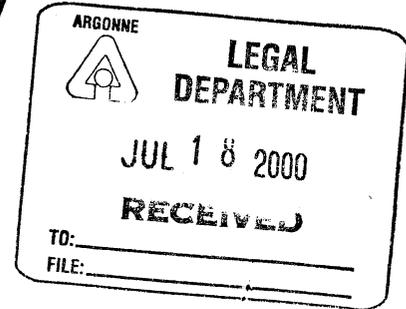




Department of Energy

Argonne Group
9800 South Cass Avenue
Argonne, Illinois 60439



JUL 18 2000

Mr. Arthur M. Sussman
Vice President for Argonne National Laboratory
The University of Chicago
5801 South Ellis Avenue
Chicago, Illinois 60637

Dear Mr. Sussman:

**SUBJECT: CONTRACT NO. W-31-109-ENG-38 FOR OPERATION OF
ARGONNE NATIONAL LABORATORY; MODIFICATION NO. M359**

Enclosed is a fully executed copy of Modification M359 which incorporates the "Leadership" Performance Measures to Appendix B of the subject contract.

Should you have any questions, please call me or Sergio Martinez of my staff at (630) 252-2075.

Sincerely,

Robert C. Wunderlich
Acting Argonne Group Manager

Enclosure:
As Stated

cc: Y. I. Chang, Interim Laboratory Director, ANL, w/encl.
J. W. O'Kelley, Chief Financial Officer, ANL, w/encl. (6 cys)
R. Bouie, Acting Chief Operations Officer, ANL, w/encl.
J. R. LaFevers, Executive Director and Deputy to the Vice President
for ANL, w/encl.
H. F. Sonneschein, President, University of Chicago, w/encl.
W. J. Hogan, Jr., Comptroller, University of Chicago, w/encl.
Y. Chang, Idaho, ANL-W, ATTN: Sharron Janning, w/encl.
M. Bartos, Assistant Chief Financial Officer/Budget Management, ANL, w/encl.
(8 cys)
W. Luck, ANL-LEG, w/encl.

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE _____ PAGE OF PAGES
1 | 2

2. AMENDMENT/MODIFICATION NO. M359	3. EFFECTIVE DATE See Attached	4. REQUISITION/PURCHASE REQ. NO. 02-00CHENG38.012	5. PROJECT NO. (If applicable) N/A
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ISSUED BY U.S. Department of Energy Chicago Operations Office/Argonne Group 9800 South Cass Avenue Argonne, IL 60439	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) The University of Chicago 5801 S. Ellis Avenue Chicago, IL 60637	(✓)	9.A. AMENDMENT OF SOLICITATION NO.
		9.B. DATED (SEE ITEM 11)
		10.A. MODIFICATION OF Contract/Order NO. W-31-109-ENG-38
		10.B. DATED (SEE ITEM 13) October 1, 1999
CODE N/A	FACILITY CODE N/A	

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)
N/A

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).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Mutual Agreement of the Parties
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return 4 copies to the issuing office.

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

See Page No. 2 of this Modification

15A. NAME AND TITLE OF SIGNER (Type or print) Arthur M. Sussman Vice Pres. for Argonne National Laboratory	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Robert L. San Martin, Contracting Officer
15B. CONTRACTOR/OFFEROR	16B. UNITED STATES OF AMERICA
15C. DATE SIGNED 5/5/00	16C. DATE SIGNED 5/15/00
(Signature of person authorized to sign)	BY (Signature of Contracting Officer)

**PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION II.1. - LEADERSHIP**

OBJECTIVE: Both the Chicago Operations Office and the University of Chicago believe that corporate commitment is a critical success factor in the management of Argonne National Laboratory (ANL).

MEASURE: To demonstrate this corporate commitment, The University of Chicago will perform the following activities with regard to the management of ANL:

Assure that the Laboratory is led by individuals with the requisite skill to direct all its program and activities.

Require effective succession planning within ANL at the Associate Laboratory Director and lower key positions.

Assure development of generally accepted management systems and processes for enhancing ANL business operations.

Utilizing the Board of Governors, review committees and other corporate resources, conduct management assessments in various areas of ANL operations. Through such resources and Laboratory staff, identify new initiatives to enhance the efficiency of the operations as well as cost savings initiatives.

Through the resources mentioned, provide strategic guidance to the science, technology and environmental, safety and health missions of ANL.

The weight of the performance measure is 5%

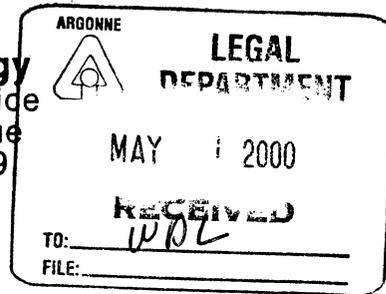
EXPECTATION: The University of Chicago will perform a self-assessment each year that explicitly describes what it has done to address each of the above listed activities. The Chicago Operations Office Argonne Group (CH-ARG) will review and evaluate the University of Chicago self-assessment. If the CH-ARG evaluation of the University of Chicago self-assessment reaches different conclusions than those included in the University of Chicago self-assessment then the CH-ARG Manager and the University of Chicago Vice President for Argonne National Laboratory will discuss the differences. The CH-ARG Manager will make a final determination. Performance relative to each item will be determined as acceptable or unacceptable.

Performance related to the measure, as a whole, will be determined as follows:

Outstanding	all 5 activities determined acceptable
Excellent	4 of the 5 activities determined acceptable
Good	3 of the 5 activities determined acceptable
Marginal	2 of the 5 activities determined acceptable
Unsatisfactory	1 or less of the 5 activities determined acceptable



Department of Energy
Chicago Operations Office
9800 South Cass Avenue
Argonne, Illinois 60439



MAY 01 2000

Mr. Arthur M. Sussman
Vice President for Argonne National Laboratory
The University of Chicago
5801 South Ellis Avenue
Chicago, Illinois 60637

Dear Mr. Sussman:

SUBJECT: CONTRACT NO. W-31-109-ENG-38 FOR OPERATION OF
ARGONNE NATIONAL LABORATORY; MODIFICATION NO. M359

Enclosed, please find five copies of Modification M359 incorporating the agreed to "Leadership" Performance Measures to Appendix B of the subject contract. Please sign four copies and return to this office. A fully executed copy will be returned for your records.

Should you have any questions, please contact me or Timothy Crawford at (630) 252-2436.

Sincerely,

Robert L. San Martin
Contracting Officer

Enclosure:
As Stated

cc: S. Golden, UofC, w/encl.
Y. Chang, ANL, w/encl.
C. Bernstein, ANL, w/encl.

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

2. AMENDMENT/MODIFICATION NO. M359	3. EFFECTIVE DATE See Attached	4. REQUISITION/PURCHASE REQ. NO. 02-00CHENG38.012	5. PROJECT NO. (If applicable) N/A
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ISSUED BY U.S. Department of Energy Chicago Operations Office/Argonne Group 9800 South Cass Avenue Argonne, IL 60439	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) The University of Chicago 5801 S. Ellis Avenue Chicago, IL 60637	(✓)	9.A. AMENDMENT OF SOLICITATION NO.
		9.B. DATED (SEE ITEM 11)
		10.A. MODIFICATION OF Contract/Order NO. W-31-109-ENG-38
		10.B. DATED (SEE ITEM 13) October 1, 1999
CODE N/A	FACILITY CODE N/A	

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.

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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.

(✓)	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).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Mutual Agreement of the Parties
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return 4 copies to the issuing office.

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

See Page No. 2 of this Modification

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

**PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION II.1. - LEADERSHIP**

OBJECTIVE: Both the Chicago Operations Office and the University of Chicago believe that corporate commitment is a critical success factor in the management of Argonne National Laboratory (ANL).

MEASURE: To demonstrate this corporate commitment, The University of Chicago will perform the following activities with regard to the management of ANL:

Assure that the Laboratory is led by individuals with the requisite skill to direct all its program and activities.

Require effective succession planning within ANL at the Associate Laboratory Director and lower key positions.

Assure development of generally accepted management systems and processes for enhancing ANL business operations.

Utilizing the Board of Governors, review committees and other corporate resources, conduct management assessments in various areas of ANL operations. Through such resources and Laboratory staff, identify new initiatives to enhance the efficiency of the operations as well as cost savings initiatives.

Through the resources mentioned, provide strategic guidance to the science, technology and environmental, safety and health missions of ANL.

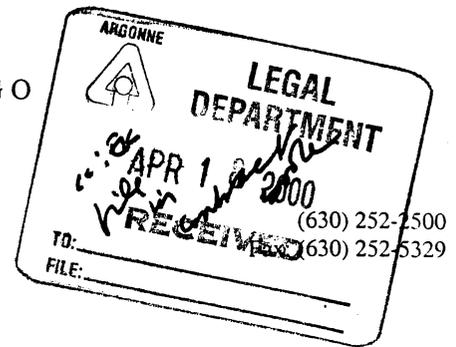
The weight of the performance measure is 5%

EXPECTATION: The University of Chicago will perform a self-assessment each year that explicitly what it has done to address each of the above listed activities. The Chicago Operations Office Argonne Group (CH-ARG) will review and evaluate the University of Chicago self-assessment. If the CH-ARG evaluation of the University of Chicago self-assessment reaches different conclusions than those included in the University of Chicago self-assessment then the CH-ARG Manager and the University of Chicago Vice President for Argonne National Laboratory will discuss the differences. The CH-ARG Manager will make a final determination. Performance relative to each item will be determined as acceptable or unacceptable.

Performance related to the measure, as a whole, will be determined as follows:

Outstanding	all 5 activities determined acceptable
Excellent	4 of the 5 activities determined acceptable
Good	3 of the 5 activities determined acceptable
Marginal	2 of the 5 activities determined acceptable
Unsatisfactory	1 or less of the 5 activities determined acceptable

THE UNIVERSITY OF CHICAGO
9700 SOUTH CASS AVENUE
ARGONNE · ILLINOIS 60439-4832



Vice President
for Argonne National Laboratory

April 12, 2000

Mr. Timothy S. Crawford
Manager, Argonne Group
U.S. Department of Energy
9800 S. Cass Avenue
Argonne, IL 60439

SUBJECT: CONTRACT NO. W-31-109-ENG-38 FOR OPERATION
OF ANL; LEADERSHIP PERFORMANCE MEASURES

Dear Mr. Crawford:

We have received the revised Leadership Performance Measure
Section II.1, as transmitted by your letter of April 3, 2000, and find it
satisfactory.

Sincerely,

A handwritten signature in black ink, appearing to be 'A. M. Sussman'.

Arthur M. Sussman

AMS:np

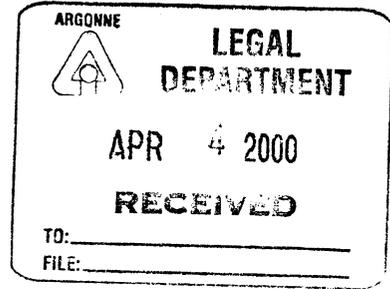
cc: S. Golden, UC
C. Bernstein, ANL-LEG ✓



Department of Energy

Argonne Group
9800 South Cass Avenue
Argonne, Illinois 60439

APR - 3 2000



Mr. Arthur M. Sussman
Vice President for
Argonne National Laboratory
The University of Chicago
5801 South Ellis Avenue
Chicago, IL 60637

Dear Mr. Sussman:

**SUBJECT: CONTRACT NO. W-31-109-ENG-38 FOR OPERATION OF ANL;
LEADERSHIP PERFORMANCE MEASURES**

Enclosed, is my response to your proposed Leadership Performance Measure changes of March 16, 2000.

Changes made were based on our need to remain consistent in format to the Chicago Operations Office Performance Based Contracting Program and to demonstrate a strengthened commitment and involvement on behalf of the University of Chicago to the management and operation of Argonne National Laboratory.

Please respond at your earliest convenience.

Sincerely,


for Timothy S. Crawford
Argonne Group Manager

Enclosure:
As Stated

cc: S. Golden, UC, w/encl.
C. Bernstein, ANL-LEG, w/encl.

**PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION II.1. - LEADERSHIP**

OBJECTIVE: Both the Chicago Operations Office and the University of Chicago believe that corporate commitment is a critical success factor in the management of Argonne National Laboratory (ANL).

MEASURE: To demonstrate this corporate commitment, The University of Chicago will perform the following activities with regard to the management of ANL:

Assure that the Laboratory is led by individuals with the requisite skill to direct all its program and activities.

Require effective succession planning within ANL at the Associate Laboratory Director and lower key positions.

Assure development of generally accepted management systems and processes for enhancing ANL business operations.

Utilizing the Board of Governors, review committees and other corporate resources, conduct management assessments in various areas of ANL operations. Through such resources and Laboratory staff, identify new initiatives to enhance the efficiency of the operations as well as cost savings initiatives.

Through the resources mentioned, provide strategic guidance to the science, technology and environmental, safety and health missions of ANL.

The weight of the performance measure is 5% (previously negotiated)

EXPECTATION: The University of Chicago will perform a self-assessment each year that describes what it has done to address each of the above listed activities. The Chicago Operations Office Argonne Group (CH-ARG) will review and evaluate the University of Chicago self-assessment. If the CH-ARG evaluation of the University of Chicago self-assessment reaches different conclusions than those included in the University of Chicago self-assessment then the CH-ARG Manager and the University of Chicago Vice President for Argonne National Laboratory will discuss the differences. The CH-ARG Manager will make a final determination. Performance relative to each item will be determined as acceptable or unacceptable.

Performance related to the measure, as a whole, will be determined as follows:

Outstanding	all 5 activities determined acceptable
Excellent	4 of the 5 activities determined acceptable
Good	3 of the 5 activities determined acceptable
Marginal	2 of the 5 activities determined acceptable
Unsatisfactory	1 or less of the 5 activities determined acceptable

WITH REGARD TO
MANAGEMENT OF ARGONNE NATIONAL LABORATORY

Leadership Performance Measures

OBJECTIVE:

Both the Chicago Operations Office and the University of Chicago believe that corporate commitment is a critical success factor in the management of Argonne National Laboratory. To demonstrate this corporate commitment, The University of Chicago will perform the following activities:

MEASURE:

Oversee the ongoing review of senior management positions to assure that the Laboratory is led by individuals with the requisite skill to direct all its program and activities

Require effective succession planning within ANL at the Associate Laboratory Director and lower key positions. OK

Assure
Oversee development of generally accepted management systems and processes for enhancing ANL business operations, OK

Utilizing the Board of Governors, review committees and other corporate resources, conduct management assessments in various areas of ANL operations. Through such resources and Laboratory staff, identify new initiatives to enhance the efficiency of the operations as well as cost savings initiatives. OK

Through the resources mentioned, provide strategic guidance to the science, technology and environmental, safety and health missions of ANL. OK

The weight of the performance measure is 5% (previously negotiated)

Metric:
EXPECTATION:

The University of Chicago will perform a self-assessment each year that describes what it has done to address each of the above listed activities. The Chicago Operations Office Argonne Group (CH-ARG) will review and evaluate the University of Chicago self-assessment. If the CH-ARG evaluation of the University of Chicago self-assessment reaches different conclusions than those included in the University of Chicago self-assessment then the CH-ARG Manager and the University of Chicago Vice President for Argonne National Laboratory will discuss the differences. The CH-ARG Manager will make a final determination. Performance relative to each item will be determined as acceptable or unacceptable.

Performance related to the measure, as a whole, will be determined as follows:

Outstanding	all 5 activities determined acceptable
Excellent	4 of the 5 activities determined acceptable
Good	3 of the 5 activities determined acceptable
Marginal	2 of the 5 activities determined acceptable
Unsatisfactory	1 or less of the 5 activities determined acceptable