of the FAR and the Federal Travel Regulation. Relocation provisions are allowable for exempt employees, non-exempt technologist employees, and union technical trades employees.

10.0 Recruiting

- (i) The costs of recruitment of personnel including cooperative education programs, internship programs, 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, career fairs, and operation of recruiting stations are allowable.
- (ii) Applicants who are requested by the Contractor to report for a pre-employment interview shall be allowed transportation expenses. Reasonable actual costs, not to exceed per diem, of lodging and meals and incidental expenses (M&IE) shall be allowed.
- (iii) New or prospective employees may be reimbursed for costs of pre-employment physical examinations that are taken as specified by the Contractor if the prospective employee is actually placed on the payroll.

11.0 Special Employee Activities (*Modified 0192*)

- (i) Recreation and Morale Building Benefits

Costs of conducting employee activities, including recreational programs and athletic programs for employees and their immediate families are allowable. The fees associated with employees and their immediate families participating in the recreation program through Lawrence Livermore National Laboratory are allowable under the cost ceiling for this program. The cost ceiling for this program shall not exceed \$50 per employee, per year. Exceptions to this ceiling must be approved by the Contracting Officer.

- (ii) Food Services

Net costs associated with the operation of a cafeteria at Sandia New Mexico are allowable. Net costs associated with the operation of a “Grab ‘N Go” food services at Sandia California are allowable.

- (iii) Employee Recognition Programs

The Contractor may establish a recognition program for: Service Awards, Retirement Awards, Employee Recognition Awards, and Performance Awards, utilizing up to 0.185% of the base payroll of the prior fiscal year. Costs in excess of the authorized amounts shall require advance approval from the Contracting Officer. Upon request, the Contractor shall provide the Contracting Officer with a report that outlines the

expenditures for each type of award category under the Program.

The contractor shall ensure documentation is maintained to validate the award criteria for this Program is being followed. The Contractor shall ensure employees are not eligible to receive more than one award for the same contribution/achievement or receive an award in successive years for the same contribution/achievement. The following are the types of employee recognition as part of the overall Program.

- Service and Retirement Awards:

The Contractor may recognize employees for significant service milestone anniversaries and retirements with non-cash awards such as a presentation of a plaque, certificate, and/or gift commensurate with the employee's years of service.

- Employee Recognition Awards:

The Contractor may recognize employees or groups of employees who have made significant contributions to SNL with non-cash awards such as a plaque, certificate, photograph, and memorabilia. Light refreshments (coffee, tea, soda, water) is an allowable cost that may be incurred for, and provided at, the ceremony.

- Performance Awards:

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. Cash and non-cash awards may be provided to employees or groups of employees, but cash awards shall not be duplicative of any other award or incentive programs.

(iv) Adoption Assistance Program

Reasonable costs associated with the Contractor's Adoption Assistance Program are allowable. The Adoption Assistance program provides reimbursement of up to \$2,500 per child for the expenses associated with adopting a child including reasonable and customary private/public adoption agency fees; legal fees; court fees; and temporary child care charges prior to placement in the employee's home.

(v) Assignments to/from Honeywell International (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) The Contractor may borrow employees from its parent corporation for incidental work under this Contract with prior Contracting Officer approval. Reimbursement of costs associated with a short-term assignment must be reasonable and allowable in accordance with this contract.

12.0 Community Involvement and Outreach (*Modified 0043*)

The Contractor may authorize employees to participate in educational and community outreach in accordance with its Community 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. No later than November 1 of each year, the Contractor shall submit a report to the Contracting Officer on the types of usage and number of hours utilized in the prior fiscal year. The Contractor shall request Contracting Officer approval when changes are made to the Plan, or as directed by the Contracting Officer. Some examples of permissible educational and community outreach include, but are not limited to:

- (i) Promotion of Science, Technology, Engineering, and Mathematics in the educational setting (elementary school through higher education institutions)
- (ii) Science Bowl and Science Fairs
- (iii) Blood bank drives
- (iv) Charity drives
- (v) United Way campaigns