

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE

PAGE OF PAGES

1 25

2. AMENDMENT/MODIFICATION NO.

209

3. EFFECTIVE DATE

See Block 16C

4. REQUISITION/PURCHASE REQ. NO.

5. PROJECT NO. (If applicable)

6. ISSUED BY

CODE

05007

7. ADMINISTERED BY (If other than Item 6)

CODE

05007

NNSA/Pantex Site Office
U.S. Department of Energy
NNSA/Pantex Site Office
P.O. Box 30030
Amarillo TX 79120-0030

NNSA/Pantex Site Office
U.S. Department of Energy
NNSA/Pantex Site Office
P.O. Box 30030
Amarillo TX 79120-0030

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)

BABCOCK & WILCOX TECHNICAL SERVICES PANTEX, L L C
Attn: GARY ALLEN
P.O. BOX 30020
AMARILLO TX 791200000

9A. AMENDMENT OF SOLICITATION NO.

9B. DATED (SEE ITEM 11)

10A. MODIFICATION OF CONTRACT/ORDER NO.
DE-AC54-00AL66620

10B. DATED (SEE ITEM 13)

CODE 015693703

FACILITY CODE

07/28/2000

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

See Schedule

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

CHECK ONE

A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

D. OTHER (Specify type of modification and authority)

X H.2 Modification Authority

E. IMPORTANT: Contractor is not, is required to sign this document and return 3 copies to the issuing office.

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

See page 2 for purpose of modification.

Period of Performance: 02/01/2001 to 09/30/2010

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

15A. NAME AND TITLE OF SIGNER (Type or print)

J. Brian Bidwell
Prime Contract Manager

16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)

Sebastian M. Klein

15B. CONTRACTOR/OFFEROR

(Signature of person authorized to sign)

15C. DATE SIGNED

10/20/10

16B. UNITED STATES OF AMERICA

(Signature of Contracting Officer)

16C. DATE SIGNED

10/20/2010

The purpose of this Modification is to incorporate the following:

- A. Part III – List of Documents, Exhibits, and Other Attachments, Section J – List of Attachments, Appendix B: delete “Special Bank Account Agreement for Use with the Payments Cleared Financial Agreement” dated 01/16/01 in its entirety and replace it with “Special Financial Institution Account Agreement for Use with the Payments Cleared – Financing Arrangement (Subcontract Number 60162) dated 01/31/08.
- B. Part III – List of Documents, Exhibits, and Other Attachments, Section J – List of Attachments, Appendix C: delete “Small Business Subcontracting Plan to the Contract” dated 07/25/00 in its entirety and replace it with “Small Business Subcontracting Master Plan – Pantex Plant” dated 09/30/10.
- C. Part III – List of Documents, Exhibits, and Other Attachments, Section J – List of Attachments, Appendix G: “Performance Guarantee Agreement for Bechtel National, Inc.”
- D. All other terms and conditions remain unchanged, including estimated contract amount and performance period.

**SPECIAL FINANCIAL INSTITUTION ACCOUNT
AGREEMENT FOR USE WITH THE PAYMENTS CLEARED
FINANCING ARRANGEMENT
Subcontract Number 60162**

Agreement entered into this, 1 day of February, 2008, between the UNITED STATES OF AMERICA, represented by the Department of Energy (hereinafter referred to as "DOE"), and Babcock & Wilcox Technical Services Pantex, LLC, a corporation/legal entity existing under the laws of the State of Delaware (hereinafter referred to as the Contractor) and Amarillo National Bank, a financial institution corporation existing under the laws of the State of Texas, located at 410 S. Taylor, Amarillo, Texas 79101 (hereinafter referred to as the Financial Institution).

RECITALS

- (a) On the effective date of July 28, 2000, DOE and the Contractor entered into Agreement(s) No. DE-AC04-00AL66620, or a Supplemental Agreement(s) thereto, providing for the transfer of funds on a payments-cleared basis.
- (b) DOE requires that amounts transferred to the Contractor thereunder be deposited in a special demand deposit account at a financial institution covered by Department of the Treasury-approved Government deposit insurance organizations that are identified in I TFM 6-9000 (see Fig. IX-10).

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

- (c) The special demand deposit account shall be designated:

Master Account – Babcock & Wilcox Technical Services Pantex, LLC
Contract No. DE-AC04-00AL66620, Department of Energy
Special Financial Institution Account
Account # 092231

COVENANTS

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

- (1) The Government shall have a title to the credit balance in said account to secure the repayment of all funds transferred to the Contractor, and said title shall be superior to any lien, title, or claim of the Financial Institution or others with respect to such accounts.
- (2) The Financial Institution shall be bound by the provisions of said Agreement(s) between DOE and the Contractor relating to the transfer of funds into and withdrawal of funds from the above special demand deposit account, which are hereby incorporated into this Agreement by reference, but the Financial Institution shall not be responsible for the application of funds withdrawn from said account. After receipt by the Financial Institution of directions from DOE, the Financial Institution shall act thereon and shall be under no liability to any party hereto for any action taken in accordance with the said written directions. Any written directions received by the Financial Institution from the Government upon DOE stationery and purporting to be signed by, or signed at the written direction of, the Government may, insofar as the rights, duties, and liabilities of the Financial Institution are concerned, be considered as having been properly issued and filed with the Financial Institution by DOE.
- (3) DOE, or its authorized representatives, shall have access to financial records maintained by the Financial Institution with respect to such special demand deposit account at all reasonable times and for all reasonable purposes, including, but without limitation to, the inspection or copying of such financial records and any or all memoranda, checks, payment requests, correspondence, or

documents pertaining thereto. Such financial records shall be preserved by the Financial Institution for a period of 6 years after the final payment under the Agreement.

- (4) In the event of the service of any writ of attachment, levy of execution, or commencement of garnishment proceedings with respect to the special demand deposit account, the Financial Institution shall promptly notify DOE at—

National Nuclear Security Administration
U.S. Department of Energy
Service Center
P.O. Box 5400
Albuquerque, NM 87185-5400

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

The Financial Institution agrees to service the account in this manner based on the requirements and specifications contained in solicitation dated **December 7, 2007**. The Financial Institution agrees that per-item costs, detailed in the form "Schedule of Financial Institution Processing Charges," contained in the Financial Institution's aforesaid bid will remain constant during the term of this Agreement. The Financial Institution shall calculate the monthly fees based on services rendered and invoice the contractor. The contractor shall issue a check or automated clearing house authorization transfer to the Financial Institution in payment thereof.

- (6) The Financial Institution shall post collateral, acceptable under Department of the Treasury Circular 176, with the Federal Reserve Bank in an amount equal to the net balances in all of the accounts included in this Agreement (including the noninterest-bearing time deposit account), less the Department of the Treasury-approved deposit insurance.
- (7) This Agreement, with all its provisions and covenants, shall be in effect for a term of two (2) years, beginning on the 1st day of February, 2008, and ending on the 31st day of January, 2010. The Contractor reserves the option to extend the period of performance for an additional three one- year periods with each period exercised independently.

Written notification of the option to extend will be provided by the Contractor ninety days prior to the expiration of the initial term or any option year as appropriate.

- (8) DOE, the Contractor, or the Financial Institution may terminate this Agreement at any time within the agreement period upon submitting written notification to the other parties 90 days prior to the desired termination date. The specific provisions for operating the account during this 90-day period are contained in Covenant 11.
- (9) DOE or the Contractor may terminate this Agreement at any time upon 30 days' written notice to the Financial Institution if DOE or the Contractor, or both parties, find that the Financial Institution has failed to substantially perform its obligations under this Agreement or that the Financial Institution is performing its obligations in a manner that precludes administering the program in an effective and efficient manner or that precludes the effective utilization of the Government's cash resources.
- (10) Notwithstanding the provisions of Covenants 8 and 9, in the event that the Agreement, referenced in Recital (a), between DOE and the Contractor is not renewed or is terminated, this Agreement between DOE, the Contractor, and the Financial Institution shall be terminated automatically upon the delivery of written notice to the Financial Institution.

- (11) In the event of termination, the Financial Institution agrees to retain the Contractor's special demand deposit account for an additional 90-day period to clear outstanding payment items. (For compensation by noninterest-bearing time deposit only.)

Within 7 days of the expiration of the Agreement term, an analysis of the special demand deposit account shall be made by DOE to determine whether an insufficient or excessive balance was maintained in the time deposit account to compensate the Financial Institution for services rendered up to the expiration date.

- (a) If the analysis indicates that the Financial Institution has been insufficiently compensated for services rendered up to the expiration of the Agreement, the Contractor shall—
1. Maintain on deposit, during this 90-day period, sufficient Federal funds to reimburse the Financial Institution for prior cumulative loss of earnings, and
 2. Maintain on deposit in the time deposit account sufficient Federal funds to compensate the Financial Institution for services rendered.
- (b) If the analysis indicates that the Financial Institution has been overcompensated for services rendered up to the expiration of the Agreement, DOE shall close out the time deposit account and secure from the Financial Institution a payment in an amount equal to the cumulative excess compensation less compensation for estimated services to be rendered during the 90-day period.
- (c) If cumulative excess compensation is not sufficient to compensate the Financial Institution for services rendered during the 90-day period, adjustments shall be made to the time deposit account to compensate the Financial Institution for the difference between the cost of services rendered during the 90-day period and the cumulative excess compensation.

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

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

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

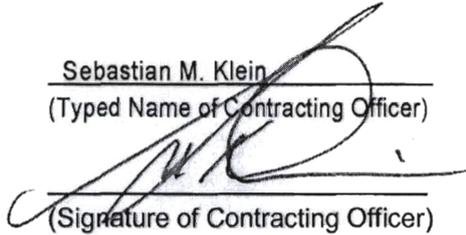
The Financial Institution has submitted the forms entitled "Technical Representations and Certifications," and "Schedule of Financial Institution Processing Charges." These forms have been accepted by the Contractor and the Government and are incorporated herein with the document entitled "Financial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

IN WITNESS WHEREOF the parties hereto have caused this Agreement, which consists of 6 pages, including the signature pages, to be executed as of the day and year first above written.

THE UNITED STATES OF AMERICA

BY: U.S. DEPARTEMENT OF ENERGY

Sebastian M. Klein
(Typed Name of Contracting Officer)


(Signature of Contracting Officer)

(Title) 1/30/2008
(Date)

BABCOCK & WILCOX TECHNICAL SERVICES PANTEX, LLC

Wilson R. Rodgers
(Typed Name of Contractor's Representative)

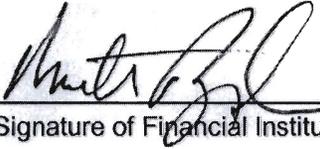

(Signature of Contractor's Representative)

Chief Financial Officer
(Title) _____ (Date)

Intersection Hwy 60 & FM 2373
Amarillo, TX 79120-0020
(Address)

AMARILLO NATIONAL BANK

Monte Broggin
(Typed Name of Financial Institution Representative)


(Signature of Financial Institution Representative)

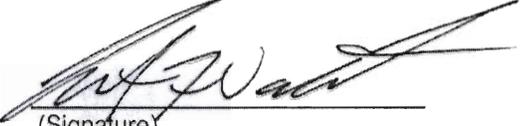
Senior Vice President
(Title) (Date)

P.O. Box 1 Amarillo, TX 79105
(Address)

CONTRACTOR CORPORATE CERTIFICATE

I, Ernst F. Wootten, certify that I am the Assistant Secretary of the corporation named as Contractor herein; that Wilson R. Rodgers, who signed this Agreement on behalf of the Contractor, was then Chief Financial Officer of said corporation; and that said Agreement was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

(Corporate Seal)


(Signature)

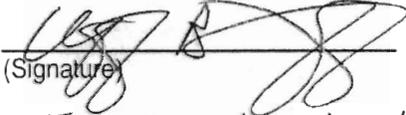
Assistant Secretary
(Title)

1/30/08
(Date)

BANK CORPORATE CERTIFICATE

I, Cliff Bickerstaff, certify that I am the Executive Vice Pres. of the corporation named as Financial Institution herein; that Monte Broadin, who signed this Agreement on behalf of the Financial Institution, was then Senior Vice President of said corporation; and that said Agreement was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

(Corporate Seal)


(Signature)

Executive Vice President
(Title)

1-31-08
(Date)

SCHEDULE OF FINANCIAL INSTITUTION PROCESSING CHARGES

Contractor : Babcock & Wilcox Technical Services Pantex, LLC

Financial Institution: Amarillo National Bank

Services :	Contractor's Projected Monthly Quantity	Per Item Cost	Total
1. Account Maintenance	<u>1</u>	<u>@\$10.00</u>	<u>\$ 10.00</u>
2. Checks Cleared	<u>1200</u>	<u>@ \$0.15</u>	<u>\$ 180.00</u>
3. Automated Clearing House Transfers	<u>6,000</u>	<u>@\$ 0.07</u>	<u>\$ 420.00</u>
4. Wire Transfers	<u>90</u>	<u>@\$ 8.00</u>	<u>\$ 720.00</u>
5. Stop Payment Orders	<u>5</u>	<u>@\$17.00</u>	<u>\$ 85.00</u>
6. Preparation of 1031,			
7 Request for Credit Transfer	<u>25</u>	<u>@\$ 5.00</u>	<u>\$ 125.00</u>
8. Deposits - Deposit Tickets	<u>35</u>	<u>@\$ 0.15</u>	<u>\$ 5.25</u>
- Local Items	<u>160</u>	<u>@\$ 0.08</u>	<u>\$ 12.80</u>
9. Non-cash Items Deposited	<u>N/A</u>	<u>@ N/A</u>	<u>N/A</u>
10. Other Services (Explained Below)			
11. Full Account Reconciliation/Daily Uploads	<u>30</u>	<u>@\$ 5.00</u>	<u>\$ 150.00</u>
12. Checks sorted and returned with Statement	<u>30</u>	<u>@\$ 0.00</u>	<u>\$ 0.00</u>
13. Credit Card - Per Card Fee	<u>1,000</u>	<u>@ \$ 0.00</u>	<u>\$ 0.00</u>
14. *Credit Card - Cash Withdrawal Fee	<u>100</u>	<u>@ \$ 5.00</u>	<u>\$ 500.00</u>
15. Credit Card - Phone Payment Fee	<u>30</u>	<u>@\$10.00</u>	<u>\$ 300.00</u>
16. **Credit Card - Late Fee	<u>50</u>	<u>@\$39.00</u>	<u>\$1,950.00</u>
17. Credit Card - Online Payment Fee	<u>100</u>	<u>@\$ 0.00</u>	<u>\$ 0.00</u>

18.	Total Monthly Service Charges (Sum Lines 1-16)			<u>\$4,458.05</u>
19.	Credit Card Annual Fee	<u>1,000</u>	<u>@ \$ 0.00</u>	<u>\$ 0.00</u>
20.	Annual Service Charges (Line (10 x 12 months) + Line 18)			<u>\$53,496.60</u>

* Cash Withdrawal Fees are applied at \$5.00 or 3% of the transaction whichever is greater.

**Late Fees are applied at \$35.00 for balances less than \$500 and \$39 for balances greater than \$500

**FINANCIAL INSTITUTION'S INFORMATION ON PAYMENTS CLEARED
FINANCING ARRANGEMENT**

1. GENERAL INFORMATION

Payments cleared funding is a method used by the Federal Government to provide funds to a contractor who is performing services or providing goods to the Department of Energy (DOE). Under this method, the contractor issues payments for program purposes. When these payments clear the financial institution, the payments are totaled, and the financial institution draws funds from an Automated Standard Application for Payment (ASAP) 1031 system account at the Federal Reserve Bank of Richmond (FRB-Richmond) for credit to the contractor's account. The financial institution is compensated for services performed in the form of either direct payment of fee or a noninterest-bearing time deposit. Information necessary to bid for and operate such an account and to establish the reporting requirements the financial institution must meet are provided below.

2. BIDDING INFORMATION

- a. Upon receipt of the solicitation from BWXT Pantex, the financial institution representative should review the package to ensure that all material listed in the covering letter has been included. If anything is missing, the financial institution representative should contact the BWXT Pantex representative named in the letter to obtain the missing material. If all material is present, the financial institution representative should review the bidding procedures, the operating procedures, the reporting requirements, and the sample agreement. Questions should be directed to the designated BWXT Pantex representative.
- b. Once the procedures and requirements are understood and the financial institution's management decides to submit a proposal, the procedures below should be followed:
 - (1) Complete and sign Attachment 1 entitled "Technical Representations and Certifications" form.
 - (2) Complete Attachment 2 entitled "Schedule of Financial Institution Processing Charges" form. The Offeror's cost per item proposal should include all five years (base period and all option years). An estimated total for the base periods and for each of the option periods should be provided along with an estimated total for the full five years.
 - (3) Complete Attachment 3 entitled "Required Technical Attributes/Services" document.
 - (4) Complete a Technical Proposal.
 - (5) Provide a copy of the Financial Institution's Credit Card Agreement.
 - (6) Ensure that all required information has been provided before forwarding the completed forms to the designated BWXT Pantex representative. These forms constitute the financial institution's formal proposal to BWXT Pantex. Incomplete proposals will not be considered.
 - (7) Forward the completed proposal with a cover letter to the BWXT Pantex representative at the address provided. Proposals not received by the date established for submission will not be considered.
- c. Bidders will be notified, by letter, of the financial institution selected within 30 calendar days after the close of the bidding period.

- d. The selected financial institution will meet with the designated BWXT Pantex representative to clarify any operational questions and to sign the contractual agreement and required corporate certificates for both the contractor and the financial institution. The agreement term will be determined by the BWXT Pantex representative, but normally will be for a period of not less than 2 years and not more than 5 years. Specific termination provisions are contained in the agreement for termination before the date specified in the agreement.

3. OPERATING REQUIREMENTS

- a. The financial institution will total the payments cleared against the special account and subtract any deposits. This sum will be drawn from the ASAP 1031 account at FRB-Richmond. The amount of the drawdown should be sufficient to maintain the account balance net positive and as close to zero as administratively possible. The institution must determine the cutoff time for processing payments and deposits to ensure same day credit. The drawdown is effected by sending an online request for funds (type code 1031) to FRB-Richmond via Fedwire by 5:45 p.m. Eastern time. The BWXT Pantex finance office will provide the financial institution with enrollment forms that will permit withdrawal of funds from the ASAP 1031 account at FRB-Richmond. The institution will complete the forms and return them to BWXT Pantex for further processing.
- b. If the financial institution providing these services is a branch of a parent institution, the drawdown on ASAP 1031 and subsequent transfer of funds from FRB-Richmond must be accomplished in time for the branch to receive same-day credit for the funds requested.

4. COMPENSATION AND COLLATERALIZATION

When the financial institution is to be compensated in the form of a noninterest-bearing time deposit, that deposit will be made by the contractor drawing the amount of funds from the ASAP 1031 account. The institution will place those funds in a separate noninterest-bearing time account as set forth in the agreement. This account must be identified as being Federal funds. If the amount of the noninterest-bearing time deposit exceeds the level of Department of the Treasury-approved deposit insurance coverage, the institution must collateralize the amount that exceeds the insurance coverage. The collateral will be posted with the FRB in accordance with Department of the Treasury Circular 176. The institution will be paid directly by the contractor if the direct payment method is used.

5. PENALTIES ON EXCESS FUNDS

If the financial institution has a pattern of excess drawdowns and fails to correct the problem after written notice from the BWXT Pantex, the financial institution will be assessed interest on all excess balances at the Federal Funds Rate for the month(s), and the special financial institution account agreement will be terminated. Penalties will be remitted to the cognizant BWXT Pantex finance office.

6. REPORTING REQUIREMENTS

The financial institution will provide the contractor with a bank statement and an account analysis monthly. The account analysis will include the data necessary for the BWXT Pantex finance office to determine that the costs of the services are commensurate with the level of compensation being provided to the financial institution, and that the average daily demand account balance is being maintained net positive and as close to zero as administratively possible.



Pantex, LLC

▶ p.o. box 30020 ▶ amarillo, tx 79120
▶ phone 806-477-3000 ▶ www.pantex.com

Contract Number: 60162 Date: April 14, 2008
Modification Number: 001

ADDED: DEFINITIONS – BABCOCK & WILCOX TECHNICAL SERVICES PANTEX, LLC

As a result of a recent name change from BWXT Pantex, LLC to Babcock & Wilcox Technical Services Pantex, LLC, the following terms, as used throughout this contract, shall have the meaning set forth below:

- (a) The term “BWXT Pantex, LLC” means Babcock & Wilcox Technical Services Pantex, LLC.
- (b) The term “Babcock & Wilcox Technical Services Pantex, LLC” means B&W Pantex.
- (c) The term “BWXT Pantex” means B&W Pantex.

Modification 001 is issued as an administrative modification to correct a vendor entry error with the issuance of the contract. This is a unilateral modification to the contract. This is also a no cost modification and no time is added to the contract.

All other provisions and terms and conditions of Inter-Contractor Purchase No. 60162, dated 2/1/2008 and modifications thereto, if any, shall remain in full force and effect except as herein modified.



Pantex, LLC

▶ p.o. box 30020 ▶ amarillo, tx 79120
▶ phone 806-477-3000 ▶ www.pantex.com

Contract 60162, Amendment # 2 Date: December 30, 2009

Amendment # 2 is issued to exercise Option Period 1 of the contract, which extends the contract from February 1, 2010 thru January 31, 2011.

All other provisions and terms and conditions of contract No. 60162, dated 2/1/2008 and modifications thereto, if any, shall remain in full force and effect except as herein modified.

END OF CONTRACT 60162, AMENDMENT #2

Small Business Subcontracting Master Plan - Pantex Plant

Contractor: B&W Pantex LLC

Address: P. O. Box 30020

Amarillo, TX 79120

Contract Number: DE-AC54-00AL66620

Item/Service: Management and Operation of the Plant

Amount of Contract First year: TBD

Total Amount of Contract Estimated: TBD

Period of Contract Performance: 10/01/2005 – END OF CONTRACT

This Subcontracting Plan describes B&W Pantex's approach to involving small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns to the maximum extent practicable in the management and operation of the Pantex Plant for the Department of Energy/National Nuclear Security Administration (DOE/NNSA).

B&W Pantex supports DOE/NNSA's strong, long-term commitment to diversity. We believe that diversity is much more than affirmative action in the workplace. For B&W Pantex, it is an operating principle of management that plays a key role in our success. Diversity in subcontracting provides vital links to the local community, increases our flexibility in meeting program goals, strengthens the local economy, creates new opportunities, is cost effective, and represents best business practices.

B&W Pantex has chosen to submit a master plan. In addition to the master plan, we have attached an "annual" plan (Attachment A) that includes our proposed goals for FY11. This plan shall be included in and made a part of the contract.

1. Goals

Goals for subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business will be expressed in terms of percentages of local planned subcontracting dollars each year.

2. Total Planned Subcontracted Dollars

The total dollars planned to be subcontracted and *the* total dollars planned to be subcontracted to small business, veteran-owned small business, service-disabled veteran-owned small business, HUB Zone small business, small disadvantaged business, and women-owned small business will be submitted and negotiated each year upon request by the Contracting Officer within the time

specified. The goals (as presented in Attachment A) shall be deemed an adjunct to the master plan when approved in writing by the Contracting Officer.

3. Principal Types of Supplies/Services to be Subcontracted

The list below is representative of the principal types of supplies and services that B&W Pantex anticipates to be subcontracting opportunities for small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business and women-owned small business concerns. Additional opportunities will be identified for such business concerns on a continuing basis.

Subcontracting Potential	SB	SDB	HUBZ	WO	VET	SDV
Construction	•	•	•	•	•	•
Electrical	•	•				
Environmental Services	•	•	•			
Computer Equipment/Supplies	•	•	•	•	•	•
Training	•	•			•	•
Office Supplies	•				•	
Fabrication	•			•		
Fire Protection Upgrades	•	•	•			
Professional Management Support	•					
A-E Services	•					

4. Method Used to Develop Goals

B&W Pantex's goals are developed on historical trends, available information regarding annual budgeted programs, market research of available small business concerns, and our corporate commitment to subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns. The total dollars are calculated by multiplying the goal percentages by the amount of total planned subcontracting dollars.

5. Method Used to Identify Potential Sources

B&W Pantex primarily identifies potential sources from existing internal source lists that have been developed over a period of time. In addition, we continually identify and review other sources of supply and services, including, but not limited to the following:

- Central Contractor Registration (CCR)
- Dynamic Small Business Search of the Small Business Administration (SBA)
- VetBiz of the Department of Veterans Affairs (VA)
- Small Business Development Centers (SBDC)
- Procurement Technical Assistance Centers (PTAC)
- Regional SBA's Offices
- Small business trade fairs, workshop, and forums for small business
- Other small business advocates

6. Indirect Costs

Indirect costs/awards are included in establishing the goals for this plan and are reflected in the goals proposed for small business, veteran-owned small business, service-disabled veteran owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns. One hundred percent of the indirect costs/awards are in support of this contract with DOE/NNSA.

7. Plan Administrator

The following individual will administer the B&W Pantex Subcontracting Plan:

Name: Brad W. Brack
Title: Small Business Program Manager
Telephone: (806) 477-6192 E-Mail: bbrack@pantex.com

The specific duties of the Administrator as they relate to B&W Pantex's Subcontracting Plan are as follows:

- a. Serve as the program manager for the Small Business Program.
- b. Develop policies and procedures to assure the success of this Subcontracting Plan.
- c. Maintain liaison with the DOE/NNSA Contracting Officer and Small Business Program Managers on small business matters.
- d. Supervise compliance with the "Utilization of Small Business Concerns," provisions of the prime contract.
- e. Review all proposed procurements over \$100,000 for possible small business set-asides,
- f. Review all lower-tier subcontracting plans to assure compliance with current regulations.
- g. Develop and maintain source lists of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.
- h. Monitor achievement of proposed goals.
- i. Attend minority and small business workshops, trade fairs, and seminars.
- j. Assure establishment and maintenance of records relating to solicitation and award of subcontracts.
- k. Counsel and discuss subcontracting opportunities with small business concerns.

1. Coordinate contractor's activities before and during conduct of federal agency compliance reviews.
- m. Seek additional small businesses through the use of mass media tools, supplier directories, and outreach events.
- n. Coordinate supplier relations, including marketing and counseling activities, supplier visits, product demonstrations, plant tours and conferences.
- o. Coordinate the preparation and submission of socioeconomic reports.
- p. Promote the Small Business Program by providing outreach, inreach and training presentations at buyer's meetings, business breakfasts and training seminars.
- q. Submit the Individual Subcontract Report (ISR) and the Summary Subcontract Report (SSR) using the Electronic Subcontracting Reporting System (eSRS) at <http://www.esrs.gov> all in accordance with the prime contract and instructions provided by the Contracting Officer.
- r. Require lower tier subcontractors to submit subcontracting plans and monitor for compliance with those plans.
- s. Maintain liaison and good working relationships with representatives of the SBA.
- t. Verify that subcontracts contain the flowdown clauses pertaining to small business concerns when required.
- u. Assure that procurement packages are structured to permit participation by small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns to the maximum extent possible.

8. Equitable Opportunities

The following efforts will be taken to assure that small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns shall have an equitable opportunity to compete for subcontracts. The purpose of these efforts is to provide information and assistance to socioeconomic businesses and/or individuals who may be interested in becoming subcontractors to B&W Pantex:

- a. Participate in small business trade fairs, conferences, and seminars in support of the Small Business Program.
- b. Participate as an exhibitor in the DOE/NNSA Annual Small Business Conference.
- c. Package solicitations (including time for preparation, scope of work, quantities, specifications, and delivery schedules) to facilitate participation by small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.
- d. Monitor source lists such as the SBA's Dynamic Small Business Search, Central Contractor Registration, VETBiz, and other sourcing tools to assist in identifying small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.
- e. Conduct training sessions and other support activities to assist buying personnel in identifying small business, veteran-owned small business, service-disabled veteran-

- owned small business, HUB Zone small business, small disadvantaged business, and women-owned small business concerns.
- f. Coordinate a Special Assistance Program to assist small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns by arranging solicitations to facilitate the participation by such concerns in areas related to preparation time of proposals, quantities, specifications, and delivery schedules.
 - g. Maintain partnerships with the following advocates of small businesses on behalf of socioeconomic firms and individuals:
 - Procurement Technical Assistance Centers
 - Small Business Development Centers
 - Minority Supplier Development Councils
 - Small Business Administration
 - Amarillo Chamber of Commerce
 - Amarillo Hispanic Chamber of Commerce

9. Subcontracting Plan Flowdown

B&W Pantex agrees that the clause entitled "Utilization of Small Business Concerns," will be included in all subcontracts which offer further subcontracting opportunities, and all subcontractors except small business concerns that receive subcontracts greater than \$550,000 or \$1,000,000 for construction will be required to adopt and comply with a subcontracting plan similar to this one.

10. Reports and Surveys

B&W Pantex gives assurance that it will:

- a. Cooperate in any studies or surveys that may be required by the Contracting Officer or the SBA.
- b. Submit periodic reports that show compliance with the Subcontracting Plan.
- c. Submit the Individual Subcontract Report (ISR) and the Summary Subcontract Report (SSR) using the Electronic Subcontracting Reporting System (eSRS) at <https://www.esrs.gov> in accordance with the instructions on the forms.
- d. Ensure that large business subcontractors, having subcontracting plans, agree to submit the Individual Subcontract Report (ISR) and the Summary Subcontract Report) using the Electronic Subcontracting Reporting System (eSRS) at <https://www.esrs.gov> in accordance with the instructions on the forms.
- e. Verify that large business subcontractors, having subcontracting plans, are provided with the B&W Pantex Prime Contract Number, DUNS Number, and the e-mail address of the B&W Pantex personnel responsible for acknowledging receipt of or rejection of the large business subcontractor's Individual Subcontract Report (ISR) as submitted within the Electronic Subcontracting Reporting System (eSRS).
- f. Require that large business subcontractors, having subcontracting plans, provide their lower tier subcontractors, who have subcontracting plans, with the B&W Pantex Prime Contract Number, the large business subcontractor's DUNS Number, and the e-mail address of the large business subcontractor's official responsible for

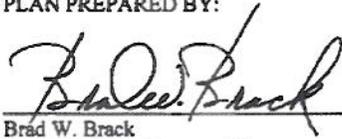
acknowledging receipt of or rejection of the Individual Subcontract Report (ISR) as submitted by its lower tier subcontractor(s).

11. Records

B&W Pantex will maintain records in support of the Small Business Program and to assure compliance with the requirements and goals of this Subcontracting Plan. B&W Pantex will maintain the following types of records:

- a. Source lists (e.g. the internal Database of Registered Suppliers or DORS) that identify small business, veteran-owned small business, service-disabled veteran-owned small business, HUB Zone small business, small disadvantaged business, and women-owned small business concerns.
- b. Organizations contacted in an attempt to locate small business, Veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business and women-owned small business concerns.
- c. Records on each subcontract solicitation resulting in an award of more than \$100,000 indicating (1) whether small business concerns were solicited, and if not, why not; (2) whether veteran-owned small business concerns were solicited and if not, why not; (3) whether service-disabled veteran-owned small business concerns were solicited, and if not, why not; (4) whether HUBZone small business concerns were solicited and, if not, why not; (5) whether small disadvantaged business concerns were solicited, and if not, why not; (6) whether women-owned small business concerns were solicited, and if not, why not; and (7) if applicable, the reason award was not made to a small business concern.
- d. Records of any outreach efforts with (1) trade associations, (2) business development organizations, (3) small and minority procurement conferences and trade fairs, and (4) Veterans service organizations to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.
- e. Records to support internal activities to guide and encourage buying personnel, e.g., workshops, seminars, and training programs.
- f. Records of documented assistance provided to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns through the internal Special Assistance Program.
- g. Monthly and year-to-date records on socioeconomic achievement versus goals to monitor performance and compliance with the program's requirements.
- h. On a contract-by-contract basis, records to support the award including the name and address of each subcontractor as well as the business size of each subcontractor.

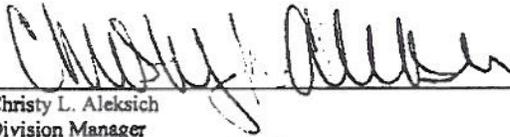
PLAN PREPARED BY:



9/23/10

Brad W. Brack
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PLAN SUBMITTED BY:



9/23/10

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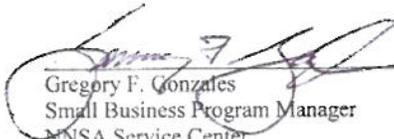
PLAN ACCEPTED BY:



9/30/2010

Sebastian M. Klein
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U.S. Department of Energy - Pantex Site Office
(806) 477-4604 E-Mail: SKlein@pantex.doe.gov

PLAN CONCURRED IN BY:



9-28-10

Gregory F. Gonzales
Small Business Program Manager
NNSA Service Center
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Attachment A
B&W Pantex, LLC
Prime Contract Number: DE-AC54-00AL66620

FY11 Small Business Subcontracting Plan Goals

	Goal	Dollars
Total Dollars Planned to be Subcontracted	100.0%	\$125,800,000
Small Business	61.0%	\$76,738,000
Veteran-owned Small Business	4.0%	\$5,032,000
Service-disabled Veteran-owned Small Business	3.0%	\$3,774,000
HUBZone Small Business	3.0%	\$3,774,000
Small Disadvantaged Business	8.0%	\$10,064,000
Women-owned Small Business	9.0%	\$11,322,000
8(a) Pilot Program	2.5%	\$3,145,000

PERFORMANCE GUARANTEE AGREEMENT

For value received, and in consideration of, and in order to induce the United States (the Government) to enter into Contract DE-AC04-00AL66620 for the management and operation of the Pantex Plant (the "Contract") dated July 28, 2000, by and between the Government and BWXT Pantex, LLC (Contractor), the undersigned, Bechtel National, Inc. (Guarantor), a corporation incorporated in the State of Nevada with its principal place of business at 5275 Westview Drive, Frederick, MD 21703 hereby unconditionally guarantees to the Government (a) the full and prompt payment and performance of all obligations, accrued and executory, which Contractor presently or hereafter may have to the Government under the Contract, and (b) the full and prompt payment and performance by Contractor of all other obligations and liabilities of Contractor to the Government, fixed or contingent, due or to become due, direct or indirect, now existing or hereafter and howsoever arising or incurred under the Contract, and Guarantor further agrees to indemnify the Government against any losses the Government may sustain and expenses it may incur as a result of the enforcement or attempted enforcement by the Government of any of its rights and remedies under the Contract, in the event of a default by Contractor thereunder, and/or as a result of the enforcement or attempted enforcement by the Government of any of its rights against Guarantor hereunder.

Guarantor has read and consents to the signing of the Contract. Guarantor further agrees that Contractor shall have the full right, without any notice to or consent from Guarantor, to make any and all modifications or amendments to the Contract without affecting, impairing, or discharging, in whole or in part, the liability of Guarantor hereunder.

Guarantor hereby expressly waives all defenses which might constitute a legal or equitable discharge of a surety or guarantor, and agrees that this Performance Guarantee Agreement shall be valid and unconditionally binding upon Guarantor regardless of (i) the reorganization, merger, or consolidation of Contractor into or with another entity, corporate or otherwise, or the liquidation or dissolution of Contractor, or the sale or other disposition of all or substantially all of the capital stock, business or assets of Contractor to any other person or party, or (ii) the institution of any bankruptcy, reorganization, insolvency, debt agreement, or receivership proceedings by or against Contractor, or adjudication of Contractor as a bankrupt, or (iii) the assertion by the Government against Contractor of any of the Government's rights and remedies provided for under the Contract, including any modifications or amendments thereto, or under any other document(s) or instrument(s) executed by Contractor, or existing in the Government's favor in law, equity, or bankruptcy.

Guarantor further agrees that its liability under this Performance Guarantee Agreement shall be continuing, absolute, primary, and direct, and that the Government shall not be required to pursue any right or remedy it may have against Contractor or other Guarantors under the Contract, or any modifications or amendments thereto, or any other document(s) or instrument(s) executed by Contractor, or otherwise. Guarantor affirms that the Government shall not be required to first commence any action or obtain any judgment against Contractor before enforcing this Performance Guarantee Agreement against Guarantor, and that Guarantor will, upon demand, pay the Government any amount, the payment of which is guaranteed hereunder and the payment of which by

Performance Guarantee Agreement
Bechtel National, Inc.
Contract DE-AC04-00AL66620
Page 2 of 2

Contractor is in default under the Contract or under any other document(s) or instrument(s) executed by Contractor as aforesaid, and that Guarantor will, upon demand, perform all other obligations of Contractor, the performance of which by Contractor is guaranteed hereunder.

Guarantor agrees to assure that it shall cause this Performance Guarantee Agreement to be unconditionally binding upon any successor(s) to its interests regardless of (i) the reorganization, merger, or consolidation of Guarantor into or with another entity, corporate or otherwise, or the liquidation or dissolution of Guarantor, or the sale or other disposition of all or substantially all of the capital stock, business, or assets of Guarantor to any other person or party, or (ii) the institution of any bankruptcy, reorganization, insolvency, debt agreement, or receivership proceedings by or against Guarantor, or adjudication of Guarantor as a bankrupt.

Guarantor further warrants and represents to the Government that the execution and delivery of this Performance Guarantee Agreement is not in contravention of Guarantor's Articles of Organization, Charter, by-laws, and applicable law; that the execution and delivery of this Performance Guarantee Agreement, and the performance thereof, has been duly authorized by the Guarantor's Board of Directors, Trustees, or any other management board which is required to participate in such decisions; and that the execution, delivery, and performance of this Performance Guarantee Agreement will not result in a breach of, or constitute a default under, any loan agreement, indenture, or contract to which Guarantor is a party or by or under which it is bound.

No express or implied provision, warranty, representation or term of this Performance Guarantee Agreement is intended, or is to be construed, to confer upon any third person(s) any rights or remedies whatsoever, except as expressly provided in this Performance Guarantee Agreement.

In witness thereof, Guarantor has caused this Performance Guarantee Agreement to be executed by its duly authorized officer, and its corporate seal to be affixed hereto on March 2, 2006.

BECHTEL NATIONAL, INC.



David M. Walker
President

Attested this 2nd day of March 2006

J. Robert Humphries
Assistant Secretary

D. All other terms and conditions remain unchanged, including estimated contract amount and performance period.