

2. AMENDMENT/MODIFICATION NO. <b>M016</b>	3. EFFECTIVE DATE <b>See Block 16.C</b>	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY <b>National Nuclear Security Administration Nevada Operations Office P.O. Box 98518 Las Vegas, NV 89193-8518</b>		7. ADMINISTERED BY (If other than Item 6)	

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)  <b>Stoller-Navarro Joint Venture 7710 West Cheyenne Avenue Las Vegas, NV 89129</b>	(✓)	9A. AMENDMENT OF SOLICITATION NO.
		9B. DATED (SEE ITEM 11)
	<b>X</b>	10A. MODIFICATION OF CONTRACT/ORDER NO. <b>DE-AC52-03NA99205</b>
		10B. DATED (SEE ITEM 13) <b>10/01/03</b>

**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  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 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.**

(✓)	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:
<b>X</b>	D. OTHER (Specify type of modification and authority) <b>Clause H.2, Total Available Fee, Performance-Based Plan, Agreement of the Parties, and Administrative Change</b>

**E. IMPORTANT:** Contractor  is not,  is required to sign this document and 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.

*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) <b>JAMES F. Moran, Chairman SASV</b>	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) <b>Darby A. Dieterich, Contracting Officer</b>
15B. CONTRACTOR/OFFEROR Privacy Act	16B. UNITED STATES OF AMERICA BY Privacy Act
15C. DATE SIGNED <b>3/11/05</b> <b>3-17-05</b>	16C. DATE SIGNED <b>3/30/05</b>

The purpose of this modification is to revise Contract Clause H.2, "Total Available Fee, Performance-Based Fee Plan," to modify the incentive fee pool split to reflect changes in Base Contract - Year 1 and Base Contract - Year 2 and also corrects an overstatement of Incentive Fee Earned for the evaluation period 4/1/04 - 9/30/04 as set forth in Modification M013.

In addition, Section J, "List of Attachments," is modified to incorporate the attached List of Applicable DOE and NNSA/Nevada Site Office Directives Revision 1 - February 2005 into Attachment J.1 "Statement of Work" Part 5., "Notes/Guidance," and Attachment J.9 "Performance- Based Incentive Fee Plan" Part II of II is deleted and replaced with the attached FY 2005 Contracting Officer approved Performance- Based Incentive Fee Plan Part II of II.

As a result, the following changes are being made:

1. Contract Clause H.2, "Total Available Fee, Performance-Based Fee Plan" subparagraph (b)(2), is modified to reflect a due date change from FY 2004 to FY 2005 for Performance Measure # 5, Milestone #1, "Submit CADD for Clean Slates #2" along with the associated incentive fee of \$20,000. As a result, the available incentive fee for Base Contract - Year 1 is reduced by \$20,000 and revised from \$1,830,024.00 to \$1,810,024.00 and Base Contract - Year 2 is increased by \$20,000.00 and revised from \$1,821,520.00 to \$1,841,520.00. Subparagraph (g), "Fee Earned" is modified to correct a \$6,563.00 overstatement of incentive fee earned as set forth in Contract Modification M013. For the Evaluation Period 4/1/04 - 9/30/04 Incentive Fee Earned is reduced by \$6,563.00 from \$1,539,179.00 to \$1,532,616.00. Contract Clause H.2, "Total Available Fee, Performance - Based Fee Plan," has been replaced and is restated below in its entirety.

## **H.2 Total Available Fee, Performance - Based Fee Plan**

- (a) Total available fee, consisting of an award fee component for subjective performance requirements and an incentive fee component for objective performance requirements, determined in accordance with the provisions of this clause, is available for payment in accordance with the Performance-Based Fee Plan (PBFP) described in subparagraph (c) of this clause.
  - (1) The award fee for this contract shall be awarded upon the unilateral determination of the Fee Determination Official that an award fee has been earned. The unilateral decision is made solely at the discretion of the Government. This determination shall be based upon the Fee Determination Official's evaluation of the contractor's performance, as measured against the evaluation criteria set forth in the Award Fee section of the Performance-Based Fee Plan. Award Fee available for each period is as set forth in the Performance-Based Fee Plan.
  - (2) The incentive fee for this contract shall be awarded upon successful completion of discrete incentives as specified in the Performance-Based Fee Plan. The unilateral decision is made solely at the discretion of the Government. This determination shall be based upon the evaluation of the contractor's performance, as measured against the evaluation criteria set forth in the Incentive Fee Plan. Incentive Fee available for each period is as set forth in the Performance-Based Fee Plan.
- (b) **Annual Total Available Fee.**
  - (1) **Fee Negotiations.** Prior to the beginning of each fiscal year (October 1) under this contract, or other appropriate evaluation period as mutually agreed upon, the

Contracting Officer and Contractor shall enter into negotiation of the requirements for the year or other appropriate period, including the evaluation areas and individual requirements subject to incentives and the total available fee. The fee to be negotiated must be based on costs that have not already been incurred. The contract shall be modified at the conclusion of each negotiation to reflect the negotiated requirements. In the event the parties fail to agree on the requirements, the evaluation areas, individual requirements subject to incentives, or the total available fee, 30 days prior to the start date of the performance period, a unilateral determination may be made by the contracting officer.

- (2) The fee pool will be split between Award Fee and Incentive Fee over the life of the contract as follows:

<u>Evaluation Period</u>	<u>Award Fee</u>	<u>Incentive Fee</u>	<u>Total Available Fee</u>
<u>Base Contract - Year 1</u>	40% \$1,220,016.00	60% \$1,810,024.00	\$3,030,040.00
<u>Base Contract - Year 2</u>	40% \$1,214,346.00	60% \$1,841,520.00	\$3,055,866.00
<u>Option Year 1</u>	30% \$1,223,981.00	70% \$1,835,971.00	\$3,059,952.00
<u>Option Year 2</u>	30% \$1,136,049.00	70% 1,704,074.00	\$2,840,123.00
<u>Option Year 3</u>	30% \$ 956,557.00	70% \$1,434,836.00	\$2,391,393.00

- (c) **Performance Based Fee Plan (PBFP)**. To the extent not set forth elsewhere in the contract:

(1) The Government shall establish a PBFP upon which the determination of the total available fee amount earned shall be based. The PBFP will address all of the requirements of contract performance specified in the contract directly or by reference. The PBFP will set forth the criteria upon which the Contractor will be evaluated relating to any technical, schedule, management, and/or cost objectives selected for evaluation. The Plan shall also set forth the amount by which the total available fee amount that will be allocated between award and incentive fee and the methodology for determining the amount of fee earned. A copy of the PBFP shall be provided to the Contractor:

- (A) prior to the start of an evaluation period if the requirements, evaluation areas, specific incentives, amount of fee, and allocation of fee to such evaluation areas and specific incentives have been mutually agreed to by the parties, or
- (B) not later than thirty days prior to the scheduled start date of the evaluation period, if the requirements, evaluation areas, specific incentives, amount of fee, and allocation of fee to such evaluation areas and specific incentives have been unilaterally established by the Contracting Officer.

- (d) **Contractor self-assessment**.

Award Fee. Following each award fee evaluation period, the Contractor shall submit a self-assessment within 5 working days after the end of the period. This self-assessment shall address both the strengths and weaknesses of the Contractor's performance during the evaluation period. Where deficiencies in performance are noted, the Contractor shall describe the actions planned or taken to correct such deficiencies and avoid their recurrence. The NSO D/AMEM, or designee, will review the Contractor's self-assessment as part of its independent evaluation of the contractor's management during the period. A self-assessment, in and of itself may not be the only basis for the determination of award fee.

(e) **Total Fee Amount Earned:**

(1) **Award Fee:**

- (A) The evaluations made for the determination of award fee shall be conducted semiannually. The Government shall, at the conclusion of each specified award fee evaluation period, evaluate the Contractor's performance on all requirements and determine, in accordance with the PBFP, the total award fee amount earned. The Nevada Site Office, Deputy Assistant Manager for Environmental Management (D/AMEM), or designee, will be the Fee Determination Official (FDO) The Contractor agrees that the determination as to the total available Award Fee earned is a unilateral FDO determination. The FDO determination is final and not subject to the term of the clause entitled "Disputes or any other appeal clauses. Provisional payment of award fee is authorized in accordance with the clause entitled "Provisional Payment of Award Fee".
- (B) The FDO shall issue the final total available award fee amount earned determinations in accordance with the Performance-Based Fee Plan. The final award fee determinations must be made within 30 calendar days after the receipt by the Contracting Officer of the Contractor's self-assessment or 40 calendar days after the end of the evaluation period, whichever is later, or a longer period if the Contractor and contracting officer agree. If the determination is delayed beyond that date, the Contractor shall be entitled to interest on the determined maximum available fee amount earned.

(2) **Incentive Fee:**

- (A) The evaluations made for the determination of incentive fee shall be accomplished by the COR upon receipt of the Contractor's "Request for Payment of Performance-Based Incentive." Payment of fee earned for performance based incentives will occur upon Contracting Officer receipt of the "Performance-Based Incentive Validation Form" from the COR and an invoice requesting payment from the Contractor. This request must include the supporting documentation (cost, schedule, etc.) applicable to the accomplishment of the incentive.
- (B) An incentive fee determination must be made by the Contracting Officer within 30 calendar days after the receipt by the Contracting Officer of the Contractor's Request for Payment of Performance Based Incentive for each discrete milestone incentive. If the determination is delayed beyond that date, the Contractor shall be entitled to interest on the determined total available fee amount earned.

(f) **Contract Modifications:**

The contract will be modified unilaterally by the Contracting Officer on a semi-annual basis after the award fee determination has been made. This modification will also include incentive fee earned to that time. The contract modification shall address the amount of award fee and incentive fee earned for the performance period evaluation. Upon receipt of the contract modification, the total award fee earned minus any fee already paid may be paid to the Contractor upon receipt of an invoice that reflects the amount of the balance of

the award fee for the evaluation period. The total incentive fee earned may be paid to the Contractor upon receipt of an invoice that reflects the amount of award fee stipulated in the modification.

(g) Fee Earned

The following is a summary of the fee earned on a semi-annual basis:

Evaluation Period	Incentive Fee Earned	Award Fee Available	Award Fee Categories	Performance Rating	Conversion Percent Awarded	Award Fee Earned	Total Fee Earned
10/1/03 - 3/31/04	\$270,845.00	\$457,506.00	1-5	88 - Good	85%	\$388,880.10	\$792,401.84
		\$152,502.00	6	89 - Good	87%	\$132,676.74	
4/1/04 - 9/30/04	\$1,532,616.00	\$457,506.00	1-5	90 - Outstanding	89%	\$407,180.34	\$2,080,098.18
		\$152,502.00	6	92 - Good	92%	\$140,301.84	

**End of Clause**

2. Section J, "List of Attachments," Attachment J.1, "Statement of Work," Part 5., "Notes/Guidance," is modified by deleting the current Part 5 and substituting in lieu thereof the attached List of Applicable DOE and NNSA/Nevada Site Office Directives Revision 1 - February 2005.
3. Section J, "List of Attachments," Attachment J.9 "Performance- Based Incentive Fee Plan" Part II of II is modified by deleting the FY 2004 Contracting Officer approved Performance- Based Incentive Fee Plan Part II of II and substituting in lieu thereof the attached FY 2005 Contracting Officer approved Performance- Based Incentive Fee Plan Part II of II. This document also includes incentive fee scorecard for Performance Measure # 5, Milestone #1, "Submit CADD for Clean Slates #2" revised to reflect a due date change from FY 2004 to FY 2005 and hereby incorporated into the FY 2005 Performance Based - Incentive Fee Plan.

**End of Modification**