

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 1
2. AMENDMENT/MODIFICATION NO. 034	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO. 10EM002516	5. PROJECT NO. (If applicable)
6. ISSUED BY Savannah River Operations U.S. Department of Energy Savannah River Operations P.O. Box A Aiken SC 29802	CODE 00901	7. ADMINISTERED BY (If other than Item 6) Savannah River Operations U.S. Department of Energy Savannah River Operations P.O. Box A Aiken SC 29802	CODE 00901
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) SAVANNAH RIVER REMEDIATION LLC Attn: GEORGE DUDICH 720 PARK BLVD. PO BOX 73 AIKEN SC 298013852		(x) 9A. AMENDMENT OF SOLICITATION NO.	9B. DATED (SEE ITEM 11)
CODE 808376193	FACILITY CODE	X 10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC09-09SR22505	10B. DATED (SEE ITEM 13) 12/08/2008

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 ACKNOWLEDGEMENT 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)

TAS:: 89 0251::TAS

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 data, 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) FAR 52.232-22 Limitation of Funds (Apr 1984)

E. IMPORTANT: Contractor is not, is required to sign this document and return 1 copies to the issuing office.

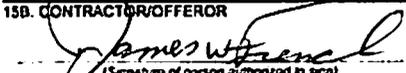
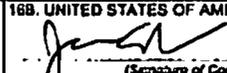
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

A. The purpose of this modification is to issue the attached conformed version of Section B to Contract Number DE-AC09-09SR22505. The changes are annotated by the bar in left margin. The attached version supersedes all other versions.

B. All other terms and conditions of the contract remain unchanged.

FOB: Destination

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 W. French, Project Manager		18A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) James E. Hawkins	
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED 4/22/10	18B. UNITED STATES OF AMERICA  (Signature of Contracting Officer)	16C. DATE SIGNED 06/23/2010 06/16/2010 JB

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Previous edition unusable

STANDARD FORM 30 (REV. 10-83)
Prescribed by GSA
FAR (48 CFR) 53.243

PART I – THE SCHEDULE

SECTION B – SUPPLIES OR SERVICES AND PRICES/COSTS

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SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 TYPE OF CONTRACT – ITEMS BEING ACQUIRED

This is a Cost Plus Award Fee (CPAF) type contract for the Liquid Waste (LW) Program at Savannah River Site (SRS). The Contractor shall furnish all personnel, facilities, equipment, material, supplies, and services (except as may be expressly set forth in this contract as furnished by the Government) and otherwise do all things necessary for, or incident to, the performance of work as described in Section C, Statement of Work (SOW).

Performance under this contract shall be subject to the availability of funds from which payment for contract purposes can be made. Therefore, funding is subject to change based on actual appropriations and actual award date of the contract. Such funds will be provided for all allowable and allocable billings for cost and fee.

The contractor shall, in accordance with the terms of this contract, provide the personnel, materials, supplies, and services and do all things necessary for, or incident to, providing its best efforts to perform the Recovery Act work described in this modification. This work is generally described as follows:

The current Liquid Waste Project lifecycle baseline includes the infrastructure replacement and maintenance necessary to support the processing of the sludge and salt waste through the Liquid Waste System waste processing facilities, including the Defense Waste Processing Facility (DWPF) and the future Salt Waste Processing Facility (SWPF). The Recovery Act initiative alters these installation, replacement and maintenance activities which will ensure that the infrastructure and support systems are available to support startup of SWPF operations and continued operations of DWPF.

The list of specific Recovery Act work is contained in Section C.

B.2 ESTIMATED COST AND AWARD FEE

(a) Three Month Transition Period (CLIN 001)

- (1) Total Estimated Cost – The total estimated cost for the transition period of the contract, which is up to ninety days from date of award, March 30, 2009 through June 30, 2009, is \$4,839,755.
- (2) Award Fee – The total available award fee for the transition period of the contract is \$ 0.

(b) *Six Year Basic Term of the Contract

- (1) Total Estimated Cost – The total estimated cost for the basic term of the contract July 1, 2009, through June 30, 2015, is \$2,279,041,061.**
- (2) Award Fee – The total available award fee for the basic term of the contract is \$188,020,888.**
- (3) ARRA Base Fee – The total available fixed amount for the basic term of the contract is \$649,000. (CLIN 004)**

(c) *Option 1 – 2-Year Option Period CLIN 002)

- (1) Total Estimated Cost – The total estimated cost for the 2-year option, July 1, 2015, through June 30, 2017, is \$671,166,117.**
- (2) Award Fee – The total available award fee for Option 1 is \$55,371,205.**

(d) *Option 2 – Operation of SWPF during 2-Year Option Period (CLIN 003)

- (1) Total Estimated Cost – The total estimated cost for operation of SWPF for the period July 1, 2015, through June 30, 2017, is \$116,000,000.**
- (2) Award Fee – The total available award fee for Option 2 is \$9,570,000.**

***The Government and Contractor agree that allocated General & Administrative (G&A) expenses from any LLC member in any manner, shall not be considered an allowable cost under this Contract, except during the transition period.**

- (e) For the Basic Term and all Options there is no base fee amount except for work performed under the American Recovery and Reinvestment Act (ARRA) of 2009. Award fee may be earned in accordance with the terms of this section and the clause in section H entitled "Performance Evaluation and Measurement Plan." The amount of the total available fee earned shall be made upon the unilateral determination of DOE's Fee Determination Official (FDO). The unilateral decision is made solely at the discretion of the FDO. This determination shall be based upon the FDO's evaluation of the Contractor's performance as measured against the evaluation criteria set forth in the Performance Evaluation and Measurement Plan (PEMP). There shall be no fee earned for transition activities.**
- (f) There shall be no adjustment in the amount of the total available award fee due to differences between the estimated cost of the performance of the work and the actual cost of performance of the work. The total available award fee is subject to adjustment only under the provisions of the clause in Section I entitled, "Changes – Cost Reimbursement" or other applicable contract provisions. Should the total**

anticipated funding change by 10%, the Government and Contractor may enter into negotiations in accordance with the Changes Clause.

Table B.1 -- Anticipated Funding Profile for the Liquid Waste Contract (\$ M)

	Fiscal Year									TOTAL
	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Basic Term Funding EM Operation	\$285	\$550	\$550	\$560	\$570	\$580	\$300			\$3,395
Basic Term Funding Recovery Act	\$200									\$200
Total Basic Term Funding	\$485	\$550	\$550	\$560	\$570	\$580	\$300			\$3,595
Option 1							\$300	\$620	\$370	\$1,290
Option 2							\$32	\$64	\$32	\$128

Table B.1 provides the Government's good faith estimate as of the date of the solicitation of future available funding. This funding profile is not a guarantee of available funds. Actual funding may be greater or less than these estimates. There is no commitment by DOE to request funds equivalent to this funding profile. Available funds depend on Congressional appropriations and priorities within the DOE.

- (g) If the Contractor is a teaming arrangement, the fee earned may be distributed by the Contractor among the teaming members, as it deems appropriate. Separate additional subcontractor fee for teaming members shall not be considered an allowable cost under the contract. If a separate subcontractor, supplier, or lower-tier subcontractor is a wholly owned, majority owned, or affiliate of any teaming member, any fee or profit earned by such entity shall not be considered an allowable cost under this contract unless approved by the Contracting Officer (CO). The subcontractor fee restriction described herein does not apply to members of the Contractor's team that are: (1) small business(es); (2) Protégé firms as part of an approved Mentor-Protégé relationship under the Section H Clause entitled, Mentor-Protégé Program; (3) subcontractors under a competitively awarded firm-fixed price or firm-fixed unit price subcontract; or (4) commercial items as defined in FAR Subpart 2.1, Definitions of Words and Terms.

- (h) Earned fee will be paid semi-annually based on the FDO's unilateral assessment of performance in accordance with the PEMP and Contract Performance Baseline. Unless otherwise authorized by the CO, no earned fee will be paid until the Contract Performance Baseline is approved by the CO in accordance with the clause in Section H, entitled "Project Control Systems and Reporting Requirements." Monthly provisional payments of fee may be authorized by the CO. The Contractor may request monthly provisional fee payments of up to 5% of the total fee otherwise available for the Fiscal Year (not to exceed 60% on an annual basis). Provisional fee is not considered earned fee and is contingent upon a final Fee Determination by the FDO. Earned fee will be invoiced consistent with Section G.
- (i) The Contractor may be required to perform certain activities related to the Radiological Assistance Program (RAP). Costs for the RAP are separately funded by the National Nuclear Security Administration (NNSA). If any such activities are required to be performed by the Contractor, the CO will provide direction and authorization pursuant to the clause in Section I entitled "Changes – Cost Reimbursement." The Contractor will earn no additional fee for RAP activities. The estimated cost and funding specified above does not include RAP activities.
- (j) Estimated costs and anticipated funding for the following activities are not included in the estimated costs specified in paragraphs B.2 (a)-(c) nor the anticipated funding profile specified in Table B.1 in paragraph B.2 (f). If any such activities are directed by the CO, any adjustment to the total estimated cost or total available award fee is subject to the provisions of the clause in Section I entitled "Changes – Cost Reimbursement."
 - (1) Interface coordination, support, and operation of additional buildings under Glass Waste Storage Facilities Operations (C.1.3.2) and Canister Shipping Facility (C.1.3.3).

B.3 LIMITATION ON FEE

- (a) Total Available Fee under this Contract shall not exceed 10% (Basic Period - \$188,020,888, ARRA Base Fee - \$649,000, Option 1 - \$55,371,205, Option 2 - \$9,570,000) of Total Estimated Contract Cost (except for transition costs).
- (b) No fee shall be paid to the contractor for the Recovery Act Work, including provisional fee, prior to definitization.

B.4 LIMITATION OF FUNDS

- (a) Pursuant to the FAR clause 52.232-22, entitled "Limitation of Funds," the total amount of incremental funding allotted to this contract is \$697,349,921.91. It is estimated that this amount is sufficient to cover performance through September 30, 2010.
- (b) Financial Plans – Cost and Commitment Limitations. Funding is provided to the Contractor through a Contract Modification issued by the CO. The Contractor shall comply with DOE-SR issued direction which establishes appropriation obligational control levels (i.e., an upper limit on incurred obligations or expenditures) in the performance of this contract.
- (c) Pursuant to contract clause 1.78 in Section I, entitled FAR 52.232-22 "Limitation of Funds (APR 1984)," total funds in the amount of \$198,650,436 are obligated herein and made available for payment of allowable costs and fee earned related only to the Recovery Act work from the effective date of September 23, 2009 through the period of performance for the Recovery Act work, as specified herein.

B.5 DEAR 970.5215-3 CONDITIONAL PAYMENT OF FEE, PROFIT, AND OTHER INCENTIVES — FACILITY MANAGEMENT CONTRACTS (ALTERNATE II) (JAN 2004) (DEVIATION)

(a) General.

- (1) The payment of earned fee, fixed fee, profit, or share of cost savings under this contract is dependent upon:
 - (i) The contractor's or contractor employees' compliance with the terms and conditions of this contract relating to environment, safety and health (ES&H), which includes worker safety and health (WS&H), including performance under an approved Integrated Safety Management System (ISMS); and
 - (ii) The contractor's or contractor employees' compliance with the terms and conditions of this contract relating to the safeguarding of Restricted Data and other classified information.
- (2) The ES&H performance requirements of this contract are set forth in its ES&H terms and conditions, including the DOE approved contractor ISMS or similar document. Financial incentives for timely mission accomplishment or cost effectiveness shall never compromise or impede full and effective implementation of the ISMS and full ES&H compliance.
- (3) The performance requirements of this contract relating to the safeguarding of Restricted Data and other classified information are set forth in the clauses of this contract entitled, "Security" and "Laws, Regulations, and DOE Directives," as well as in other terms and conditions.

- (4) If the contractor does not meet the performance requirements of this contract relating to ES&H or to the safeguarding of Restricted Data and other classified information during any performance evaluation period established under the contract pursuant to Section B.2 of this contract entitled, "Estimated Costs and Award Fee," any fixed fee, profit, share of cost savings, or fee otherwise earned may be unilaterally reduced by the contracting officer.

(b) Reduction Amount.

- (1) The amount of earned fee, fixed fee, profit, or share of cost savings that may be unilaterally reduced will be determined by the severity of the performance failure pursuant to the degrees specified in paragraphs (c) and (d) of this clause.
- (2) If a reduction of earned fee, fixed fee, profit, or share of cost savings is warranted, unless mitigating factors apply, such reduction shall not be less than 26% nor greater than 100% of the amount of earned fee, fixed fee, profit, or the contractor's share of cost savings for a first degree performance failure, not less than 11% nor greater than 25% for a second degree performance failure, and up to 10% for a third degree performance failure.
- (3) In determining the amount of the reduction and the applicability of mitigating factors, the contracting officer must consider the contractor's overall performance in meeting the ES&H or security requirements of the contract. Such consideration must include performance against any site specific performance criteria/requirements that provide additional definition, guidance for the amount of reduction, or guidance for the applicability of mitigating factors. In all cases, the contracting officer must consider mitigating factors that may warrant a reduction below the applicable range (see 48 CFR 970.1504-1-2). The mitigating factors include, but are not limited to, the following ((v), (vi), (vii) and (viii) apply to ES&H only).
- (i) Degree of control the contractor had over the event or incident.
- (ii) Efforts the contractor had made to anticipate and mitigate the possibility of the event in advance.
- (iii) Contractor self-identification and response to the event to mitigate impacts and recurrence.
- (iv) General status (trend and absolute performance) of: ES&H and compliance in related areas; or of safeguarding Restricted Data and other classified information and compliance in related areas.

- (v) Contractor demonstration to the contracting officer's satisfaction that the principles of industrial ES&H standards are routinely practiced (e.g., Voluntary Protection Program, ISO 14000).
 - (vi) Event caused by "Good Samaritan" act by the contractor (e.g., offsite emergency response).
 - (vii) Contractor demonstration that a performance measurement system is routinely used to improve and maintain ES&H performance (including effective resource allocation) and to support DOE corporate decision-making (e.g., policy, ES&H programs).
 - (viii) Contractor demonstration that an Operating Experience and Feedback Program is functioning that demonstrably affects continuous improvement in ES&H by use of lessons-learned and best practices inter- and intra-DOE sites.
- (4)(i) The amount of fee, fixed fee, profit, or share of cost savings that is otherwise earned by a contractor during an evaluation period may be reduced in accordance with this clause if it is determined that a performance failure warranting a reduction under this clause occurs within the evaluation period.
- (ii) The amount of reduction under this clause, in combination with any reduction made under any other clause in the contract, shall not exceed the amount of fee, fixed fee, profit, or the contractor's share of cost savings that is otherwise earned during the evaluation period.
 - (iii) For the purposes of this clause, earned fee, fixed fee, profit, or share of cost savings for the evaluation period shall mean the amount determined by the contracting officer or fee determination official as otherwise payable based on the contractor's performance during the evaluation period. Where the contract provides for financial incentives that extend beyond a single evaluation period, this amount shall also include: any provisional amounts determined otherwise payable in the evaluation period; and, if provisional payments are not provided for, the allocable amount of any incentive determined otherwise payable at the conclusion of a subsequent evaluation period. The allocable amount shall be the total amount of the earned incentive divided by the number of evaluation periods over which it was earned.
 - (iv) The Government will effect the reduction as soon as practicable after the end of the evaluation period in which the performance failure occurs. If the Government is not aware of the failure, it will effect the reduction as soon as practical after becoming aware. For any portion of the reduction requiring an allocation the Government will effect the reduction at the end of the evaluation period in which it determines the total amount earned

under the incentive. If at any time a reduction causes the sum of the payments the contractor has received for fee, fixed fee, profit, or share of cost savings to exceed the sum of fee, fixed fee, profit, or share of cost savings the contractor has earned (provisionally or otherwise), the contractor shall immediately return the excess to the Government. (What the contractor "has earned" reflects any reduction made under this or any other clause of the contract.)

(v) At the end of the contract:

(A) The Government will pay the contractor the amount by which the sum of fee, fixed fee, profit, or share of cost savings the contractor has earned exceeds the sum of the payments the contractor has received; or

(B) The contractor shall return to the Government the amount by which the sum of the payments the contractor has received exceeds the sum of fee, fixed fee, profit, or share of cost savings the contractor has earned. (What the contractor "has earned" reflects any reduction made under this or any other clause of the contract.)

(c) **Environment, Safety and Health (ES&H).** Performance failures occur if the contractor does not comply with the contract's ES&H terms and conditions, including the DOE approved contractor ISMS. The degrees of performance failure under which reductions of earned or fixed fee, profit, or share of cost savings will be determined are:

(1) **First Degree:** Performance failures that are most adverse to ES&H. Failure to develop and obtain required DOE approval of an ISMS is considered first degree. The Government will perform necessary review of the ISMS in a timely manner and will not unreasonably withhold approval of the contractor's ISMS. The following performance failures or performance failures of similar import will be considered first degree.

(i) Type A accident (defined in DOE Order 225.1A).

(ii) Two Second Degree performance failures during an evaluation period.

(2) **Second Degree:** Performance failures that are significantly adverse to ES&H. They include failures to comply with an approved ISMS that result in an actual injury, exposure, or exceedence that occurred or nearly occurred but had minor practical long-term health consequences. They also include breakdowns of the Safety Management System. The following performance failures or performance failures of similar import will be considered second degree:

(i) Type B accident (defined in DOE Order 225.1A).

- (ii) Non-compliance with an approved ISMS that results in a near miss of a Type A or B accident. A near miss is a situation in which an inappropriate action occurs, or a necessary action is omitted, but does not result in an adverse effect.
 - (iii) Failure to mitigate or notify DOE of an imminent danger situation after discovery, where such notification is a requirement of the contract.
- (3) **Third Degree:** Performance failures that reflect a lack of focus on improving ES&H. They include failures to comply with an approved ISMS that result in potential breakdown of the System. The following performance failures or performance failures of similar import will be considered third degree:
 - (i) Failure to implement effective corrective actions to address deficiencies/non-compliances documented through: external (e.g., Federal) oversight and/or reported per DOE Order 232.1A requirements; or internal oversight of DOE Order 440.1A requirements.
 - (ii) Multiple similar non-compliances identified by external (e.g., Federal) oversight that in aggregate indicate a significant programmatic breakdown.
 - (iii) Non-compliances that either have, or may have, significant negative impacts to the worker, the public, or the environment or that indicate a significant programmatic breakdown.
 - (iv) Failure to notify DOE upon discovery of events or conditions where notification is required by the terms and conditions of the contract.
- (d) **Safeguarding Restricted Data and Other Classified Information.** Performance failures occur if the contractor does not comply with the terms and conditions of this contract relating to the safeguarding of Restricted Data and other classified information. The degrees of performance failure under which reductions of fee, profit, or share of cost savings will be determined are as follows:
 - (1) **First Degree:** Performance failures that have been determined, in accordance with applicable law, DOE regulation, or directive, to have resulted in, or that can reasonably be expected to result in, exceptionally grave damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered first degree:
 - (i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating a risk of, loss, compromise, or unauthorized disclosure of Top Secret Restricted Data or other information classified as Top Secret, any classification level of information in a Special Access Program (SAP), information identified as

sensitive compartmented information (SCI), or high risk nuclear weapons-related data.

- (ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data, or other information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.
 - (iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data, or other information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.
 - (iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data or other information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.
- (2) **Second Degree:** Performance failures that have been determined, in accordance with applicable law, DOE regulation, or directive, to have actually resulted in, or that can reasonably be expected to result in, serious damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered second degree:
- (i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Secret Restricted Data or other information classified as Secret.
 - (ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Secret Restricted Data, or other information classified as Secret.
 - (iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of Restricted Data or other classified information regardless of classification (except for information covered by paragraph (d)(1)(iii) of this clause).
 - (iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Secret Restricted Data or other classified information classified as Secret.

- (3) **Third Degree:** Performance failures that have been determined, in accordance with applicable law, regulation, or DOE directive, to have actually resulted in, or that can reasonably be expected to result in, undue risk to the common defense and security. In addition, this category includes performance failures that result from a lack of contractor management and/or employee attention to the proper safeguarding of Restricted Data and other classified information. These performance failures may be indicators of future, more severe performance failures and/or conditions, and if identified and corrected early would prevent serious incidents. The following are examples of performance failures or performance failures of similar import that will be considered third degree:
- (i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Restricted Data or other information classified as Confidential.
 - (ii) Failure to promptly report alleged or suspected violations of laws, regulations, or directives pertaining to the safeguarding of Restricted Data or other classified information.
 - (iii) Failure to identify or timely execute corrective actions to mitigate or eliminate identified vulnerabilities and reduce residual risk relating to the protection of Restricted Data or other classified information in accordance with the contractor's Safeguards and Security Plan or other security plan, as applicable.
 - (iv) Contractor actions that result in performance failures which unto themselves pose minor risk, but when viewed in the aggregate indicate degradation in the integrity of the contractor's safeguards and security management system relating to the protection of Restricted Data and other classified information.

Alternate II (JAN 2004):

- (e) **Minimum requirements for specified level of performance.**
 - (1) **At a minimum the contractor must perform the following:**
 - (i) **The requirements with specific incentives which do not require the achievement of cost efficiencies in order to be performed at the level of performance set forth in the Statement of Work, Work Authorization Directive, or similar document unless an otherwise minimum level of performance has been established in the specific incentive;**

- (ii) All of the performance requirements directly related to requirements specifically incentivized which do not require the achievement of cost efficiencies in order to be performed at a level of performance such that the overall performance of these related requirements is at an acceptable level; and
 - (iii) All other requirements at a level of performance such that the total performance of the contract is not jeopardized.
 - (2) The evaluation of the Contractor's achievement of the level of performance shall be unilaterally determined by the Government. To the extent that the Contractor fails to achieve the minimum performance levels specified in the Statement of Work, Work Authorization Directive, or similar document, during the performance evaluation period, the DOE Operations/Field Office Manager, or designee, may reduce any otherwise earned fee, fixed fee, profit, or shared net savings for the performance evaluation period. Such reduction shall not result in the total of earned fee, fixed fee, profit, or shared net savings being less than 25% of the total available fee amount. Such 25% shall include base fee, if any.
- (f) Minimum requirements for cost performance.
- (1) Requirements incentivized by other than cost incentives must be performed within their specified cost constraint and must not adversely impact the costs of performing unrelated activities.
 - (2) The performance of requirements with a specific cost incentive must not adversely impact the costs of performing unrelated requirements.
 - (3) The contractor's performance within the stipulated cost performance levels for the performance evaluation period shall be determined by the Government. To the extent the contractor fails to achieve the stipulated cost performance levels, the DOE Operations/Field Office Manager, or designee, may reduce in whole or in part any otherwise earned fee, fixed fee, profit, or shared net savings for the performance evaluation period. Such reduction shall not result in the total of earned fee, fixed fee, profit or shared net savings being less than 25% of the total available fee amount. Such 25% shall include base fee, if any.