

The Contract is hereby modified as follows:

- A. Under Section J, APPENDIX D – PERFORMANCE BASED INCENTIVES the following modifications are made:
- PBI 2-1.l Modified as follows: ~~The Contractor shall earn \$2,000,000 in incremental fee for completion of Project W-211 AZ-102 retrieval system construction, except mixer pumps installation.~~ The sum of \$2,000,000 in incremental fee was made available for completion of Project W-211 AZ-102 retrieval system construction, except mixer pumps installation. This work was partially deleted. The final fee value remains \$2,000,000 and the Contractor's final fee earnings for this element are \$768,000 – with the remaining fee of \$1,232,000 permanently unearned and will not be further reapplied or reallocated to other incentives.
- PBI 2-1.m Modified as follows: ~~The Contractor shall earn \$1,750,000 in incremental fee for completion of Project W-211 higher risk construction tasks for the AY-102 retrieval system.~~ The sum of \$1,750,000 in incremental fee was made available for completion of Project W-211 higher risk construction tasks for the AY-102 retrieval system. This work was partially deleted. The final fee value remains \$1,750,000 and the Contractor's final fee earnings for this element are \$315,000 – with the remaining fee of \$1,435,000 permanently unearned and will not be further reapplied or reallocated to other incentives.
- PBI 3.1 Heading value is modified to read "Performance Fee ~~\$4,000,000~~ \$3,000,000
- PBI 3-1.b Modified as follows: ~~Complete interim closure of S-112 and earn \$1,000,000 of the above performance fee.~~ The sum of \$1,000,000 in incremental fee was made available to complete interim closure of S-112. This work was changed. The fee value and the Contractor's final fee earnings for this element are \$500,000 – with the remaining fee of \$500,000 reallocated to PBI 3.7 by Modification No. M115.
- PBI 3-1.d Modified as follows: ~~Complete interim closure of S-102 and earn \$1,000,000 of the above performance fee.~~ The sum of \$1,000,000 in incremental fee was made available to complete interim closure of S-102. This work was changed. The fee value and the Contractor's final fee earnings for this element are \$500,000 – with the remaining fee of \$500,000 reallocated to PBI 5.
- PBI 3.2 Heading value is modified to read "Performance Fee ~~\$5,300,000~~ \$4,800,000
- PBI 3-2.b Modified as follows: ~~Complete demonstration interim closure of C-106 and earn \$1,000,000 of the above performance fee.~~ The sum of \$1,000,000 in incremental fee was made available to complete demonstration interim closure of C-106. This work was changed. The fee value and the Contractor's final fee earnings for this element are \$500,000 – with the remaining fee of \$500,000 reallocated to PBI 5.
- PBI 3.3 Heading value is modified to read "Performance Fee ~~\$13,375,000~~ \$12,875,000
- PBI 3-3.d Modified as follows: ~~Interim close five (5) additional single-shell waste tanks by 09/30/06 and earn \$200,000 of incremental performance fee for each tank (\$1,000,000 of the above performance fee).~~ The sum of \$1,000,000 in incremental fee was made available to close five (5) additional single-shell waste tanks by 09/30/06 (\$200,000 each). This work was changed. The fee value and the Contractor's final fee earnings for this element are \$500,000 – with the remaining fee of \$500,000 reallocated to PBI 5.

PBI 4-1

Heading value is modified to read "Performance Fee ~~\$8,300,000~~\$7,300,000

Modified as follows:

~~The Contractor will earn \$8,300,000 in incremental fee for the following fee-bearing milestones that support removal and treatment of TRU sludge that can be removed from the tanks, treated, characterized, and disposed of as non high-level waste (HLW):~~

- ~~a. Deleted.~~
- ~~b. Complete procurement and receive B-200s vacuum retrieval system and associated vacuum masts and earn \$825,000 of the above performance fee (fee to be earned as provisional until completion of Item f.).~~
- ~~c. Complete procurement and receive T-200s vacuum retrieval system and associated vacuum masts and earn \$825,000 of the above performance fee (fee to be earned as provisional until completion of Item f.).~~
- ~~d. Complete procurement and receive TRU HVAC skid and earn \$750,000 of the above performance fee (fee to be earned as provisional until completion of Item f.).~~
- ~~e. Complete procurement and receive TRU dryer skid and earn \$1,250,000 of the above performance fee (fee to be earned as provisional until completion of Item f.).~~
- ~~f. Complete cold operational acceptance testing of the TRU treatment system offsite and earn \$1,000,000 of the above performance fee (fee to be earned as incremental).~~
- ~~g. Complete removal, treatment, and packaging of 100K gallons of TRU tank waste (in tank volume) for shipment to the Waste Isolation Pilot Plant and earn \$1,250,000 of the above performance fee (fee to be earned as incremental).~~
- ~~h. Complete removal, treatment, and packaging of 100K gallons of TRU tank waste (in tank volume) for shipment to the Waste Isolation Pilot Plant and earn \$1,200,000 of the above performance fee (fee to be earned as incremental).~~
- ~~i. Complete removal, treatment, and packaging of 84K gallons (or to completion of retrieval of B-200s and T-200s) TRU tank waste (in tank volume) for shipment to the Waste Isolation Pilot Plant and earn \$1,200,000 of the above performance fee (fee to be earned as incremental).~~
- ~~j. Incremental acceleration fee of \$1,200,000 shall be paid to the contractor for each 100,000 gallons (in tank volume) of additional tank waste that is retrieved and treated. Additional wastes can be either TRU type materials or LAW type materials, with no restrictions on the balance between the waste types making up each 100,000 gallon increment.~~

Of the total fee value of \$8,300,000; the sum of \$1,000,000 is reallocated to PBI 5 and the total incremental fee is reduced to \$7,300,000 for the following fee bearing milestones that support removal and treatment of TRU sludge that can be removed from the tanks, treated, characterized, and disposed of as non high-level waste (HLW):

- a. Deleted.
- b. Complete procurement and receive B-200s vacuum retrieval system and associated vacuum masts. Final fee value and final incremental fee earnings \$825,000.

- c. Complete procurement and receive T-200s vacuum retrieval system and associated vacuum masts. Final fee value and final incremental fee earnings \$825,000.
- d. Complete procurement and receive TRU HVAC skid and earn \$750,000 of the above performance fee as incremental. Final fee value and final incremental fee earnings \$825,000.
- e. Complete procurement and receive TRU dryer skid and earn \$1,250,000 of the above performance fee as incremental. Final fee value and final incremental fee earnings \$1,250,000.
- f. Complete cold operational acceptance testing of the TRU treatment system offsite.
- g. Complete removal, treatment, and packaging of 100K gallons of TRU tank waste (in tank volume) for shipment to the Waste Isolation Pilot Plant (WIPP).
- h. Complete removal, treatment, and packaging of 100K gallons of TRU tank waste (in tank volume) for shipment to WIPP.
- i. Complete removal, treatment, and packaging of 84K gallons (or to completion of retrieval of B-200s and T-200s) TRU tank waste (in tank volume) for shipment to WIPP.
- j. Acceleration fee of \$1,200,000 for each 100,000 gallons (in tank volume) of additional tank waste that is retrieved and treated. Additional wastes can be either TRU type materials or LAW type materials, with no restrictions on the balance between the waste types making up each 100,000 gallon increment.

Final fee earnings on a. through e. above is \$3,650,000 in incremental fee. Final fee earnings in consideration of partial work completion on f. through j. above is \$1,328,625. The remaining fee of \$2,321,375 is permanently unearned and will not be further reapplied or reallocated to other incentives.””

PBI 5

A new PBI Incentive 5 is created that reads as follows:

The Department of Energy agrees to provide an additional \$2,500,000 in new PBIs after Modification No. M116. The parties shall endeavor in good faith to mutually agree on such incentives under the principles in Contract Clause H.1. If agreement on the PBIs cannot be reached, the Contracting Officer may make the final determination of PBIs and related fee distribution, and may unilaterally incorporate into the Contract. However, if the Contractor disagrees with the DOE established PBIs and related fee distribution, the Contractor may appeal to the Head of Contracting Activity (HCA), who shall unilaterally decide the issue.

B. Contractor's Statement of Release.

In consideration of the modification agreed to herein as complete equitable adjustments for the Contractor's requests for equitable adjustment, as follows:

CH2M HILL letter CH2M-0501322 dated April 29, 2005
CH2M HILL letter CH2M-0501775 dated June 8, 2005
CH2M HILL letter CH2M-0502020 Reissue dated July 5, 2005
CH2M HILL letter CH2M-0503331 dated November 9, 2005
CH2M HILL letter CH2M-0503352 dated November 10, 2005
CH2M HILL letter CH2M-0501775 Reissue dated January 5, 2006

the Contractor hereby releases the Government from any and all liability under this contract for further equitable adjustments attributable to such facts or circumstances giving rise to the above requests for equitable adjustment.