

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE 1 OF 1 PAGES
2. AMENDMENT/MODIFICATION NO. M311	3. EFFECTIVE DATE 05/05/08	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)	
6. ISSUED BY U.S. Department of Energy Richland Operations Office 825 Jadwin Avenue, MSIN A7-80 Richland, WA 99352		7. ADMINISTERED BY (If other than Item 6)		
8. NAME AND ADDRESS OF CONTRACTOR (No. Street, county, State and ZIP: Code) Fluor Hanford, Inc. 2420 Stevens Center PO Box 1000 Richland, WA 99354		(✓)	9A. AMENDMENT OF SOLICITATION NO.	
			9B. DATED (SEE ITEM 11)	
			10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC06-96RL13200	
			10B. DATED (SEE ITEM 13) 08/06/96	
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 \$0.00

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).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER Specify type of modification and authority H.33; Performance Objectives, Measures, Expectations, and Fee Distribution

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.)

The purpose of this modification is to incorporate revised Performance Incentive (PI) for PBS RL-0011 into Part III, Section J, Appendix D of the contract. This PI revision is to add super stretch Performance Objectives 1.c. to accelerate the out-year Plutonium Reclamation Facility Deactivation and Decommissioning work scope into FY 2008 contract period.

Attachment: Performance Incentive RL-0011 (Rev. 3).

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) C. M. Murphy, President and Chief Executive Officer		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Sally A. Sieracki, Contracting Officer	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED 7/09/08	16B. UNITED STATES OF AMERICA BY Sally A. Sieracki	16C. DATE SIGNED 16 Jul 08



**PERFORMANCE OBJECTIVES, MEASURES,
EXPECTATIONS AND INCENTIVES**

SECTION J

**APPENDIX D
FY 2007 – FY 2008**

<u>PI</u>	<u>PHMC Modification</u>	<u>Description</u>
<u>RL-0011</u> (Rev. 3)	Modification M311	NM Stabilization and Disposition – PFP
<u>RL-0012</u> (Rev. 1)	Modification A270 ⁽²⁾⁽⁴⁾	SNF Stabilization and Disposition – KBC
<u>RL-0013</u> (Rev. 2)	Modification M302	Solid Waste Stabilization and Disposition
<u>RL-0030</u> (Rev. 7)	Modification M306 ⁽³⁾	Soil and Water Remediation – GWVZ Nuclear Facility
<u>RL-0040</u> (Rev.1)	Modification M279 ⁽⁵⁾	Nuclear Facility D&D – Remainder of Hanford
<u>RL-0042</u> (Rev. 3)	Modification M 302	Nuclear Facility FFTF
<u>RL-Composite</u> (Rev. 2)	Modification M258	Composite Performance
<u>FHI-Cost</u> <u>Underrun</u> <u>Funded</u>	Modification M252 ⁽¹⁾	Cost Underrun Funded Performance Incentive

Interpretive Letters:

⁽¹⁾Letter, K. A. Klein to R. G. Gallagher, “Contract No. DE-AC06-96RL13200 -- Request for Equitable Adjustment on Underrun Funded Performance Objective 12, RL-040-Complete 212-N Nuclear Facility Hazard Reduction and Downgrade”, 07-AMCP-0134, dated April 4, 2007.

- (2) Letter, S. A. Sieracki to C. M. Murphy, "Contract No. DE-AC06-96RL13200 – Clarification Of The Completion Criteria For Project Hanford Management Contract Section J, Appendix D, Performance Incentive RL-0012, Performance Objective 4a, "Complete Removal Of The Superstructure Of The KE Facility By September 30, 2008," 08-AMCP-0164, dated April 23, 2008.
- (3) Letter, D. A. Brockman to C. M. Murphy, "Contract No. DE-AC06-96RL13200 – Fiscal Year (FY) 2007 – FY 2008 FHI Performance Incentive; PBS RL-0040; Performance Objective 2b," 08-PRO-0005, dated October 12, 2007.
Note: This letter provides clarification to GF0139, identifying that it is no longer relevant to CD0521.
- (4) Letter, C. M. Murphy to D. A. Brockman, "Change of Scope Resulting From Clarification of Performance Incentive RL-0012, Performance Objective 4A", FH-0801191 REISSUE, dated May 15, 2008.
- (5) Email, S. A. Sieracki to M. S. Strickland, "RL-040 Performance Objective PO 5a, GFS Requirement Change," 0801334, dated May 23, 2008.
Note: This email modifies the due date for GF0159 from May 12, 2008 to June 2, 2008.

The following letter extends the date for specific fee incentives beyond the 9/30/06 completion date of the former PI's.

Letter, K. A. Klein to R. G. Gallagher, "Contract No. DE-AC06-96RL13200 -- Request for Approval of Proposed Revision to Contract Deliverables and RL-30 Performance Incentive Objective for Installation of a Sequestration Barrier at 100-NR-2", 07-PRO-0175, dated March 2, 2007.

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 3, May 5, 2008

PBS: RL-0011 Nuclear Material Stabilization and Disposition (PFP Closure Project)

Allocated Fee: \$20.2M of the fee available in PHMC Clause B.4

PERFORMANCE OBJECTIVE 1: Continue to make progress toward Deactivation, Decommissioning, Decontamination and Dismantlement of the PFP Complex facilities in support of the 2016 end point.

Performance Objective 1a: Accelerate internal cleanout of 234-5Z glove boxes.

\$2.1M may be earned as progress payment in three increments for clean-out of up to three 234-5Z glove boxes to be identified by FH. Complete

\$3.0M may be earned as progress payment in three increments for clean-out of up to three 234-5Z glove boxes to be mutually agreed to by FH and DOE. Complete

\$3.0M may be earned as progress payment in three increments for clean-out of up to three 234-5Z glove boxes to be mutually agreed to by FH and DOE. Complete

\$1.9M may be earned as progress payment for clean-out of 234-5Z glove box HA-23.

Completion Criteria:

- Glove box cleanout is considered complete when all internal process equipment has been removed and waste has been dispositioned.

Government Furnished Services/Items:

None identified.

CONTINGENT OBJECTIVE 1b: PFP De-inventory

Performance Objective 1b: Achieve progress toward de-inventory of PFP DOE-STD-3013 containers and unirradiated fuel by September 30, 2009.

\$1.0M may be earned as provisional payments in equal monthly draw-downs for progress toward de-inventory completion. Provisional payments will convert to progress payments, on a per shipment basis, upon completion of a reconciliation of planned versus actual shipments as of September 30, 2008.

\$0.565M may be earned as progress payment upon completion of the first shipment of 3013 containers.

Information pertaining to planned shipments and number of containers to be shipped are available on a need to know basis and with the appropriate clearance.

Completion Criteria:

- SNM shipment is considered completed when Safeguards closure (Form 741) has been completed between WSRC and FH.

Government Furnished Services/Items:

- DOE will provide 1000 additional 9975 shipping containers as a government furnished item. Delivery of additional 9975 shipping containers will begin no later than 1 June

RL CO RL Date 2 June 08

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 3, May 5, 2008

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2008, at a rate consistent with the planned packaging and shipping matrix as of October 1, 2007.

- DOE-HQ will issue the 9975 SARP, Revision 1 by December 31, 2007.
- DOE will provide the necessary NNSA OST assets and support to complete 3013 de-inventory by 2009 and consistent with the FY08 planned packaging and shipping matrix as of October 1, 2007.
- DOE will provide the contractor authorization to ship 3013 containers 60 days prior to the start of shipments.

SUPERSTRETCH

Performance Objective 1c: Internal clean-out of one PRF glovebox.

\$0.435M may be earned as progress payment for internal clean out of one of the PRF Column glove boxes by September 30, 2008.

Completion Criteria:

- This objective is complete when the process equipment has been removed from one of the three Column glove boxes in Rooms 42, 50 or 60 in PRF and the waste has been dispositioned. Internal cleanout of the glove boxes will be consistent with FH letter FH-0602865 from R. Gallagher, FH to K. A. Klein, RL, "Completion Criteria for Plutonium Finishing Plant Gloveboxes Fiscal Year 2007 and Fiscal Year 2008 Performance Incentives," dated November 27, 2006, with the exception that the CA and CC columns would remain in the glove box since these are removed after internal equipment is complete in all three glove boxes.
- Electrical and mechanical isolation would be complete in all three glove boxes.

Government Furnished Services/Items:

None identified.

PERFORMANCE OBJECTIVE 2: Demolish PFP consistent with the Action Memoranda, including disposal of all waste generated during D&D and demolition activities.

Performance Objective 2a: Transition and dismantle the 241-Z complex per the PFP Complex End Point Criteria, Removal Action Work Plan, and in accordance with TPA Milestone M-083-42 by September 30, 2007.

\$0.5M may be earned as progress payment upon submittal of Operator Certification and Professional Engineer Certification on the RCRA 241-Z Closure by March 30, 2007.

\$2.5M may be earned as progress payment upon transition of the 241-Z high-level waste storage tank facility to demolition ready by June 30, 2007.

\$2.5M may be earned as progress payment for demolition of 241-Z/ZA to slab-on-grade by September 30, 2007.

RL CO SK Date 2 Jul 08

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 3, May 5, 2008

PBS: RL-0011 Nuclear Material Stabilization and Disposition (PFP Closure Project)

Allocated Fee: \$20.2M of the fee available in PHMC Clause B.4

Completion Criteria:

- The Operator Certification and Professional Engineer Certification are complete upon submittal to DOE.
- 241-Z is considered ready for demolition in accordance with the approved Removal Action Work Plan for Above Grade Structures: Ancillary Facility Demolition (DOE/RL-2005-15).
- Transition of 241-Z is complete when the facility specific end point criteria have been met consistent with the end point criteria document and signed off complete and submitted to RL in accordance with the TPA Milestone.

Government Furnished Services/Items:

None identified.

Performance Objective 2b: Submit the necessary regulatory documentation to initiate transition of 216-Z-9 Crib Complex.

\$0.2M may be earned as progress payment upon submittal of the Removal Action Work Plan for 216-Z-9 Crib Complex by September 30, 2008.

\$0.5M may be earned as progress payment upon completion of the 216-Z-9 facility condition analysis by September 30, 2008.

Completion Criteria:

- The Removal Action Work Plan is complete upon submittal to RL.
- The 216-Z-9 facility condition analysis is considered complete when the analysis field work has been completed and documented and submitted to RL

Government Furnished Services/Items:

None identified.

Performance Objective 2c: Implement the necessary lay-up activities to place PFP in a safe configuration until D&D resumes.

\$2.0M may be earned in equal progress payments for completion of the following lay-up activities:

- 26" vacuum demister #1
- Sampling of 26" vacuum
- 242-Z Airlock lay-up scope
- Drain liquids in Pulsar glove box
- Stabilize the 291-Z duct

Completion Criteria:

- Remove the tar like substance from the glass vessel in Demister 1: removal of the demister is not required (Lay-up plan action 3).
- Collect 4 samples from the polycube effected portion of the 26 inch vacuum line (Lay-up plan action 4).
- Remove the lead-acid batteries from the manlift in airlock west of the 242-Z tank room

RL CO *RL* Date *2 Jul 08*

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 3, May 5, 2008

PBS: RL-0011 Nuclear Material Stabilization and Disposition (PFP Closure Project)

Allocated Fee: \$20.2M of the fee available in PHMC Clause B.4

(Lay-up plan action 59) and remove the combustible containment tent on the west side of 242-Z (Lay-up plan action 60).

- Remove and package the liquid on the floor of the pulser glove box in 236-Z room 43 (Lay-up plan action 67).
- Stabilize the galvanized duct section in building 291-Z that used to connect the 232-Z ventilation system to 291-Z. The duct will be stabilized in a manner to provide containment during lay-up (Lay-up plan action 62).

Government Furnished Services/Items:

None identified.

OVER TARGET FUNDED

Performance Objective 1: Continue to make progress toward Deactivation, Decommissioning, Decontamination and Dismantlement of the PFP Complex facilities in support of the 2016 end point.

Performance Objective 1c: Continue internal cleanout of 234-5Z and Plutonium Reclamation Facility (PRF) glove boxes.

\$0.435M may be earned as progress payment in equal increments for internal clean-out of ten glove boxes/conveyors in 234-5Z. The glove boxes and conveyors to be completed are HA-46, HA-15, HA-14DC, HA-14CC, HC-15 A, B, C, and conveyors HA-28, HC-5, and HC-2. Substitution of other 234-5Z glove boxes may be made upon mutual agreement between FH and RL.

\$0.0M may be earned as progress payment for internal clean out of one glove box in PRF.

Based on the EVMS status as of October 4, 2007; \$1.215M of fee from Performance Objective 1c is reassigned to Contingent Objective 1b. The remaining fee allocation shown above reflects an equitable adjustment for partial completion of work prior to redirection to begin SNM de-inventory.

Completion Criteria:

- Glove box cleanout is considered complete when internal process equipment has been removed and waste has been dispositioned. Internal clean out of the glove boxes will be consistent with FH letter FH-0602865 from R. G. Gallagher, FH to K. A. Klein, RL, "Completion Criteria for Plutonium Finishing Plant Glovebox Fiscal Year 2007 and Fiscal Year 2008 Performance Incentives," dated November 27, 2006, with the following exceptions:
 - Large plates and rods in HC-15 A,B,C would remain in the glove box
 - The scale on top of HA-15 is not part of the glove box and is therefore excluded from this PI
 - Only conveyor belts will be removed from HC-5, HC-2 and HA28.

Performance Objective 2d: Complete remaining FY 2008 lay-up work scope per the Lay-up Plan.

- a. Install HEPA Filter on Drain Roof Vent.
- b. Install HEPA Filter on Rigid Containment Room 1.
- c. Drain hydrofluoric acid.
- d. Drain vent nitric acid feed lines.
- e. Mitigation of open emergency exhaust valve.

RL CO *RL* Date *2 Jul 08*

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 3, May 5, 2008

PBS: RL-0011 Nuclear Material Stabilization and Disposition (PFP Closure Project)

Allocated Fee: \$20.2M of the fee available in PHMC Clause B.4

\$0.0M may be earned as progress payment in equal increments for completion of the following lay-up activities:

- c. Drain B-acid feed lines.
- d. Drain vertical nitric acid feed lines.

If de-inventory activities are initiated, partial payment of fee will be made based on the EVMS percent complete. Remaining unearned fee will be reallocated to de-inventory activities in Contingent Objective 1b.

Based on the EVMS status as of October 4, 2007; \$0.35M of fee from Performance Objective 2d(c) - (d) is reassigned to Contingent Objective 1b as a result of redirection to begin SNM de-inventory.

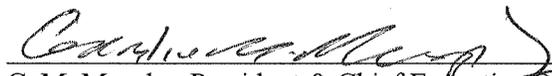
Completion Criteria:

- Drain B-acid feed lines between 234-5Z and 236-Z and from the down leg in corridor 31 in 236-Z (Lay-up plan action 66).
- Drain vertical nitric acid feed lines from the duct level to the glove boxes in the RMA and RMC process lines (Lay-up plan actions 63 and 64).

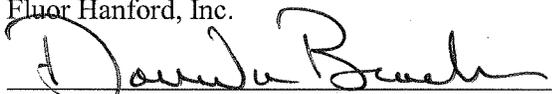
Government Furnished Services/Items:

None identified.

Signatures:


C. M. Murphy, President & Chief Executive Officer
Fluor Hanford, Inc.

7/9/08
Date


D. A. Brockman, Manager Richland Operations Office

7/16/08
Date



RL CO RL Date 2 Jul 08