

**AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT** 1. CONTRACT ID CODE PAGE 1 OF 6 PAGES

2. AMENDMENT/MODIFICATION NO. <b>M218</b>	3. EFFECTIVE DATE <b>See Block 16C</b>	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY <b>U.S. Department of Energy National Nuclear Security Administration Sandia Site Office (MS 0184) P.O. Box 5400 Albuquerque, NM 87185-6400</b>		7. ADMINISTERED BY (If other than Item 6) CODE	

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, state, ZIP Code)  <b>Sandia Corporation P. O. Box 5800 Albuquerque, NM 87185</b>	9A. AMENDMENT OF SOLICITATION NO.
	9B. DATED (SEE ITEM 11)
	10A. MODIFICATION OF CONTRACT/ORDER NO.  <b>DE-AC04-94AL85000</b>
	10B. DATED (SEE ITEM 13) <b>October 1, 1993</b>
CODE	FACILITY CODE

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

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

**12. ACCOUNTING AND APPROPRIATION DATA (If required)**

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

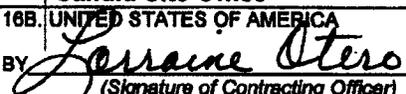
CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO (Specify authority): THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE-NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (Such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
<b>X</b>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: <b>Public Law 95-91 and Other Applicable Law</b>
	D. OTHER (Specify type of modification and 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.)  
**The purpose of this modification is to agree upon the following areas for the period October 1, 2004 through September 30, 2005:**

1. Estimated Cost
2. Fee
3. Update H-24, Home Office and Other Corporate Support to incorporate the FY2005 budget limitation.
4. Update 52.219-8 and 52.244-6 in Section I, Contract Clauses.
5. Update Section J, Appendix G, List of Applicable Directives and NNSA Policy Letters.

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

15A. NAME AND TITLE OF SIGNER (Type or print) <b>Gary B. Zura, Level II Manager Sandia Corporation</b>	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) <b>Lorraine Otero, Contracting Officer Sandia Site Office</b>
15B. CONTRACTOR/OFFEROR BY  (Signature of person authorized to sign)	15C. DATE SIGNED <b>11/10/04</b>
16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED <b>11/10/04</b>

1. Section B, Clause B-2, Contract Type and Value is amended as follows:
- a. Paragraph (b) is revised as follows to set forth the Estimated Cost for FY 2005 and to reflect the Total Estimated Cost, exclusive of Contractor's Fees:

<u>Contract Period</u>	<u>Estimated Cost</u>
October 1, 2004 through September 30, 2005	\$ 2,322,364,000.00
TOTAL through FY05	\$19,890,983,917.00

- b. Paragraph (c) is revised as follows to set for the Fixed Fee for FY 2005 and to reflect the total Fixed Fee under the contract:

<u>Contract Period</u>	<u>Fixed Fee</u>
October 1, 2004 through September 30, 2005	\$ 16,256,548.00
TOTAL through FY05	\$187,389,651.00

- c. Paragraph (d) is revised to set forth the maximum available Performance Incentive Fee pool for FY 2005 and to reflect the total Performance Incentive Fee pool under the contract:

<u>Contract Period</u>	<u>Maximum Available Performance Incentive Fee Pool</u>
October 1, 2004 through September 30, 2005	\$ 8,708,865.00
TOTAL through FY05	\$ 16,908,865.00

- d. Paragraph (e) is revised as follows: The Total Estimated Cost, Fixed Fee, and Maximum Available Performance Incentive Fee Pool under this contract for the period October 1, 1993, through September 30, 2005 is \$20,095,282,433.00.

2. Section H, Clause H-24, Home Office and Other Corporate Support, is revised to incorporate the FY 2005 estimated budget for home office and other corporate support services by adding the following as the first sentence of paragraph (d): The total FY 2005 estimated budget for these services is \$1,786,284.00.

3. Section I, Contract Clauses, Clause I-14 FAR 52.219-8 Utilization of Small Business Concerns (Oct 2000) is replaced with the following:

**14. 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS (MAY 2004)**

(a) It is the policy of the United States that small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns shall have the maximum practicable opportunity to participate in performing contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns.

(b) The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. The Contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the Contractor's compliance with this clause.

(c) *Definitions.* As used in this contract-

"HUBZone small business concern" means a small business concern that appears on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration.

"Service-disabled veteran-owned small business concern"-

(1) Means a small business concern-

(i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

(ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" means a small business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto.

"Small disadvantaged business concern" means a small business concern that represents, as part of its offer that-

- (1) It has received certification as a small disadvantaged business concern consistent with 13 CFR part 124, Subpart B;
- (2) No material change in disadvantaged ownership and control has occurred since its certification;
- (3) Where the concern is owned by one or more individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and
- (4) It is identified, on the date of its representation, as a certified small disadvantaged business in the database maintained by the Small Business Administration (PRO-Net).

"Veteran-owned small business concern" means a small business concern-

- (1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and
- (2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned small business concern" means a small business concern-

- (1) That is at least 51 percent owned by one or more women, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and
- (2) Whose management and daily business operations are controlled by one or more women.

- (d) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as a small business concern, a veteran-owned small business concern, a service-disabled veteran-owned small business concern, a HUBZone small business concern, a small disadvantaged business concern, or a women-owned small business concern.

*(End of clause)*

4. Section I, Contract Clauses, Clause I-45 FAR 52.244-6 Subcontracts for Commercial Items and Commercial Components (Apr 2003) is replaced with the following:

**45. 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS AND  
COMMERCIAL COMPONENTS (JULY 2004)**

- (a) *Definitions.* As used in this clause-

"Commercial item" has the meaning contained in Federal Acquisition Regulation 2.101, Definitions.

"Subcontract" includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

- (b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this contract.

- (c)(1) The Contractor shall insert the following clauses in subcontracts for commercial items:

- (i) 52.219-8, Utilization of Small Business Concerns (May 2004) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.
- (ii) 52.222-26, Equal Opportunity (Apr 2002) (E.O. 11246).
- (iii) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) (38 U.S.C. 4212(a));
- (iv) 52.222-36, Affirmative Action for Workers with Disabilities (June 1998) (29 U.S.C. 793).
- (v) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Apr 2003) (46 U.S.C. Appx 1241 and 10 U.S.C. 2631) (flow down required in accordance with paragraph (d) of FAR clause 52.247-64).

- (2) While not required, the Contractor may flow down to subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

- (d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

*(End of clause)*

5. Section J, Appendix G, List of Applicable Directives and NNSA Policy Letters, is hereby updated and superseded in its entirety with Attachment 1 to this modification, dated November 10, 2004.
6. All other terms and conditions remain unchanged.

----- End of Modification -----

**Part III - Section J**  
**Appendix G**  
**List of Applicable Directives**

**November 10, 2004**

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.

<b>DIRECTIVE NUMBER</b>	<b>DATE</b>	<b>DOE DIRECTIVE TITLE</b>
APPH Chapter X Revision 10	12/15/83	Accounting Practices & Procedures Handbook Chapter X - Product Cost Accounting
DOE O 110.3	11/3/99	Conference Management
AL A-130 Chg. 1 dated 11/30/98	01/97	Implementation Criteria, Appendix III
DOE O 130.1	9/29/95	Budget Formulations Process
DOE M 140.1-1B	3/30/01	Interface with the Defense Nuclear Facilities Safety Board
DOE O 142.1	1/13/04	Classified Visits Involving Foreign Nationals
DOE O 142.2	1/1/04	Safeguards Agreement and Protocol with the International Atomic Energy Agency
DOE O 142.3	6/18/04	Unclassified Foreign Visits and Assignments
DOE O 151.1B	10/29/03	Comprehensive Emergency Management System
DOE N 153.2	8/11/03	Connectivity to National Atmospheric Release Advisory Center (NARAC)
DOE O 200.1	9/30/96	Information Management Program
DOE M 200.1-1	3/15/97	Telecommunications Security Manual, and Chapter 9 Public Key Cryptography and Key Management, approved 2/15/00
DOE O 205.1	3/21/03	Department of Energy Cyber Security Management Program
DOE N 205.2	8/12/04 (DOE N 205.14 extends DOE N 205.2 until 8/12/05)	Foreign National Access to DOE Cyber Systems
DOE N 205.3	8/12/04 (DOE N 205.14 extends DOE N 205.3 until 8/12/05)	Password Generation, Protection, and Use
DOE O 221.1	3/22/01	Reporting Fraud, Waste, and Abuse to the Office of Inspector General
DOE O 221.2	3/22/01	Cooperation With The Office of Inspector General
DOE O 224.2	3/22/01	Auditing of Programs and Operations
DOE O 225.1A	11/26/97	Accident Investigations
DOE M 231.1-1A Chg1	9/9/04	Environment, Safety, and Health Reporting Manual
DOE O 241.1A Chg 1	10/14/03	Scientific and Technical Information Management
DOE O 251.1A	1/30/98	Directives System
DOE O 252.1	11/19/99	Technical Standards Program
DOE O 311.1B	2/12/03	Equal Employment Opportunity and Diversity Program
DOE O 341.1	12/1/03	Federal Employees Health Services <sup>1</sup>

<sup>1</sup> Implementation of this order is postponed pending SSO determination of applicability.

DIRECTIVE NUMBER	DATE	DOE DIRECTIVE TITLE
DOE O 350.1, Chg 1 dated 5/8/98	9/30/96	Contractor Human Resource Management Programs
DOE O 350.2	7/12/01	Use of Facility Contractor Employees for Services to DOE in the Washington, D.C., Area
DOE O 412.1	4/20/99	Work Authorization System
DOE O 413.1A	4/18/02	Management Control Program
DOE O 413.2A	1/8/01	Laboratory Directed Research & Development
DOE O 413.3	10/13/00	Program & Project Management for the Acquisition of Capital Assets
DOE O 414.1B	4/29/04	Quality Assurance
DOE O 420.1A	5/20/02	Facility Safety
DOE O 420.2A	1/8/01	Safety of Accelerator Facilities
DOE O 425.1C	3/13/03	Startup and Restart of Nuclear Facilities
DOE O 430.1B	9/24/03	Real Property Asset Management <sup>2</sup>
DOE O 430.2A	4/15/02	Departmental Energy and Utilities Management
DOE O 433.1	6/1/01	Maintenance Management Program for DOE Nuclear Facilities
DOE O 435.1, Chg. 1 dated 8/28/01	7/9/99	Radioactive Waste Management
DOE O 440.1A	3/27/98	Worker Protection Management for DOE Federal and Contractor Employees
DOE O 440.2B	11/27/02	Aviation Management and Safety
DOE O 442.1A	6/6/01	Department Of Energy Employee Concerns Program
DOE O 443.1	5/15/00	Protection of Human Subjects
DOE O 450.1	1/15/03	Environmental Protection Program
DOE P 450.5	6/26/97	Line Environment, Safety and Health Oversight
DOE N 450.7	10/17/01 (DOE N 450.13 extends DOE N 450.7 until 6/30/05)	The Safe Handling, Transfer, and Receipt of Biological Etiologic Agents at Department of Energy Facilities
DOE O 452.1B	8/6/01	Nuclear Explosive and Weapon Surety Program
AL 452.1B	10/23/01	Nuclear Explosive and Weapon Surety Program
AL 452.2B	03/22/02	Safety of Nuclear Explosive Operations (This directive was inadvertently omitted from the List when it was last updated.)
DOE O 452.2B	8/7/01	Safety of Nuclear Explosive Operations; and DOE-STD-3015-2001, Nuclear Explosive Safety Study Process, dated February 2001
DOE O 452.4A	12/17/01	Security and Control of Nuclear Explosives and Nuclear Weapons
DOE O 452.4-1A	3/11/04	Protection of Use Control Vulnerabilities and Designs
DOE O 460.1B	4/4/03	Packaging and Transportation Safety
DOE O 460.2 Chg. 1 dated 10/26/95	9/27/95	Departmental Materials Transportation & Packaging Management

<sup>2</sup>This order will be implemented subject to a 9-month Implementation Plan period for the following Sections of Attachment 2, Contractor Requirements Document: Section 3, Facility Information Management Systems; Section 4.c, NNSA approved land use planning process and subject to issuance of guidance from NNSA; Section 7, Value Engineering System.) All other sections of Attachment 2 will be implemented within thirty days of the modification effective date.

DIRECTIVE NUMBER	DATE	DOE DIRECTIVE TITLE
DOE M 460.2-1	9/23/02	Radioactive Material Transportation Practices
DOE O 461.1A	4/26/04	Packaging and Transfer or Transportation of Materials of National Security Interest
DOE O 470.1, Chg. 1 dated 6/21/96	9/28/95 (DOE N 251.57 extends this Order until 4/28/05)	Safeguards and Security Program
DOE O 470.2B	10/31/02	Independent Oversight and Performance Assurance Program
DOE M 470.1-1	10/2/02	Safeguards and Security Awareness Program
DOE O 471.1A	6/30/00	Identification and Protection of Unclassified Controlled Nuclear Information
DOE O 471.2A	3/27/97 (DOE N 251.57 extends this Order until 4/28/05)	Information Security Program
DOE M 471.2-1C, Chg 1	7/14/04	Classified Matter Protection & Control Manual <i>(with the exception of Chapter III, paragraphs 1 and 2, and Chapter IV)</i>
DOE M 471.2-1C	4/17/01	Classified Matter Protection & Control Manual <i>(applicable only for Chapter III, paragraphs 1 and 2, and Chapter IV)</i>
DOE M 471.2-2	8/3/99	Classified Information Systems Security Manual <sup>3</sup> <i>(except Chapter VI, paragraphs 4j(2), and 4j(6); and Chapter VII, paragraph 12a(2)(a) cancelled per DOE N 205.3)</i>
DOE M 471.2-3A	7/11/02	Special Access Program Policies, Responsibilities, and Procedures <sup>4</sup>
DOE O 471.3	4/9/03	Identifying and Protecting Official Use Only Information
DOE M 471.3-1	4/9/03	Manual for Identifying and Protecting Official Use Only Information
DOE O 471.4	3/17/04	Reporting Incidents of Security Concern
DOE O 472.1C	3/25/03	Personnel Security Activities
DOE O 473.1	12/23/02	Physical Protection Program
DOE M 473.1-1	12/23/02	Physical Protection Program Manual
DOE O 473.2	6/30/00	Protective Force Program
DOE M 473.2-1A	1/17/02	Firearms Qualification Courses Manual
DOE M 473.2-2, Chg. 1 dated 12/20/01	6/30/00	Protective Force Program Manual
DOE N 473.9	7/8/04	Security Conditions
DOE O 474.1A	11/20/00	Control and Accountability of Nuclear Materials
DOE M 474.1-1B	6/13/03	Manual for Control and Accountability of Nuclear Materials
DOE M 474.1-2 Chg. 2 dated 11/16/98	2/10/98 (DOE N 474.2 extends DOE M 474.1-2 until 2/11/04)	Nuclear Materials Management and Safeguards System Reporting and Data Submission
DOE M 474.1-2A	8/19/03	Nuclear Materials Management and Safeguards System Reporting and Data Submission Manual
DOE M 475.1-1A	2/26/01	Identifying Classified Information
DOE O 481.1B	9/28/01	Work For Others (Non-Department of Energy Funded Work)

<sup>3</sup> Full implementation will occur in accordance with SNL's approved Implementation Plan.

<sup>4</sup> Implementation of this Manual predicated on the continuance of direct funding in the future.

DIRECTIVE NUMBER	DATE	DOE DIRECTIVE TITLE
DOE N 481.1A	4/21/03 (DOE N 251.56 extends this Notice until 4/21/05)	Reimbursable Work for Department of Homeland Security
DOE O 482.1	1/12/01	DOE Facilities Technology Partnering Programs
DOE O 483.1	1/12/01	DOE Cooperative Research & Development Agreements
DOE O 534.1B	1/6/03	Accounting
DOE O 551.1B	8/19/03	Official Foreign Travel
DOE 1220.1A Chg. 1 dated 6/28/92	4/9/92	Congressional & Intergovernmental Affairs
DOE 2110.1A Chg. 2 dated 5/18/92	7/14/88	Pricing of Departmental Materials and Services
DOE 5400.5 Chg. 2 dated 1/7/93	2/8/90	Radiation Protection of the Public & the Environment ( <i>except 1a(3)(a) of Chapter II cancelled per DOE O 231.1</i> )
DOE 5480.4 Chg. 4 dated 1/7/93	5/15/84	Environmental Protection Safety & Health Protection Standards ( <i>except Attachment 2, paragraph 2c, 2d(2)-(3), 2e(1)-(8) and Attachment 3, paragraph 2c, 2d(2)-(3), and 2e(1)-(7) cancelled per DOE O 440.1 dated 9/30/95</i> )
DOE 5480.19, Chg. 2 dated 10/23/01	7/9/90	Conduct of Operations Requirements for DOE Facilities
DOE 5480.20A, Chg. 1 dated 7/12/01	11/15/94	Personnel Selection, Qualification, and Training Requirements for DOE Nuclear Facilities
DOE 5480.30, Chg. 1 dated 3/14/01	1/19/93	Nuclear Reactor Safety Design Criteria
DOE 5530.1A	9/20/91	Accident Response Group
DOE 5530.3 Chg. 1 dated 4/10/92	1/14/92	Radiological Assistance Program
DOE 5530.5 Chg. 1 dated 12/2/92	7/10/92	Federal Radiological Monitoring & Assessment Center
DOE 5560.1A	5/8/85	Priorities and Allocations Program
DOE 5660.1B	5/26/94	Management of Nuclear Materials

<b>DIRECTIVE NUMBER</b>	<b>DATE</b>	<b>DOE DIRECTIVE TITLE</b>
DOE 5670.3	9/4/92	Counterintelligence Program
56XB Rev. 2	5/10/04	Nuclear Weapon Development and Production
SEN-22-90	5/8/90	DOE Policy on Signatures of RCRA Permit Applications
SEN-35-91	9/9/91	Nuclear Safety Policy
NAP 14.1	9/12/03	NNSA Cyber Security Program
NAP 14.2	9/12/03	Baseline Cyber Security Requirements
NAP 14.3	9/12/03	NNSA Protection Profile and Security target Requirements
NAP 14.4	9/12/03	Open Public Unrestricted Access Information Group Protection Profile
NAP 14.5	9/12/03	Unclassified Protected Information Group Protection Profile
NAP 14.6	9/12/03	Unclassified Mandatory Protection Information Group Protection Profile
NAP 14.7	9/12/03	Confidential Non-Nuclear Weapons Data Information Group Protection Profile
NAP 14.8	9/12/03	Secret Restricted Non-Nuclear Weapons Data Information Group Protection Profile
NAP 14.9	9/12/03	Confidential Restricted Data, Sigmas 1-13 Information Group Protection Profile
NAP 14.10	9/12/03	Secret Restricted Data, Sigmas 1-13, Information Group Protection Profile
NAP 14.11	9/12/03	Secret Restricted Data, Sigmas 14-15, Information Group Protection Profile