

FY 2001 – 2006 PERFORMANCE BASED INCENTIVE

SECTION 1 General Information

Title: Accelerated Tank Closure Demonstration Project

Project Baseline Summary (PBS): TW11

Work Breakdown Structure (WBS): 5.05.01.02

Maximum Available Incentive Fee: FY 2002 = Superstretch Fee Potential = \$954K¹

FY 2003-2005 = To Be Negotiated²

Type: Superstretch

¹FY 2002: \$6,361K BCWS + \$954K fee = \$7,315K funds. Budgeted Cost of Work Scheduled (BCWS) and corresponding fee dollars subject to change based on approved BCR. Fee rate is fixed at 15%. Fee earning percentage has been established based on the relative timing of milestones and endpoint (calendar year 2004) for this Performance Based Incentive.

²FY 2003-2005: BCWS and fee potential to be established when updated cost estimates are provided based on the FY 2002 products and funding availability.

Note: ORP may at its unilateral discretion choose to revise downward the baseline cost estimate for this SSPBI to reflect the results of the FY 2002 baseline improvement process (BIP). No payments upon this SSPBI would be made until the BIP baseline change request has been approved by ORP.

SECTION 2 Technical Contacts

ORP Point of Contact: J. Swailes/J. Cruz

Contractor Point of Contact: R. Dodd/T. Sams

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 acceptable value to the government.

Specific Requirements:

FY 2002 Workscope (Items for FY 2002 Fee Earnings Above)

1. Update the "Approach for Interim Closure Demonstrations" and submit to the Office of River Protection (ORP) by 6/15/02 for review and comment (earn 5% of fee).
2. Complete the Accelerated Tank Closure Demonstration (ATCD) Data Assessment and submit to ORP by 8/15/02 (earn 30% of fee).
3. Complete ATCD Alternatives Generation and Analysis and submit to ORP by 9/15/02 (earn 25% of fee).
4. Complete ATCD Basis of Design and submit to ORP by 9/30/02 (earn 40% of fee).

FY 2003-2005 Workscope (Items for FY 2004-2005 Fee Earning)

5. Complete retrieval of additional waste from first ATCD tank by 1/31/2004 (earn 20% of fee).
6. Complete closure of first ATCD tank by 3/30/2004 (earn 40% of fee).
7. Complete closure of additional 4 ATCD tanks by 12/31/2004 (earn 40% of fee).

FY 2001 – 2006 PERFORMANCE BASED INCENTIVE**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. The ATCD Project Approach will be a summary level description of the overall project approach, key assumptions and interfaces, and describe Government Furnished Services and Information (inclusive of dates and/or response requirements).
2. The ATCD Data Assessment will assess and/or examine not less than the following:
 - Availability and applicability of characterization data (including tank waste and surrounding soils),
 - Potential fill and/or stabilization materials (including alternatives for “getters” (sequestering agents)),
 - Characterization, monitoring, and surveillance approaches and technologies for closure applications,
 - Technical, cost and schedule results from similar projects across the DOE complex to provide a basis for comparison.
 The document will be delivered to ORP by 8/15/02 and provide data to the ATCD Alternatives Generation and Analysis.
3. The ATCD Alternatives Generation and Analysis will be contractor approved and, using the results of the ATCD Data Assessment, will outline the regulatory and technical alternatives to complete the 5 tank closures by 2004, including an understanding of risk and risk-based decisions, inclusive of cost-benefit analyses, and a recommended alternative, by 9/15/02.
4. The ATCD Basis of Design (submittal of Final Preliminary Engineering) for Closure will be contractor-approved. The document will define technical requirements for design, acknowledge regulatory requirements, and define project boundaries and interfaces. The ATCD will be contractor-approved and issued by 9/30/02 for DOE approval.

“Define Completion” for the following Items 5, 6, and 7 are subject to change during the FY 2003-2005 negotiation process:

5. Completion of additional retrieval shall be at least to the extent necessary to consider closure of first ATCD tank in the context of the Waste Management Area Closure utilizing the Retrieval Performance Evaluation Process and in compliance with Tri-Party Agreement requirements inclusive of Appendix H. CHG will submit documentation supporting the determination (e.g., residual volume estimates, contaminant inventories, etc.) that retrieval was completed as described in this element.
6. Completion of closure of the first ATCD shall be consistent with the ATCD Basis of Design and be consistent with successful completion and documentation of Items 4 and 5 above. CHG will submit documentation supporting the determination that the closure action was performed consistent with the ATCD project requirements.
7. Completion of closure of the remaining four ATCD shall be consistent with the DOE-approved ATCD Basis of Design and be consistent with successful completion and documentation of Item 4 above. CHG will submit documentation supporting the determination that the closure action was performed consistent with the ATCD project requirements.

DEFINITIONS: (define terms)

1. “Closure” of a tank is defined as placing the tank and its contents in a configuration that supports final closure of the tank farm or waste management area (including placement of fill materials in a tank and isolation of ancillary equipment to the extent permitted under NEPA, RCRA, and DOE 435.1 requirements prior to final decisions on closure of the associated tank farm or waste management area), to reduce the potential for future contaminant migration, provide for long-term structural stability of the tank, and reduce the need and frequency of required surveillance and maintenance.

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

1. Letter transmitting the ATCD Project Approach by 06/15/02.
2. Letter transmitting the ATCD Data Assessment by 8/15/02.
3. Letter transmitting ATCD Alternatives Generation and Analysis by 9/15/02.
4. Letter transmitting the ATCD Basis of Design 9/30/02.
5. Letter transmitting the data package supporting the successful completion of additional retrieval from the first closure demonstration tank 1/31/03.
6. Letter transmitting the data package supporting the successful completion of closure for the first demonstration tank 3/31/04.
7. Letter transmitting the data package supporting the successful completion of closure for the remaining four demonstration tanks 12/31/04.

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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.)*

1. The ATCD Project Approach will be consistent with the draft “Approach for Interim Closure Demonstrations”, December 7, 2001, developed by DOE/ORP.
 - a. For Information Only: subsequent to submittal to ORP and after review and comment, the document will be formally accepted by DOE ORP by 7/15/02.
 - b. Any delay in the completion of DOE-provided authorizations and/or approvals identified as part of the ATCD Project Approach will result in a day-for-day slip of due dates for all subsequent deliverables.
2. Technical Products supporting this effort are first-of-a-kind. Approvals for documents affecting final tank closure decisions are required from DOE ORP, DOE-HQ, Ecology, and EPA. In general, CHG will be developing products that DOE/ORP will submit to external parties for approval. CHG will be responsible for providing reasonable and prudent technical products to ORP consistent with closure activities for waste sites of similar risk/hazard, scale, and regulatory environment at Hanford and private industry.
 - a. For information only: Approval of the FY 2002 update of the Closure Work Plan by DOE-HQ will serve the dual purpose of DOE Order 435.1 (and associated manual) requirements for Tier 1 Closure Plan.
3. The ATCD Basis of Design will be released by CHG and delivered as a contractor-approved document.
4. It is assumed that archived tank samples can be located and characterized to complete additional data needs. Tank waste characterization needs above and beyond archive samples are additional work scope.
5. This project will be managed as a Minor Construction Project in accordance with HNF-IP-0842, Volume 13, Section 1.4, *Construction Project Management – Minor Projects*. DOE Order 413.3 does not apply.
6. If alternate tanks are selected, the due dates for deliverables will be extended on a day-for-day basis. The extension will equal the time elapsed from direction to proceed with this project to the date of decision to use alternate tanks. It is considered that performance requirements 5 and 6 apply to 241-C-106. Performance requirement 7 applies to 241-C-201, 202, 203 and 204.
7. Readiness approach will be consistent with HNF-IP-0842, Volume 13 – Projects.
8. For information only and to clarify Item 5 in Section 4: Waste management area closure is defined as the allocation of short-term and long-term risks by tank(s) that may be considered within the context of these Accelerated Tank Closure Demonstrations.

**SECTION 5
Signatures**

ORP Manager/Date

CHG President and General Manager/Date

ORP Contracting Officer/Date

CHG Contract Representative/Date