

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE	PAGE OF PAGES 1 8
2. AMENDMENT/MODIFICATION NO. M012		3. EFFECTIVE DATE See Block 16C		4. REQUISITION/PURCHASE REQ. NO.	
6. ISSUED BY U.S. Department of Energy Richland Operations Office P. O. Box 550, MSIN A7-80 Richland, WA 99352		7. ADMINISTERED BY (If other than Item 6) Same as item 6. Contracting POC: Richard A. Stimmel (509) 376-2882		5. PROJECT NO. (If applicable)	
8. NAME AND ADDRESS OF CONTRACTOR (No. Street, county, State and ZIP Code) CCSI, L.P. 300 East Royal Lane Suite 200 Irving, TX 75039 ATTN: Lisa McManus				9A. AMENDMENT OF SOLICITATION NO. <input checked="" type="checkbox"/>	
				9B. DATED (SEE ITEM 11)	
				10A. MODIFICATION OF CONTRACT/ORDER NO. <input checked="" type="checkbox"/> DE-AC06-05RL14661	
				10B. DATED (SEE ITEM 13) 08/23/2004	
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 one (1) copy 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 DATA 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 data 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.

<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).
<input checked="" type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Section J, Para J.7, Legal Management Plan
	D. OTHER Specify type of modification and authority

E. IMPORTANT: Contractor is not is required to sign this document and return 2 copies to the issuing office.

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

- Reasons for Modification: To add a Legal Management Plan to Section J.7 of Contract
- a. A Legal Management Plan is incorporated in contract as identified in Attachment J.7, Page J-22.
 - b. The attached Legal Management Plan is numbered by Pages J-23 thru J-27.
 - c. Included and attached as part of the Plan are exhibits A and B, Pages J-28 thru J-30.

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) <i>Lisa McManus, President</i>		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Ronnie L. Dawson	
15B. CONTRACTOR/OFFEROR <i>[Signature]</i> (Signature of person authorized to sign)		16B. UNITED STATES OF AMERICA BY <i>Ronnie L. Dawson</i> (Signature of Contracting Officer)	
15C. DATE SIGNED 24 MAY 2007		16C. DATE SIGNED 6/04/07	

LEGAL MANAGEMENT PLAN

1. **Retention of Counsel:** Contractor has determined that the following legal matters may necessitate handling by retained counsel:

- a. Any matter appealed to the Board of Industrial Insurance Appeals (BIIA) or any higher level court by the Claimant;
- b. Any matter which Contractor/DOE determines should be appealed to BIIA or any higher level court;
- c. Any matter involving complex or novel issues, which may require the expertise of an attorney, even if the matter is still pending before the Department of Labor & Industries (L&I);
- d. Any matter in which Contractor believes DOE's interests are best served through having legal representation.

2. **Utilization of Outside Counsel:** The following factors are to be considered when determining whether to utilize retained counsel for a particular legal matter:

- a. The strength of DOE's position and possible negative precedent that may result from failing to retain counsel to pursue the matter;
- b. The potential ultimate exposure to DOE for payment of benefits;
- c. Likelihood of prevailing;
- d. The projected costs for legal services to pursue litigation.

3. **Selection Criteria:** In selecting retained counsel, the following factors have been considered:

- a. How competitive the attorney's rates and results are, compared to other attorneys in the relevant geographic area who practice before L&I;
- b. The attorney's reputation for performance and proficiency in handling workers' compensation claims in the State of Washington;
- c. The extent of the attorney's expertise and years of practice;
- d. The attorney's familiarity with DOE activities at the Hanford Site, including various issues unique to the operations at Hanford;
- e. The attorney's geographic location relative to the location of the Hanford Site and the location of the tribunal handling the matter;
- f. Any potential conflict(s) of interest;
- g. The attorney's means and rates of compensation.

4. **Current Outside Counsel Approved for Retention:** After taking the above enumerated factors into consideration, Contractor has selected, and DOE has approved, the following attorneys to be utilized as retained legal counsel:

Lawrence Mann, Esq.
5800 Meadows Road, Suite 220
Lake Oswego, Oregon 97035

James Gress, Esq.
9020 SW Washington Square Rd
Suite 560
Portland, Oregon 97224

Randall Leeland, Esq.
Suite 1118, Larson Building
Yakima, Washington 98901

Jon Floyd, Esq.
818 W. Riverside
Suite 250, Lincoln Building
Spokane, Washington 99201

Attached hereto as Exhibit A are the rates which have been negotiated with each attorney for himself and his staff. These rates may not be changed without DOE approval.

Should Contractor decide to utilize the services of an attorney not listed above, Contractor will do so only after careful consideration of the factors set forth herein. Furthermore, Contractor will secure DOE approval of such retained counsel, and will obtain counsel's agreement to abide by all requirements imposed by DOE and Contractor. In determining which attorney will be assigned a particular matter, Contractor will primarily consider the geographical location of the attorney and the nature of the legal issues to be addressed.

5. **Notification of Outside Counsel Obligations:** All attorneys have been apprised of their obligations with regard to legal referrals, billing, reporting, and fees as set forth in Section H.6(f), (g), (h), (j), and (k) of Contractor's contract with DOE. They were provided with a reminder of these policies from Contractor's manager on May 17, 2006. They have agreed to comply with all requirements imposed by DOE and Contractor.

6. **Letter of Engagement:** Whenever a matter is assigned to retained counsel, they will receive an engagement letter from Contractor, requesting his/her services on a particular matter. The letter will be from the adjuster handling that matter, and it will set forth a brief factual summary. It will also request the attorney's assessment of the case and the attorney's recommendations, as well as an anticipated budget for handling the matter. The engagement letter will specify that the adjuster must be contacted prior to the

attorney taking any action on the matter, that the attorney must copy all pleadings and correspondence to Contractor's Vice-President of Quality Control and Contract Compliance (Contractor's VP), and that retained counsel's costs may not exceed \$25,000.00 without prior written approval from Contractor.

If retained counsel anticipates exceeding \$25,000.00 in costs, s/he will be required to submit a letter outlining a history of the matter, identifying the current stage of litigation, analyzing the potential outcome(s) should the matter proceed forward, summarizing their recommendations for further action, and providing a detailed estimate of the costs which may be incurred if the matter proceeds forward. This letter will be sent to Contractor's manager, who will review and then forward to Contracting Officer's Designated Representative (COR) for review and approval. If approval is granted by DOE, then Contractor's manager will notify retained counsel accordingly.

In addition, the engagement letter will include the following: A statement that provision of records to the Government is not intended to constitute a waiver of any applicable legal privilege, protection, or immunity with respect to disclosure of such records to third parties; notification that the Contractor, DOE, and the Government Accountability Office have the right to inspect, copy, and audit all records documenting billable fees and costs; and, a statement that all records must be retained for a period of three (3) years after the final payment.

Contractor will secure agreements from retained counsel to follow appropriate billing format as set forth in Attachment to Appendix to 10 CFR 719, and to submit invoices on a monthly basis. The engagement letter will not address "significant matters" as defined in 10 CFR 719 because it is highly unlikely that any one case will result in legal fees in excess of \$100,000.00. Contractor and DOE recognize that there is a mediation proceeding once the matter is referred to the BIIA, but that Alternative Dispute Resolution (ADR) is not a part of this process of adjudication. Accordingly, there are no provisions in this Legal Management Plan for ADR.

7. Litigation Management and Cost Containment:

a. To ensure effective litigation management and cost containment, Contractor's VP will be copied on any and all correspondence to and from retained counsel, as well as all pleadings and other correspondence submitted by retained counsel in any particular matter.

b. All retained counsel will be required to timely submit invoices for their services in accordance with DOE and Contractor requirements. Each invoice will be reviewed by the adjuster handling the particular file. If the adjuster has any questions, those may be addressed with retained counsel and/or the adjuster's supervisor or manager. Once Contractor is satisfied that the invoice is acceptable, the adjuster will approve same and forward to DOE for review and approval, together with the Outside Counsel Billing Summary Sheet, a copy of which is attached hereto as Exhibit B.

c. Contractor will engage in frequent interaction with and provide continuous oversight of retained counsel, to include the following:

- (1) All correspondence and pleadings will be copied to Contractor's VP;
- (2) All correspondence and pleadings will be copied to the adjuster;
- (3) All correspondence and pleadings will be reviewed by adjuster and supervisor and Contractor's VP;
- (4) Retained counsel will provide a status report every 60 days on all open files;
- (5) Periodic communication via telephone and/or e-mail will take place as needed between retained counsel and Contractor; and
- (6) Retained counsel will be responsive to any inquiries from Contractor and/or DOE.

d. Contractor will attempt to ensure appropriate interaction between retained counsel and DOE's Contracting Officer (CO) and DOE/RL Counsel through the following:

- (1) Periodic meetings with on-site DOE contractors and DOE's Contracting Officer's Representative (COR);
- (2) Contractor will act as liaison between retained counsel and DOE's CO and DOE/RL Counsel, and will ensure open and effective communication; and
- (3) Contractor notification to DOE/RL Counsel and/or DOE CO and/or COR regarding any litigation issues which may be particularly sensitive or potentially problematical.

8. Approach to Legal Decision Making: Contractor's approach to legal decision making is to at all times proceed in a manner that protects the interests of DOE, and to do so in a fair and lawful manner, in accordance with the applicable statutes, rules, and regulations promulgated by the State of Washington. Implementation of this approach will be accomplished as follows:

When an adjuster, supervisor, or manager identifies a situation which may require legal analysis or which is indicative of the need for legal representation, Contractor's VP will be provided a memorandum which outlines the potential legal issues. Contractor's VP will then review the matter and determine whether it needs to be forwarded for review by DOE. If so, the manager will advise the COR of the situation and provide recommendations and/or request guidance if needed. In certain circumstances, Contractor's VP will contact the COR regarding the matter. Contractor will then take whatever action is authorized or directed by DOE.

There are some limited circumstances in which it would be in the best interest of the parties to settle a matter rather than proceed with litigation. In those instances, retained counsel will prepare a settlement summary which sets forth the chronology of events, the

terms of the proposed settlement agreement, the amount and basis for the proposed settlement agreement, and a detailed analysis explaining why the settlement agreement is recommended. This summary will be forwarded to Contractor's manager, with a signature page for the CO to grant authorization for a settlement amount, should s/he choose to do so. If Contractor's manager is in agreement with the settlement summary, s/he will forward the summary to the COR for review. If the COR agrees with the recommendation, s/he will forward to CO and DOE/RL Counsel for review and approval. Contractor will then take whatever action is authorized or directed by DOE.

9. **Revisions:** This Legal Management Plan will be updated or modified on an as-needed basis.

EXHIBIT A

In accordance with the DOE Legal Management Plan, Contractor has agreed to the following rates for legal representation:

James Gress --	\$195/hour for attorney time \$ 85/hour for paralegal time
Randall Leeland --	\$150/hour for attorney time No charge for paralegal time
Jon Floyd --	\$150/hour for attorney time \$ 60/hour for intern time \$ 50/hour for paralegal time
Lawrence Mann --	\$200/hour for attorney time \$ 75/hour for paralegal time

In the event that another attorney from the same firm must cover a particular matter due to illness, scheduling conflicts, or other circumstances, that attorney will bill at or below the agreed rate set forth above. These rates may not change without prior DOE approval.

EXHIBIT B

OUTSIDE COUNSEL BILLING SUMMARY SHEET

FIRM _____ INVOICE NO _____

CLAIMANT NAME _____ CLAIM NO _____

CONTRACTOR _____

FINAL AMOUNT OF BILL _____ INVOICE DATE _____

MONTH/YEAR SERVICES RENDERED _____

DATE RECEIVED BY CONTRACTOR _____

REVIEW BY CONTRACTOR: NAME _____ DATE _____

SUBMITTED TO DOE FOR APPROVAL: NAME _____ DATE _____

DATE TO BE PAID BY CONTRACTOR _____ Upon Concurrence/Approval by DOE _____

PROFESSIONAL FEES	\$ _____	BCWP	_____
REIMBURSEMENT		ACWP	_____
Travel	\$ _____	EAC	_____
Database Support*			
(if billed through law firm)	\$ _____		
Database Support			
(not billed through law firm)	\$ _____		
Consultants and Experts			
(not billed through law firm)	\$ _____		
Other (include copies @ 0.10;			
phone; fax; LEXIS/NEXIS; court			
reporters, etc.)	\$ _____		
TOTAL	\$ _____		

*Does not refer to LEXIS/NEXIS or Westlaw database

Settlement/Judgment Date _____

Settlement/Judgment Amount \$ _____

This invoice is sent in compliance with the terms and conditions of the contract with Contract Claims Services, Inc. (CCSI) on worker's compensation matters. The invoice has been reviewed and the charges are consistent with the work performed. Your approval for CCSI to pay this invoice is requested.

Workers Compensation Claims Services
Contract No. DE-AC06-05RL14661
Modification Number M012

Part III

Section J

Contractor Approval: By _____ Date _____

DOE-RL OCC concurs with payment approval.

By _____ Date _____
Marla Marvin, Office of Chief Counsel