

**FY 2001 - 2006 PERFORMANCE BASED INCENTIVE****SECTION 1  
General Information**

Title: Life Cycle Asset Management

Project Baseline Summary (PBS): TW04

Work Breakdown Structure (WBS) 1.01.04.02.01

Maximum Available Incentive Fee: 6.4 percent of the total available FY 2001 – 2006 incentive fee pool

Type: Stretch

**SECTION 2  
Technical Contacts***ORP Point of Contact: D. Bryson**Contractor Point of Contact: D. Allen/M. Ostrom***SECTION 3  
Performance Expectations and Earning Schedule****General:**

1. The Contractor's final fee will be determined in accordance with clause H.1, Performance Based Incentives and Fee Distribution.
2. Performance Based Incentives (PI) may be modified to reflect changes to the project baseline resulting from external drivers, such as, submission and approval of TPA change requests for consistency purposes.
3. Acceptable product completion represents technical adequacy and good value to the government.

**Specific Requirements:**

The contractor shall:

Using a life cycle asset management approach, implement processes and programs to enhance the reliability of Tank Farm equipment, and evaluate the capability of that equipment to support long-term missions. This Performance Based Incentive (PI) consists of seven elements:

1. Implement and commence execution of the Reliability Centered Maintenance (RCM) program for the Double Shell Tank (DST) Farms. Scope is to develop an administrative procedure for RCM, train key operations, maintenance and engineering personnel and implement as a pilot on one DST system. (9/30/2001) (Earn 19% of fee)
2. Condition assessment evaluations for four tank farms – AW, AP, AY and SY. Scope includes updating the present condition assessment survey procedure to incorporate DOE O 430.1A requirements as it relates to condition assessments, assessing the capability of critical systems to support the long-term Waste Feed Delivery (WFD) mission, and evaluating essential spares and the required maintenance of spares needed to support the WFD mission. (2/28/2002) (Earn 25% of fee)
3. Expand the RCM program developed in FY 2001 to encompass DST ventilation systems. The expanded program will be operational. (9/30/2003) (Earn 13% of fee)
4. Implement pilot predictive maintenance program for DST ventilation systems. (6/30/2003) (Earn 10% of fee)
5. Update Master Equipment List and provide an Operations and Maintenance (O&M) strategy for Tank Farm operations through 2018. (12/31/2004) (Earn 13% of fee)

**FY 2001 - 2006 PERFORMANCE BASED INCENTIVE**

6. Accomplish C Farm upgrades to support retrieval of C-104. (7/30/2006) (Earn 5% of fee)
7. Complete LCAM Baseline Assessments 5 Year update. (6/30/2006) (Earn 15% of fee)

**SECTION 4****Performance Requirements**

**DEFINE COMPLETION:** *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared.)*

1. Completion documentation for RCM implementation and commencement of execution shall consist of:
  - Administrative procedure defining RCM implementation for Double Shell Tank Farms
  - Training materials and course completion rosters
  - Report documenting completion of implementation for the pilot system, including system analysis and the resulting new and/or revised maintenance tasks
2. Completion documentation for condition assessment shall consist of:
  - Reports for AP, AW, AY, and SY documenting results and recommendations from the condition assessment evaluations
3. Completion documentation for RCM implementation shall consist of:
  - Report documenting completion of implementation of RCM for DST ventilation systems, including system analysis and the resulting new and/or revised maintenance tasks
4. Completion documentation for implementation of pilot predictive maintenance program for DST ventilation systems shall consist of a letter to ORP providing a copy of the implementing procedure, training rosters, and a report of the baseline readings obtained on the ventilation systems.
5. Completion documentation for the updates accomplished to the Master Equipment List shall consist of a letter detailing the updates made. Complete letter report detailing O&M strategy through 2018.
6. Completion documentation for the C Farm upgrades to support retrieval of C-104 shall be a letter detailing the upgrades.
7. Completion documentation for 5-year update to the LCAM Assessments shall consist of a report for each DST Tank Farm documenting results and recommendations from the condition assessment evaluations, consistent with the acceptance criteria defined by DOE.

**DEFINITIONS:** *(define terms)*

**COMPLETION DOCUMENTS LIST:** *(Name the Documents, Databases, etc., which will be submitted to show completion for each Performance Expectation.)*

1. Letter documenting completion of the RCM Implementation.
  - Administrative procedure defining the implementation of RCM in the DST Farms.
  - Training materials and course completion rosters for RCM.
  - Supporting document detailing the RCM analysis of the pilot system.

- New/revised maintenance procedures to implement the results of the RCM evaluation of the pilot system.
2. Letter documenting Completion of the condition assessments:
    - Supporting documents for AW, AP, AY, and SY tank farm condition assessments.
  3. Completion documentation for RCM implementation shall consist of:
    - Report documenting completion of implementation of RCM for DST ventilation systems, including system analysis and the resulting new and/or revised maintenance tasks.
    - New/revised maintenance procedures to implement the results of the RCM evaluation.
  4. Letter to ORP providing a copy of the implementing procedure, training rosters, and a report of the baseline readings obtained on the ventilation systems.
  5. Letter to ORP detailing the updates made to the Master Equipment List.
  6. Letter to ORP detailing the upgrades made to C Tank Farm to support retrieval of C-104.
  7. Completion documentation for 5 year update to the LCAM Assessment shall consist of a report for DST Tank Farms documenting results and recommendations from the condition assessment evaluations.

**ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS:** *(For reasonably foreseeable impacts to performance that are not within control of Contractor. If the assumption or condition proves false, the remedy is renegotiations unless stated otherwise.)*

**SECTION 5**  
**Signatures**

\_\_\_\_\_  
ORP Contracting Officer Representative/Date

\_\_\_\_\_  
CHG President and General Manager/Date

\_\_\_\_\_  
ORP Contracting Officer/Date

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CHG Contract Representative/Date