

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>	1. CONTRACT ID CODE	PAGE OF PAGES
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2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
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6. ISSUED BY CODE	7. ADMINISTERED BY (If other than Item 6) CODE
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8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)	(X)	9A. AMENDMENT OF SOLICITATION NO.
		9B. DATED (SEE ITEM 11)
		10A. MODIFICATION OF CONTRACT/ORDER NO.
		10B. DATED (SEE ITEM 11)
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 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 your 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 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)

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

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

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)	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)
15B. CONTRACTOR/OFFEROR	16B. UNITED STATES OF AMERICA
(Signature of person authorized to sign)	(Signature of Contracting Officer)
15C. DATE SIGNED	16C. DATE SIGNED

The purpose of this modification is to: (1) revise the Statement of Work by deleting C.1 Statement of Work (Oct 1995) and substituting C.1 Statement of Work (Sep 1998); (2) delete DEAR 970.5204-78, Laws, Regulations, and DOE Directives (Jun 1997) (Deviation) which is included in the contract by modification M032 and substitute DEAR 970.5204-78, Laws, Regulations, and DOE Directives (Jun 1997); (3) add Clause H.25, Lists and Appendices (Aug 1998); and (4) revise Appendix J, Key Personnel.

1. C.1 Statement of Work (Oct 1995) is deleted and the following is substituted:

**C. 1 STATEMENT OF WORK (Sep 1998)**

**(a) INTRODUCTION**

(1) The Contractor shall manage the missions of the Oak Ridge National Laboratory (ORNL), a Federally Funded Research and Development Center (FFRDC), in a manner consistent with the DOE Strategic Plan and the principles of performance-based contracting. ORNL is a multiprogram DOE national laboratory which supports DOE missions for enhancing energy security and advancing the frontiers of science and technology and other research and development (R&D) missions as appropriate.

(2) The Contractor shall manage, operate, and maintain the American Museum of Science and Energy. The parties agree that the Contractor shall be responsible for the programmatic direction and oversight of the AMSE; however, the day-to-day operation and maintenance of the Museum shall be performed by subcontract.

**(b) DESCRIPTION OF WORK AND SERVICES**

The work to be performed is listed below and shall include the services necessary to support that work. With respect to the facilities described in paragraph (4) of this section (b), the Contractor shall manage, operate, and maintain them in accordance with programs approved in writing by DOE.

Part I — Programmatic Activities:

(i) R&D in the physical and life sciences, energy and engineering technologies, computational sciences, and energy-related Socio-economics for DOE which include:

(A) Office of Energy Research: Magnetic fusion, high energy

physics, nuclear physics, basic energy sciences (including materials sciences, chemical sciences, engineering and geosciences, and energy biosciences), biological and environmental research, computational sciences, technology transfer, and other programs and activities. This also includes the Office of Laboratory Policy and Infrastructure Management which provides multiprogram laboratory facility support and other programs and activities.

(B) Office of Energy Efficiency and Renewable Energy: Electric energy systems, energy storage systems, geothermal energy, hydrogen research, hydropower, solar energy, buildings sector R&D, industrial sector R&D, transportation sector R&D, technical assistance, utility sector R&D, and other programs and activities.

(C) Office of Fossil Energy: Coal R&D, gas R&D, petroleum R&D, fossil energy environmental restoration, innovative clean coal technology, strategic petroleum reserve, and other programs and activities.

(D) Office of Nuclear Energy: Nuclear energy R&D, naval reactors, uranium enrichment, nuclear energy policy and management, isotope production and distribution, and other programs and activities.

(E) Office of Defense Programs: Fissile materials disposition, weapons activities, materials production, and other programs and activities.

(F) Office of Environmental Management: Defense and non-defense environmental restoration and waste management and other programs and activities.

(G) Office of Environment, Safety, and Health: Environmental R&D, nuclear safety policy, epidemiological activities, security evaluations, nuclear safety, and other programs and activities.

(H) Other DOE Offices: Other programs and activities as may be appropriate.

(i) Federal Energy Regulatory Commission.

(ii) Production and/or distribution of radioisotopes, stable isotopes, transuranics, special nuclear and source materials, irradiation services, and other materials or products as DOE may authorize and direct.

(iii) Development and operation of special research facilities, R&D

partnerships, and certain educational functions related to the activities in Paragraphs (i) and (ii) above.

(iv) In consultation with DOE, the Contractor shall charter a high-level, broadly based Advisory Board to ensure that it receives independent scientific, technical, and management guidance and overview on the performance of ORNL. The Board shall include nationally prominent representatives from the academic community and from industry chosen for their diverse scientific and management skills and broad perspectives. Consistent with the provisions of the contract, the Board shall be responsible to the Contractor and shall provide overview and guidance concerning the performance of ORNL relating to organization, planning, program evaluation, cooperative programs with universities and industry, R&D emphasis and priority, and other appropriate issues to help ensure that ORNL continues to be a leading national R&D center of the highest quality.

#### Part II — Other Activities:

(i) Technology transfer activities, shall be in support of the mission of ORNL, and may include mechanisms such as Cooperative Research and Development Agreements, Direct Assistance Programs, User Agreements, User Facilities, and license agreements in which research and development resources are leveraged with private sector partners.

(ii) Land-use planning and land management services for the DOE Oak Ridge Reservation (ORR). The ORR consists of 34,545 acres of Federally-owned land. This contract addresses land for which Lockheed Martin is assigned management responsibility which includes the entire ORR, with the exception of TVA areas and those assigned to other contractors as identified in the Facility Information Management System (FIMS, formerly RIPS) database and shown in Figure 2 of the draft ORR Management Plan dated June 9, 1995 (ES/EN/SFP-37). Specifically, the Contractor will be responsible for:

(A) Land and facility planning for the ORNL Site.

(B) Management of the National Environmental Research Park and the Reservation, exclusive of the K-25 and Y-12 sites, including:

The safe and environmentally acceptable execution of assigned programmatic activities conducted on the Reservation.

Forestry management and wildlife management, including the maintenance of effective relationships with the Tennessee Wildlife Resources Agency.

Assuring the safe, secure, and environmentally acceptable execution of activities which provide the public controlled access to the Reservation (e.g., hunting programs).

Assuring the safe and environmentally acceptable infrastructure of the Reservation in roads, road maintenance, hazard identification, integration of day-to-day activities, etc.

(C) Supporting the Reservation Management process in a joint Lockheed Martin Land Use Committee which will serve as the integrating body for Reservation planning, practices and budgets in support of DOE land management activities. The charter and membership of this committee will be approved by DOE.

(iii) Facility transition involving the preparation of ORNL facilities for safe shutdown and transfer to the Surplus Facilities Program.

(iv) Other services performed in Oak Ridge and elsewhere as agreed to in writing by DOE and the Contractor, as described in (c)(2), Related Services.

### Part III - Services:

(i) ORNL is responsible for providing services as needed to support the functions described above in Parts I and II. This includes the development and implementation of related policies and procedures, as appropriate. These services may be provided by ORNL, purchased or provided by other elements of the Lockheed Martin Corporation, or outsourced, on the basis of make/buy analyses. These determinations will be made in the best interest of the Government and will provide reasonable transition periods, as appropriate.

(ii) Services may be obtained from Lockheed Martin Energy Systems to the extent available, in conducting any and all of the activities set forth in the Statement of Work.

(iii) Construction services shall be provided for all programs and activities described in the Statement of Work. This includes construction of line item projects, general plant projects, operations funded projects, other capital projects including the acquisition of basic capital equipment in support of ORNL missions and associated support activities, other

projects in support of all missions, and other projects as DOE and the Contractor shall agree in writing.

(iv) Engineering services shall be provided to support the programmatic missions of ORNL. This includes engineering services for operations, maintenance, construction, decommissioning, and demolition of facilities.

#### Part IV - FFRDC Sponsorship Agreement:

This contract constitutes the Sponsorship Agreement between DOE (the Sponsor) and the Contractor for the management and operation of ORNL, a designated FFRDC, pursuant to 48 CFR 35.017. It is understood that DOE, as the Sponsor, reserves the right to enter into an agreement with one or more other Federal agencies to provide for multiple sponsorship of ORNL. The Contractor's performance, under this contract, on work for other Federal agencies and non-Federal entities is governed by paragraph (iv) of Part II - Other Activities of Section (b) of the Statement of Work.

#### Part V - Description of Facilities:

The Contractor has responsibility for management of the Government-owned buildings and facilities at the ORNL Site and the Oak Ridge National Environmental Research Park (NERP) together with the utilities and appurtenances thereto. In addition, ORNL utilizes certain buildings at the Y-12 plant which house major facilities and equipment in support of ORNL programs. It is recognized that some of the facilities on the ORNL Site will be utilized by the Environmental Management and Enrichment Facilities Program.

#### (c) GENERAL

##### (1) Other Activities and Services

(i) Facilities Reuse/Conversion. Services, support, and integration of activities in support of reusing/converting those DOE facilities and property that are determined to have no future DOE mission to commercial or community activities. The Contractor's site planning activities shall be conducted to ensure that the ultimate use of the sites is compatible with the concerns of DOE, regulatory agencies, and stakeholder groups.

(ii) To the extent requested by DOE, perform maintenance, protective, and service functions outside the plant areas.

(iii) Provide services as needed to support the work described above.

This includes the development and implementation of related policies and procedures, as appropriate.

(iv) Efforts associated with workforce restructuring initiatives defined by Section 3161 of the FY 1993 National Defense Authorization Act including preference in hiring requirements consistent with Oak Ridge Operations Workforce Restructuring Plans.

(2) Related Services

(i) In addition to the services specifically described in other provisions of this SOW, the Contractor shall perform services as DOE and the Contractor shall agree in writing will be performed from time to time under this contract at Oak Ridge or elsewhere, as follows:

(A) Services incidental or related to the services described in other provisions of this SOW;

(B) Services, using existing facilities and capabilities, for other Federal agencies and non-Federal entities in accordance with policies and procedures established by DOE;

(C) Services, using existing or enhanced facilities and capabilities, for the NRC, under interagency agreements between NRC and DOE; and

(D) Services in support of the program of Oak Ridge Operations when the work involved has been determined by DOE to be within the unique capabilities of the Contractor or when the work involved has been determined by DOE to be within the special scientific and technical capabilities of the Contractor and the urgent need for the services precludes acquiring them from another source.

(ii) DOE has granted a class waiver of the Government's rights in inventions arising from the use of DOE Government-owned, Contractor-operated facilities and facility Contractors by and for third-party sponsors under cost-reimbursement arrangements which are authorized under this paragraph (A) above. The work performed by the Contractor for third-party sponsors shall be pursuant to a DOE-approved Work for Others Agreement or other agreements as approved by DOE which the parties agree shall take precedence over the articles entitled "PATENT RIGHTS - PROFIT-MAKING MANAGEMENT AND OPERATING CONTRACTORS WITH TECHNOLOGY TRANSFER AUTHORITY" and "RIGHTS DATA - TECHNOLOGY TRANSFER ACTIVITIES" of this contract.

(3) Other Provisions

(i) A competent full-time supervising representative of the Contractor, approved by DOE, shall be in direct charge of the work and services covered by this contract. All notices, instructions, and directions which DOE may give to the Contractor may be directed to such representative and shall constitute notice to the Contractor thereof.

(ii) In carrying out the work under this contract, the Contractor shall, subject to the general control of DOE, do all things necessary in the best judgment of the Contractor in the management, operation, and maintenance of the sites; provided that, whenever approval or other action by DOE is required with respect to any expenditure or commitment by the Contractor under the terms of this contract, the Government shall not be responsible unless and until such approval or action is obtained or taken.

(iii) In carrying out the work under this contract, the Contractor shall be responsible for the employment of all professional, technical, skilled, and unskilled personnel engaged and to be engaged by the Contractor in the work hereunder and for the training of personnel. Persons employed by the Contractor shall be and remain employees of the Contractor and shall not be deemed employees of DOE or the Government; provided that nothing herein shall require the establishment of an employer employee relationship between the Contractor and consultants and others whose services are utilized by the Contractor for the work hereunder.

(iv) The Contractor shall exert its best efforts to acquire for the Government such materials, supplies, services, equipment, and facilities required in connection with the work under this contract, as are not furnished by the Government. Subject to the article of this contract entitled "ORGANIZATIONAL CONFLICTS OF INTEREST," the Contractor shall be free (but shall not be obligated) to furnish items of such materials, supplies, equipment, and facilities of its own manufacture (or of the manufacture of its subsidiary corporations), provided it advises DOE in advance as to the respective prices and conditions connected with such furnishing and provided, further, that DOE acquiesces therein.

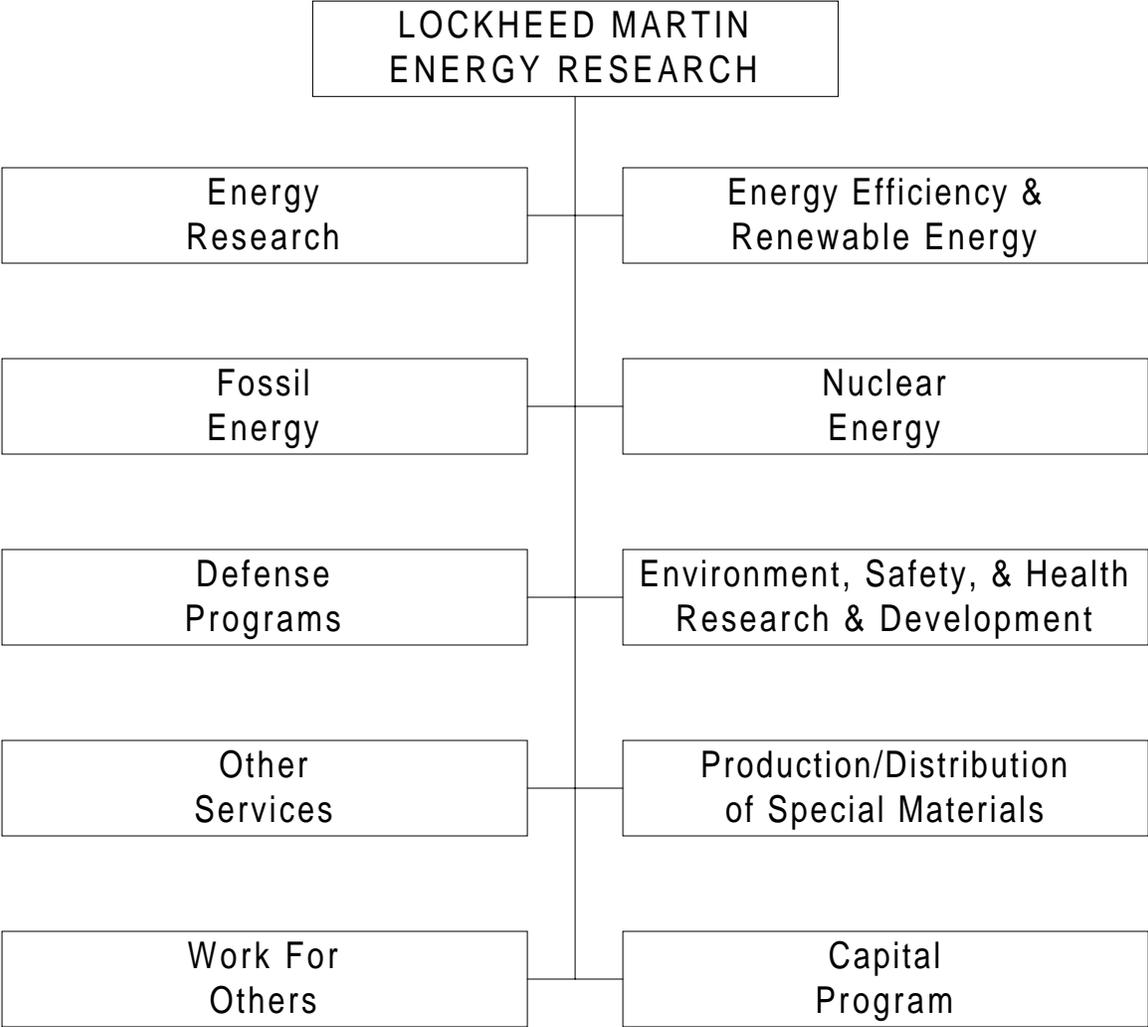
(v) The Contractor shall provide for necessary repairs, alterations, additions, or improvements to the buildings and facilities of the plants to the extent such work is included in programs approved in writing by DOE. Projects which, under applicable procedures adopted by DOE, require the issuance of a directive therefor by the Manager of DOE's Oak Ridge Operations Office or his designee shall not be undertaken until such directive has been issued.

(vi) The Contractor's employees normally engaged in the performance of this contract may be retained on the allowable cost payroll and used intermittently by the Contractor on work other than in the performance of this contract; provided, however, that

during the period of such intermittent use, including time spent in traveling to and from the site of such work, the employees shall not be deemed to be performing work, under this contract, and insurance coverage of the Contractor, the premiums or costs of which are allowable costs under this contract (including Workmen's Compensation, employer's liability and public liability insurance), shall not be applicable or used to defend against or pay any liability of the Contractor to such employees (or persons claiming through them) or to other persons. With respect to such intermittent services, the Contractor shall credit to the account of the Government, as provided in the article entitled "PAYMENTS AND ADVANCES," or as otherwise directed by DOE, the amounts paid by the Contractor to the employees or other persons, or contributed to any benefit plans for such employees, from Government funds, which relate to such employees' work for the Contractor not in the performance of this contract. Said amount or amounts shall include, but not be limited to, travel, per diem, and surviving spouse payments, if any, and the actual salaries and wages of the persons performing such services plus a percentage factor of such salaries and wages in lieu of direct payment for payroll taxes and benefits as set forth in Appendix A, Personnel Costs and Related Expenses, to this contract. The aforementioned factor shall be established for each ensuing year as mutually agreed between the Contracting Officer and the Contractor.

(4) Work Breakdown Structure. The clause entitled "BUSINESS MANAGEMENT SYSTEM" requires that work under this contract be planned, budgeted, and executed using a business management system which defines activities and cost performance at an appropriate level. The clause entitled "WORK AUTHORIZATION SYSTEM" provides that DOE approval of the program proposals and budget estimates will be reflected in the work authorization and financial plans developed, issued, and revised in accordance with DOE requirements. Attached to this Section C is level 2 of the "Work Breakdown Structure."

### WORK BREAKDOWN STRUCTURE



2. DEAR 970.5204-78 Laws, Regulations, and DOE Directives. (Deviation) (JUN 1997) is which was added by Modification M032 is deleted and the following is substituted:

**DEAR 970.5204-78 Laws, Regulations, and DOE Directives (JUNE 1997)**

(a) In performing work under this contract, the contractor shall comply with the requirements of applicable Federal, State, and local laws and regulations (including DOE regulations), unless relief has been granted in writing by the appropriate regulatory agency. A List of Applicable Laws and Regulations (List A) may be appended to this contract for information purposes. Omission of any applicable law or regulation from List A does not affect the obligation of the contractor to comply with such law or regulation pursuant to this paragraph.

(b) In performing work under this contract, the contractor shall comply with the requirements of those Department of Energy directives, or parts thereof, identified in the List of Applicable Directives (List B) appended to this contract. Except as otherwise provided for in paragraph (c) of this clause, the contracting officer may, from time to time and at any time, revise List B by unilateral modification to the contract to add, modify, or delete specific requirements. Prior to revising List B, the contracting officer shall notify the contractor in writing of the Department's intent to revise List B and provide the contractor with the opportunity to assess the effect of the contractor's compliance with the revised list on contract cost and funding, technical performance, and schedule; and identify any potential inconsistencies between the revised list and the other terms and conditions of the contract. Within 30 days after receipt of the contracting officer's notice, the contractor shall advise the contracting officer in writing of the potential impact of the contractor's compliance with the revised list. Based on the information provided by the contractor and any other information available, the contracting officer shall decide whether to revise List B and so advise the contractor not later than 30 days prior to the effective date of the revision of List B. The contractor and the contracting officer shall identify and, if appropriate, agree to any changes to other contract terms and conditions, including cost and schedule associated with the revision of List B pursuant to the clause entitled, Changes, of this contract.

(c) Environmental, safety, and health (ES&H) requirements appropriate for work conducted under this contract may be determined by a DOE approved process to evaluate the work and the associated hazards and identify an appropriately tailored set of standards, practices, and controls, such as a tailoring process included in a DOE approved Safety Management System implemented under 48 CFR (DEAR) 970.5204-2. When such a process is used, the set of tailored ES&H requirements, as approved by DOE pursuant to the process, shall be incorporated into List B as contract requirements with full force and effect. These requirements shall supersede, in whole or in part, the contractual environmental, safety, and health requirements previously made applicable to the contract by List B. If the tailored set of requirements identifies an alternative requirement varying from an ES&H requirement of an applicable law or regulation, the

contractor shall request an exemption or other appropriate regulatory relief specified in the regulation.

(d) The contractor is responsible for compliance with the requirements made applicable to this contract, regardless of the performer of the work. The contractor is responsible for flowing down the necessary provisions to subcontracts at any tier to which the contractor determines such requirements apply.

3. Add the following clause to Section H of the contract:

**H.25 LISTS AND APPENDICES (Aug 1998)**

With respect to DEAR clause 970.5204-78 Laws, Regulations, and DOE Directives, any reference to "List B" will refer to "Appendix E".

4. Appendix J is revised to incorporate the attached Key Personnel list.

## **Appendix J Key Personnel**

- \* President, LMER and Director, ORNL
- \* Executive Vice President, LMER and Deputy Director, ORNL
- \*\* Vice Presidents, LMER and Associate Directors, ORNL

- Advanced Materials, Physical, & Neutron Sciences
- Computing, Robotics, & Education
- Energy & Engineering Sciences
- Life Sciences & Environmental Technologies
- Operations, Environment, Safety, and Health
- Spallation Neutron Source

Vice President, Partnerships and Program Development  
Vice President and General Counsel  
Chief Financial Officer

\* Personnel changes for the President and Senior Vice President of LMER require prior DOE approval. All other positions listed require coordination with DOE prior to personnel changes.

\*\* As optimum organizational structure is defined in LMER/ORNL, functions may change and additional Vice Presidents with responsibilities as either Associate Directors or Office Directors will be added to the key personnel list.