

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES 1 3
2. AMENDMENT/MODIFICATION NO. M007	3. EFFECTIVE DATE see block 16	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)	
6. ISSUED BY U.S. Department of Energy Richland Operation Officer 825 Jadwin Ave. Richland, WA. 99352	CODE	7. ADMINISTERED BY (If other than Item 6)		CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, state and zip code) CH2M Hill Hanford Group, Inc. P.O. Box 1500 Richland, WA 99352-1505		(X)	9A. AMENDMENT OF SOLICITATION NO.	
			9B. DATED (SEE ITEM 11)	
		x	10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC06-99RL14047	
CODE			10B. DATED (SEE ITEM 13)	
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 _____ copies 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 DATE 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 date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X)	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).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: H.18 "Performance Incentives and Fee Distribution"
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return 3 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 the attached FY 2000 Performance Incentive (PI) into Part III, Section J, Appendix D, of the contract. The attached PI is as follows: ORP 4.5.1 "Phase I Part B-2 Readiness to Proceed".

All other terms and conditions of the contract are unchanged.

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) Michael D. Ebben, Vice President of Business Operations and Chief Financial Officer		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) J.J. Short, II	
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA (Signature of Contracting Officer)	16C. DATE SIGNED

FY 2000 PERFORMANCE INCENTIVE**SECTION 1**
General Information

Descriptive Short Title: Phase I Part B-2 Readiness to Proceed
 Project Baseline Summary (PBS): TW04
 Maximum Available Incentive Fee: \$1,000,000
 Type: X Standard X Stretch

SECTION 2
Technical Contacts

ORP Point of Contact: S. Wiegman/L. Erickson
 Contractor Point of Contact: H. L. Boston

SECTION 3
Performance Expectations and Earning Schedule

GENERAL REQUIREMENTS: In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Meet the specific completion criteria and expectations set forth in this Performance Incentive; and
2. Not incur any unfavorable cost variance [(BCWP-ACWP)/BCWP] less than -5.0 percent, or incur any unfavorable schedule variance [(BCWP-BCWS)/BCWS] less than -7.5 percent, measured at the Project Baseline Summary level identified in Section 1, at the end of FY 2000.

STANDARD (40%)

1. Formal certification of the Contractor's ability (Memorandum of Readiness To Proceed) to provide the waste feed and infrastructure to handle the products from the BNFL waste processing plant. Submit a memorandum to that effect, by April 24, 2000. Supporting material shall be made available to DOE for an independent evaluation of the contractor's readiness.
2. Specific documents listed below will be updated or issued (if required) by April 24, 2000, in support of the Readiness-to-Proceed effort:
 - A. Integrated Resource-loaded Schedule
 - B. Supporting Documents
 - TWRS Operation Utilization Plan; Staffing Plan; Mission Analysis Report; Program Plan; Configuration Management Plan; Quality Assurance Program Plan; Safety Program Plan; Environmental Program Plan; Technical Baseline Summary; Draft Project Execution Plan
3. Analyze the impacts of the BNFL April 24th deliverables on the contractor's Readiness to Proceed Memorandum. Provide impacts and recommendations to mitigate to the B2 Decision Manager by June 15, 2000.
4. Provide a letter report to the ORP B2 Decision Manager stating how the eight "Major Recommendations on the RTP evidence package", as listed in 98-WDD-032, have been resolved, by April 24, 2000.

STRETCH (60%)

1. ORP will perform a readiness assessment. Based upon its Rating by ORP B2 Decision Manager fee is earned.
 - Rated Ready to Proceed with no outstanding deficiencies on 4/30/00 earn 60%
 - Rated Ready to Proceed with no outstanding deficiencies on 6/15/00 earn 50%
 - Rated Ready to Proceed with no outstanding deficiencies on 7/01/00 earn 10%

NEGATIVE (100%)

- Rated Ready to Proceed with no outstanding deficiencies on 7/15/00 lose 10%
- Rated Ready to Proceed with no outstanding deficiencies 7/16/00 - 8/24/00 lose 1%/day until deficiencies are eliminated
- Rated Ready to Proceed with no outstanding deficiencies after 8/24/00 lose 2% per day until deficiencies are eliminated

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.)

STANDARD:

1. The Memorandum will describe the approach taken for providing evidence of the Contractor's readiness to proceed to Phase 1 B-2 and serve as the executive summary. The memorandum will include:
 - A. Key Enabling Assumptions
 - B. Critical risk list and handling actions
 - C. Financial and Schedule Risk Analysis
 - D. Manageable list of deficiencies, corrective action plan for each, including date for closure.

The Memorandum will state that the contractor can:

- Provide waste feed to the privatization contractor in the specified amounts to the specified place at the required time.
 - Provide infrastructure to the privatization contractor as specified in the final privatization contract and the Interface Control Documents.
 - Ensure that it will be prepared for receiving, storing and disposing of immobilized waste products
 - Ensure that it will be prepared for receiving, managing, treating and disposing of byproducts from private contractors
 - Ensure that the contractor can support alternatives other than the current baseline
 - Ensure required administrative actions (e.g., permits, etc.) are in place
2. A and B
The Criteria Review Assessment Documents will be used to evaluate the Integrated Schedule and other Support Documents.
 3. Impact Analysis will define differences between the contractor's and BNFL deliverables (e.g. dates, planning assumptions, etc.) and recommend a solution.
 4. Provide a letter report to the ORP B2 Decision Manager stating how the eight "Major Recommendations on the RTP evidence package", as listed in 98-WDD-032, have been resolved, by April 24, 2000.

STRETCH:

The Contractor's Readiness to Proceed will be assessed for deficiencies by the following:

1. Contractor's Memorandum of Readiness to Proceed
2. External Independent Review Team
3. Criteria Review Assessment Documents (CRADs) developed by ORP

DEFINITIONS: (define terms)

Deficiency – a condition which if left uncorrected or unimproved would preclude, in the opinion of the ORP B2 Decision Manager, a defensible Readiness to Proceed declaration.

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

Readiness-to-Proceed Memorandum; Integrated Resource-Loaded Schedule; Specific RTP Supporting Documents: TWRS Operations Utilization Plan; Staffing Plan; Mission Analysis Report; Program Plan; Configuration Management Plan; Quality Assurance Program Plan; Safety Program Plan; Environmental Program Plan; Technical Baseline Summary; Draft Project Execution Plan

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.)

- Contractor may access CRADs on drive \\AP006\RPPSHAREDINF. Complete set of CRADs will be available by 12/31/99. The contractor may suggest improvements to CRADs up until 2/29/99.
- Review Comment Record process will be used to close out deficiencies

SECTION 5
Signatures



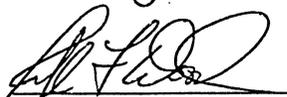
Manager, ORP/Date 12/20/99



President and RPP General Manager, LMHC/Date 12/20/99



ORP Contracting Officer/Date 12/20/99



LMHC Contract Representative/Date 12/20/99