99-PRO-759

Advice # 97 From: Keith A. Klein

Ms. Merilyn Reeves, Chair
Hanford Advisory Board
723 The Parkway, Suite 200: B1-41
Richland, Washington 99352

September 9, 1999

Dear Ms. Reeves:

HANFORD ADVISORY BOARD (HAB) CONSENSUS ADVICE #97 TO THE U.S. DEPARTMENT OF ENERGY, RICHLAND OPERATIONS OFFICE (RL) - PROJECT HANFORD MANAGEMENT CONTRACT (PHMC) PERFORMANCE MEASURES

Thank you for the input contained in HAB Consensus Advice #97 dated July 16, 1999. The advice has been useful and I believe you will find that our Fiscal Year (FY) 2000 incentives package in fact moves strongly in the direction recommended. Specifically, as we develop performance measures for FY 2000 and beyond, I am focusing RL's efforts on achieving specific long-term outcomes by tying these outcomes directly to near-term objectives, measures, and expectations. Incentive dollars will be concentrated on those critical few efforts that move RL closer to achieving the outcomes. I am exploring various incentive structures, such as the use of multi-year and superstretch incentives, to accelerate cleanup consistent with the Hanford Strategic Plan and the Multi-Year Workplans.

RL intends to finalize FY 2000 incentives for the Fluor Daniel Hanford, Inc. and Bechtel Hanford, Inc. contracts by September 30, 1999. Subsequently, I would like to meet with you to further discuss yours and the HAB's ideas on RL's path forward. If you have questions, please contact me, or your staff may contact Pete Knollmeyer, Deputy Designated Federal Official, on (509) 376-7435.

Sincerely,

/s/
Keith A. Klein, Manager
Department of Energy - Richland Operations

PRO:GFC