

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1 CONTRACT ID CODE	PAGE 1 OF 6 PAGES
2. AMENDMENT/MODIFICATION NO. M026	3. EFFECTIVE DATE November 22, 2005	4. REQUISITION/PURCHASE REQ. NO. N/A	5. PROJECT NO. (if applicable)
6. ISSUED BY U. S. Department of Energy Savannah River Operations Office P.O. Box A Aiken, SC 29802	CODE	7. ADMINISTERED BY (if other than item 6)	CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State, and ZIP Code) Parsons Infrastructure and Technology Group, Inc. 1080 Silver Bluff Road Aiken, SC 29803		9A. AMENDMENT OF SOLICITATION NO.	9B. DATED (See Item 11)
CODE		FACILITY CODE	X 10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC09-02SR22210 10B. DATED (See Item 13) 9/17/02
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS			
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input type="checkbox"/> 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) N/A			
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.			
(f)	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:		
X	D. OTHER (Specify type of modification and authority) Clause I.85 - Changes-Cost Reimbursement-Alternate III		
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> 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.)			
a. Modification M026 is issued as an undefinitized modification to Contract No. DE-AC09-02SR22210.			
b. Parsons shall stop work on the current Performance Category 2 (PC-2) final design (excluding the current technology development testing efforts), and immediately begin preparation of an Enhanced Preliminary Design (EPD) in which both the Central Processing Area (CPA) primary confinement systems and the CPA structures are designed to meet PC-3 requirements. The maximum ceiling price for the EPD is \$32,880,220 and the maximum ceiling price for the final design, construction, and commissioning is \$607,575,399.			
c. All other terms and conditions of the contract remain unchanged.			
[See pages 2-6 for the special provisions of this undefinitized modification and the EPD Statement of Work.] Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remain unchanged and in full force and effect.			
15A. NAME AND TITLE OF SIGNER (Type or print) Charles H. Terhune, III Senior Vice President & Project Manager		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Charlene Smith, Contracting Officer	
15B. CONTRACTOR/OFFEROR 	15C. DATE SIGNED 12/28/2005	16B. UNITED STATES OF AMERICA BY 	16C. DATE SIGNED 1/6/06
(Signature of person authorized to sign)		(Signature of Contracting Officer)	

**UNDEFINITIZED MODIFICATION
SPECIAL PROVISIONS**

Article I - Execution and Commencement of Work

Effective immediately, the Contractor shall proceed with performance of the work for the Enhanced Conceptual Design (EPD), including purchase of necessary materials.

Article II - Limitations of Government Liability

- (a) In performing the EPD, the Contractor is not authorized to make expenditures or incur obligations exceeding \$32,880,220.
- (b) The maximum amount for which the Government shall be liable if the EPD is terminated is \$32,880,220.
- (c) The maximum amount for which the Government shall be liable if the final design, construction, and commissioning are terminated is \$607,575,399.

Article III - Modification Definitization

- (a) A cost-plus-incentive-fee modification is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive modification that will include
 - (1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the undefinitized modification,
 - (2) all clauses required by law on the date of execution of the definitive modification, and
 - (3) any other mutually agreeable clauses, terms, and conditions. The Contractor agrees to submit a cost-plus-incentive-fee proposal and cost or pricing data supporting its proposal.
- (b) The schedule for definitizing this undefinitized modification is:

Submission of Proposal:	January 6, 2006
Negotiations Begin:	February 21, 2006
Modification Definitization:	February 28, 2006 or before 50% completion of Work, whichever occurs first.

- (c) If agreement on a definitive modification to supersede this undefinitized modification is not reached by the target date in paragraph (b) of this section, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee in accordance with Subpart 15.4 and Part 31 of the FAR, subject to Contractor appeal as provided in the Disputes clause. In any event, the Contractor shall proceed with completion of the EPD, subject only to the Limitation of Government Liability clause:
- (1) After the Contracting Officer's determination of price or fee, the modification shall be governed by-
 - (i) All clauses required by the FAR on the date of execution of this undefinitized modification for cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);
 - (ii) All clauses required by law as of the date of the Contracting Officer's determination; and
 - (iii) Any other clauses, terms, and conditions mutually agreed upon.
 - (2) To the extent consistent with paragraph (c)(1) of this section, all clauses, terms, and conditions included in this undefinitized modification shall continue in effect, except those that by their nature apply only to an undefinitized modification.

Article IV - Payments of Allowable Costs Before Definitization

- (a) *Reimbursement rate.* Pending the placing of the definitive modification referred to in this undefinitized modification, the Government will promptly reimburse the Contractor for all allowable costs for the EPD up to 85 percent of the maximum amount of the Government's liability, as stated in Article II of this modification.
- (b) *Limitation of reimbursement.* To determine the amounts payable to the Contractor under this undefinitized modification, the Contracting Officer shall determine allowable costs in accordance with the applicable cost principles in Part 31 of the Federal Acquisition Regulation (FAR). The total reimbursement made under this paragraph shall not exceed 85 percent of the maximum amount of the Government's liability, as stated in this undefinitized modification.
- (c) *Invoicing.* Payments shall be made promptly to the Contractor when requested as work progresses, but (except for small business concerns) not more often than every 2 weeks, in amounts approved by the Contracting Officer. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the

representative may require, an invoice or voucher supported by a statement of the claimed allowable cost incurred by the Contractor in the performance of EPD.

- (d) *Allowable costs.* For the purpose of determining allowable costs, the term "costs" includes-
- (1) Those recorded costs that result, at the time of the request for reimbursement, from payment by cash, check, or other form of actual payment for items or services purchased directly for the contract;
 - (2) When the Contractor is not delinquent in payment of costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for-
 - (i) Supplies and services purchased directly for the contract and associated financing payments to subcontractors, provided payments determined due will be made-
 - (A) In accordance with the terms and conditions of a subcontract or invoice; and
 - (B) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government;
 - (ii) Materials issued from the Contractor's stores inventory and placed in the production process for use on EPD;
 - (iii) Direct labor;
 - (iv) Direct travel;
 - (v) Other direct in-house costs; and
 - (vi) Properly allocable and allowable indirect costs as shown on the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts; and
 - (3) The amount of financing payments that the Contractor has paid by cash, check, or other forms of payment to subcontractors.
- (e) *Small business concerns.* A small business concern may receive more frequent payments than every 2 weeks.
- (f) *Audit.* At any time before final payment, the Contracting Officer may have the Contractor's invoices or vouchers and statements of costs audited. Any payment may be-

- (1) Reduced by any amounts found by the Contracting Officer not to constitute allowable costs; or
- (2) Adjusted for overpayments or underpayments made on preceding invoices or vouchers.

Article V - Payments

No payment will be made for fee and payments shall not exceed the limitations of Government liability stated in Article II above during the undefinitized modification period.

Article VI - Termination

The Government retains the rights to terminate this undefinitized modification for default or convenience of the Government as provided in the Federal Acquisition Regulations and Department of Energy Acquisition Regulations.

STATEMENT OF WORK
for
ENHANCED PRELIMINARY DESIGN

Where safety analysis indicates confinement barriers are necessary for worker protection, the Salt Waste Processing Facility (SWPF) Preliminary Design shall be revised to incorporate a Performance Category 3 (PC-3) designation for safety-related piping, process vessels, and other components that would provide a local confinement barrier. Portions of the facility housing safety-related PC-3 local confinement barriers shall also be designated as PC-3 and designed to resist natural phenomena events. As a defense-in-depth measure, safety-related active ventilation systems shall be provided to protect workers from process upsets involving a significant release of radioactive material due to non-natural phenomena hazards events (e.g., tank overflow or spills). Since the SWPF design will now incorporate local safety-related confinement barriers designed to resist natural phenomena (i.e., PC-3), safety-related ventilation systems will not have to resist natural phenomena to protect facility workers.