

2. AMENDMENT/MODIFICATION NO. M038	3. EFFECTIVE DATE See Block 16.C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY CODE National Nuclear Security Administration Nevada Operations Office P.O. Box 98518 Las Vegas, NV 89193-8518		7. ADMINISTERED BY (If other than Item 6) CODE	

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

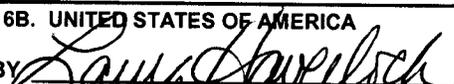
<input checked="" type="checkbox"/>	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, 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:
<input checked="" type="checkbox"/>	D. OTHER (Specify type of modification and authority) Clause H.2, Total Available Fee, Performance - Based Fee Plan

E. IMPORTANT: Contractor is not, is required to sign this document and _____ 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) James P. Moran, Chairman	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Laura J. Haverlock, Contracting Officer
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED
(Signature of person authorized to sign)	16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)
	16C. DATE SIGNED 6/27/06

This modification is issued in accordance with FAR 52.243-2, Changes - Cost Reimbursement.

1. The DPLH is decreased from 2,641,654 to an estimated 1,727,602 over the life of the contract as stated in the notification of 01 March 2004.
2. As a result of this decrease the fee pool for the performance period of 01 October 2005 through 30 September 2006 is reduced by \$632,358.58 from \$3,139,952.00 to \$2,507,593.42. The award fee pool is \$636,164.02. The incentive fee pool is \$1,871,429.40.
3. The incentive fees associated with completed milestones are reduced as stated in the attached Incentive Plan Milestone chart.
4. This decrease does not constitute acceptance on the government's behalf of the contractor's proposal dated 05 June 2006 for the Base Period Year One, Base Period Year Two or Incentive already paid out up to June 27, 2006 for all periods.
5. In accordance with FAR 52.243-2, Changes, Cost-Reimbursement the government has satisfied the 30 day notification to the contractor with the letter dated 01 March 2004 whereby the DPLH was changed from 2,641,654 to 1,727,602.
6. Contractor's subsequent oral and written correspondence with the government since 01 March 2004 clearly signifies the contractor's knowledge and acceptance of the change in DPLH.

As a result of the aforementioned changes, the following revisions are being made.

1. Contract Clause B.3, "Estimated Cost, Award Fee, and Incentive Fee" has been deleted and is replaced below in its entirety to reflect reductions made to the FY 2006 fee pool. The estimated cost of this contract remain the same at \$121,944,783.00. The estimated cost will be adjusted in the future to reflect actual hours performed upon completion of negotiations. The contract award fee has been decreased by \$281,821.58 from \$3,368,900.00 to \$3,087,078.42 and the contract incentive fee has been decreased by \$350,537.00 from \$5,776,958.00 to \$5,426,421.00.

B.3 Estimated Cost, Award Fee, and Incentive Fee

- (a) Pursuant to the Clause 52.216-7, entitled Allowable Cost and Payment, the total estimated cost of this contract is **\$ 121,944,783.00**
- (b) The award fee for this contract is **\$ 3,087,078.42**
- (c) The incentive fee for this contract is **\$ 5,426,421.00**
- (d) 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
- (e) 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.

- (f) Pursuant to FAR Clause 52.232-22, entitled, Limitation of Funds (APR 1984), the amount presently obligated under the Contract through contract modification A037 is **\$93,351,088.82**.

2. Contract Clause B.4, "Options to Extend The Term of the Contract", has been modified to reflect a 30.7% or \$281,821.58 reduction in the FY 2006 Award Fee from \$917,985.60 to \$636,164.02 and a 30.7% or \$350,537.00 reduction in Available Performance Based Incentive Fee from \$2,221,966.40 to \$1,871,429.40 for Option Year 1 as follows.

First Option Period: 10/01/2005 - 09/30/2006

Estimated Cost:	<u>\$ 40,799,364.00</u>	
Award Fee:	From <u>\$ 917,985.60</u>	To <u>\$ 636,164.02</u>
Incentive Fee	From <u>\$ 2,221,966.40</u>	To <u>\$ 1,871,429.40</u>
Total Cost Plus Fee:	From <u>\$43,939,316.00</u>	To <u>\$43,306,957.42</u>

3. Contract Clause H.2, "Total Available Fee, Performance-Based Fee Plan", paragraph (b), "Annual Total Available Fee", subsection (2) fee split table, has been deleted in its entirety and replaced with the following. All versions of the fee split table issued prior to contract modification M038 are no longer valid.

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

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

H.2 Continued

Base Contract - Year 1 10/01/2003 - 9/30/2004	\$1,220,016.00 40.00%	\$1,830,024.00 60.00%	\$3,050,040.00 100.00%
M016 PM # 5 Milestone # 1 Change	\$0.00	(\$20,000.00)	(\$20,000.00)
M016 Revised Base Year 1	\$1,220,016.00	\$1,810,024.00	\$3,030,040.00
Revised Fee Pool Split %	40.2640%	59.7360%	100.00%
Base Contract - Year 2 10/01/2004 - 9/30/2005	\$1,214,346.40 40.0000%	\$1,821,519.60 60.0000%	\$3,035,866.00 100%
M016 PM # 5 Milestone # 1 Change	\$0.00	\$20,000.00	\$20,000.00
M016 Revised Base Year 2	\$1,214,346.40	\$1,841,519.60	\$3,055,866.00
Revised Fee Pool Split %	39.7382%	60.2618%	100.00%
M020 Measure # 2 Milestone # 19 Change	\$0.00	(\$80,000.00)	(\$80,000.00)
M020 PM # 3 Milestone # 2 Change	\$16,552.00	(\$16,552.00)	\$0.00
M020 Revised Base Year 2	\$1,230,898.40	\$1,744,967.60	\$2,975,866.00
Revised Fee Pool Split %	41.3627%	58.6373%	100.00%
Grand Total Base Contract	\$2,450,914.40	\$3,554,991.60	\$6,005,906.00
Grand Total Base Contract Fee Pool Split %	40.8084%	59.1916%	
Option Year 1 10/01/2005 - 9/30/2006	\$1,223,981.00 30.0000%	\$1,835,971.00 70.0000%	\$3,059,952.00 100.00%
M020 Correct Fee Dollar Amounts	\$917,985.60 30.00%	\$2,141,966.40 70.00%	\$3,059,952.00 100.00%
M020 Measure # 2 Milestone # 19 Change	\$0.00	\$80,000.00	\$80,000.00
M020 Revised Option Year 1	\$917,985.60	\$2,221,966.40	\$3,139,952.00
Revised Fee Pool Split %	29.2357%	70.7643%	100.00%
Reduction of Award Fee and Available Incentive Fee by 30.7%	917,985.60 281,821.58	2,221,966.40 350,537.00	3,139,952.00 632,358.58
M038 Revised Reduced Option Year 1	636,164.02	1,871,429.40	2,507,593.42
M038 Revised Fee Split	25.37%	74.63%	100.00%
Option Year 2 10/01/2006 - 9/30/2007	\$1,136,049.00 30.00%	\$1,704,074.00 70.00%	\$2,840,123.00 100.00%
M020 Correct Fee Dollar Amounts	\$852,036.90 30.00%	\$1,988,086.10 70.00%	\$2,840,123.00 100.00%
Option Year 3 10/01/2007 - 9/30/2008	\$956,557.00 30.00%	\$1,434,836.00 70.00%	\$2,391,393.00 100.00%
M020 Correct Fee Dollar Amounts	\$717,417.90 30.00%	\$1,673,975.10 70.00%	\$2,391,393.00 100.00%