

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT	1. CONTRACT ID CODE	PAGE OF PAGES 1 36
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2. AMENDMENT/MODIFICATION NO. M021	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
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6. ISSUED BY U. S. Department of Energy Office of River Protection P. O. Box 450, MS H6-60 Richland, WA 99352	7. ADMINISTERED BY (If other than item 6)
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8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) CH2M HILL Hanford Group, Inc. PO Box 1500 Richland, WA 99352	<input checked="" type="checkbox"/> 9A. AMENDMENT OF SOLICITATION NO. <input type="checkbox"/> 9B. DATED (SEE ITEM 11) <input checked="" type="checkbox"/> 10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC06-99RL14047 <input checked="" type="checkbox"/> 10B. DATED (SEE ITEM 13) September 30, 1999
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CODE	FACILITY CODE	11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS
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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.

Offerors 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 ACKNOWLEDGEMENT 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.

(✓)	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).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
✓	D. OTHER (Specify type of modification and authority) I.22 (Subcontracting Plan) and H.18 (Performance Incentives) See Attached

E. IMPORTANT: Contractor is not. is required to sign and return ___ 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: (1) incorporate the approved FY2000 Subcontracting Plan into Part III, Section J, Appendix I; and (2) incorporate revisions to FY2000 Performance Incentive Agreements (1.1.1 Rev. 1, 3.1.1 Rev. 1, and 4.5.1 Rev. 3) and incorporate two new Super Stretch Performance Incentive Agreements (1.1.3S and 8.1.2S) into Section J, Appendix D. See Page 2 for details. The Subcontracting Plan and Performance Incentive Agreements are attached.

All other terms and conditions remain 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)	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Jewel J. Short, II Contracting Officer
15B. CONTRACTOR/OFFEROR	16B. UNITED STATES OF AMERICA
(Signature of person authorized to sign)	BY _____ Signature of Contracting Officer
15C. DATE SIGNED	16C. DATE SIGNED

The purpose of this contract modification is as follows:

- 1) Incorporate the following attached FY 2000 Super Stretch Performance Incentive Agreements into the contract Part III, Section J, Appendix D:
 - a) ORP 1.1.3S "Characterization Core Sample AN-104 and AZ-101" dated 6/20/00.
 - b) ORP 8.1.2S "Acceleration of Project W-519" dated 6/22/00.
- 2) Revise the existing FY 2000 Performance Incentive Agreements by incorporating the following attached Performance Incentive Agreement Revisions into the contract Part III, Section J, Appendix D:
 - a) ORP 1.1.1 Revision No. 1 "Tank Characterization – Sampling Tanks" dated 7/24/00.
 - b) ORP 3.1.1 Revision No. 1 "Interim Tank Stabilization" dated 7/24/00.
 - c) ORP 4.5.1 Revision No. 3 "Phase I Part B-2 Readiness to Proceed" dated 7/24/00.
- 3) Incorporate the attached summary listing of Performance Incentive Agreements into the contract Part III, Section J, Appendix D.
- 4) Incorporate the attached subcontract plan dated March 14, 2000 into the contract Part III, Section J, Appendix I. The plan includes the Small Business Subcontracting Plan (clause I.22 and H.2(a)(9)), and the Make-or-Buy Plan (I.112).

**Summary Listing of FY 2000
Performance Incentive Agreements**

FY 2000 PERFORMANCE INCENTIVE AGREEMENTS		
Number	Title	Available Fee
ORP 1.1.1 Rev. 1	Tank Characterization - Sampling Tanks	\$ 1,666,000
ORP 1.1.2	Tank Characterization - Reduce Lab Turnaround	\$ 100,000
ORP 2.1.1	Authorization Basis Management Process Improvement	\$ 500,000
ORP 2.1.2	SY-101 Safety Mitigation	\$ 2,500,000
ORP 3.1.1 Rev. 1	Interim Tank Stabilization	\$ 2,584,000
ORP 3.1.2	Supernatant Removal	\$ 300,000
ORP 3.1.3	Installation of Replacement Transfer Lines to Support Interim Stabilization of 2 Tanks in S/SX Tank Farm Complex	\$ 100,000
ORP 3.2.1	W-314 "A" Complex	\$ 1,250,000
ORP 3.2.3	Implementation of Field Optimizations	\$ 400,000
ORP 3.3.1	Vault Stabilization	\$ 250,000
ORP 3.3.4	Drawing & Labeling	\$ 250,000
ORP 3.4.1	ENRAF Installations	\$ 150,000
ORP 3.5.1	Integrated Construction Projects/Operations Plan	\$ 300,000
ORP 3.8.1	Waste Volume Mgmt	\$ 250,000
ORP 4.1.1	Vadose Zone	\$ 500,000
ORP 4.2.1	AZ-101 Process Test	\$ 750,000
ORP 4.5.1 Rev. 3	Phase I Part B-2 Readiness to Proceed	\$ 1,000,000
ORP 8.1.1	W-519 Privatization Phase I Infrastructure Support	\$ 500,000
ORP 9.1.1	Immobilized Product Storage / Disposal	\$ 250,000
ORP 10.1.3	Project Integration Office Deliverables	\$ 800,000
	Total	\$ 14,400,000
FY 2000 SUPER STRETCH PERFORMANCE INCENTIVE AGREEMENTS		
Number	Title	Available Fee
ORP 1.1.3S	Characterization Core Sample AN-104 and AZ-101	\$ 317,000
ORP 2.1.3S	Advanced Preparation of 241-SY-101 for Retrieval and for Receiving and Staging	\$ 1,390,000
ORP 3.8.2S	Transfer Waste from 241-AW-104 to Evaporator Feed Tank	\$ 760,000
ORP 4.1.2S	Drill 5 RCRA Groundwater Wells	\$ 220,000
ORP 4.3.2S	SST Waste Retrieval of Tank C-104	\$ 335,000
ORP 4.3.3S	Tank C-106 Operational Closure Status Assessment	\$ 70,000
ORP 4.3.4S	SST Retrieval - Technology Testing and Deployment	\$ 88,000
ORP 8.1.2S	Acceleration of Project W-519	\$ 400,000
	Total	\$ 3,580,000
	Grand Total	\$ 17,980,000
Note: 2.1.3S, 3.8.2S and 8.1.2S include Super Stretch fee that may be earned in FY01.		

FY 2000 PERFORMANCE INCENTIVE

**SECTION 1
General Information**

Descriptive Short Title: Characterization Core Sample AN-104 and AZ-101
Project Baseline Summary (PBS): TW01
Estimated Cost (BCWS): \$1.761M¹ (FY 2000)
Maximum Available Incentive Fee: \$317,000 (FY 2000)
Type: Superstretch X
¹FY 2000: \$1,761K BCWS + \$317K Fee = \$2,078K Funds

**SECTION 2
Technical Contacts**

ORP Point of Contact: D. C. Bryson
Contractor Point of Contact: W. E. Ross

**SECTION 3
Performance Expectations and Earning Schedule**

General Requirements:

- Both budgeted and actual Cost and Schedule results for this Superstretch incentive will be separated in its PBS so as to have no effect on the fiscal year end calculation of Cost and Schedule Variance used to measure Standard and Stretch incentives.
- Subject to the maximum available incentive fee shown above, the aggregate sum of actual cost and earned fee for all Superstretch incentives will be less than or equal to DOE approved savings as recorded in Contractor's Management Reserve account (i.e., savings from work efficiencies and deletions) at fiscal year end.

SUPERSTRETCH (100%)

- All Core Samples in this Superstretch are in addition to quantities in Performance Incentive ORP1.1.1.
- Deliver two (2) more Core Samples to the analytical laboratory by September 30, 2000. (50% of fee for first core sample and 50% for second core sample)

**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.)

A Core Sample is completed when the last segment as specified in the Letter of Instruction (LOI), on Tank Sampling and Analysis Plan (TSAP), has been received by the analytical laboratory, and the Chain of Custody has been signed by the laboratory's sample receiving official. The need for Core Samples from these two tanks is for treatability testing documented in ICD-023, Rev 3.c.rl.

DEFINITIONS: (define terms)

None identified.

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

The documents associated with collection of riser core samples (e.g., Chain of Custody forms, shipment records, Radiological Work Permits, etc.) will be maintained with the Job Control System (JCS) work package as a quality record.

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.)

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

Descriptive Short Title: Acceleration of Project W-519

Project Baseline Summary (PBS): TW08

Estimated Cost (BCWS): N/A

Maximum Available Incentive Fee: 20% of underrun @ Project Closeout (up to a maximum fee of \$400,000)

Type: Superstretch X

SECTION 2**Technical Contacts***ORP Point of Contact:* W. J. Taylor*Contractor Point of Contact:* A. M. Parker**SECTION 3****Performance Expectations and Earning Schedule****General Requirements:**

- Both budgeted and actual Cost and Schedule results for this Superstretch incentive will be separated in its PBS so as to have no effect on the fiscal year end calculation of Cost and Schedule Variance used to measure Standard and Stretch incentives.
- The contractor fee on this project shall be based on a sliding scale relative to the savings to the current Project TEC of \$30,880K. If the Project is closed out by August 31, 2001, the contractor will receive 20% of the realized savings, to the TEC exclusive of contingency and current \$4.8M of savings from favorable bids.

SUPERSTRETCH (100%)

- Complete construction of the 62.5 MVA electrical substation and 230KV transmission lines to supply power to the Waste Treatment Contractor facilities targeted for completion by April 30, 2001.
- Complete construction of the piping from the Vitrification Facility to the Liquid Effluent Treatment System (LETS) targeted for completion by April 30, 2001.
- Complete project closeout activities by August 31, 2001.

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.)*

Satisfactory completion of this Superstretch Performance Incentive will occur when the Construction Completion Document and the Project Closeout Form is completed, approved, and submitted.

The completion dates for milestones A and B are target dates. The fee can be earned by completing the entire project by August 31, 2001.

DEFINITIONS: (define terms) N/A

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

Approved Construction Completion Document and Project Closeout form.

FY 2000 PERFORMANCE INCENTIVE

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.)*

The State of Washington Department of Health will have up to 90 days to review and grant the Notice of Construction for this project work.

**SECTION 5
Signatures**

ORP Contracting Officer's Representative/Date

President and RPP General Manager, CHG/Date

ORP Contracting Officer/Date

CHG Contract Representative/Date

FY 2000 PERFORMANCE INCENTIVE

**SECTION 1
General Information**

Descriptive Short Title: Interim Tank Stabilization
Project Baseline Summary (PBS): TW03
Maximum Available Incentive Fee: \$2,584,000
Type: X Standard X Stretch

**SECTION 2
Technical Contacts**

ORP Point of Contact: Dana Bryson
Contractor Point of Contact: Dale Allen

**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 (39%)

Positive Performance

1. Initiate pumping on tanks U-102, U-105, and U-109 by 3/31/00 – earn 10% of fee
2. Initiate pumping on tanks A-101, SX-105 and AX-101 by 8/10/00 -- earn 15% of fee
3. Achieve reduction in pumpable liquid volume remaining to be removed to 38% of the projected 502,000 gallons complexant liquid waste by August 30, 2000 -- earn 14% of fee

STRETCH (61%)

1. Maintain an average annual pump efficiency of 40% or greater and:

	<u>Pump Efficiency</u>	<u>Fee Earned</u>
▪ FY Qtr 1	40%	10%
▪ FY Qtr 2	45%	10%
▪ FY Qtr 3	50%	10%
▪ FY Qtr 4	55%	9%

2. Complete interim stabilization of four (4) single-shell tanks. Any claim of interim stabilization due to equipment failure must be supported by a cost benefit analysis and accepted by DOE-ORP. (10% of fee)
3. Perform additional tank start-up by September 30, 2000:
 - One (1) single-shell tank (6% of fee)
 - One (1) single-shell tank (6% of fee) Note: This is a separate tank; credit cannot be taken more than once for each tank.
 - Up to an additional 6% of fee may be earned, not to exceed 60% for this stretch, if both tanks are started on time and the 55% fourth quarter efficiency is met.

NEGATIVE (not to exceed 39%)

1. Initiate pumping on tank U-102, U-103, U-105, or U-109 after 6/15/00 – lose 39% of fee
2. Initiate pumping on either tank A-101 or AX-101 after 10/30/00 – lose 39% of fee
3. Achieve reduction in pumpable liquid volume remaining to be removed to 38% of the projected 502,000 gallons of complexant liquid waste after 9/30/00 – lose 39% of fee

FY 2000 PERFORMANCE 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.)*

Item 1: The Contractor shall initiate interim stabilization pumping of three (3) single-shell tanks by March 31, 2000. Initiation of interim stabilization for each tank will be accomplished when actual pump operation has commenced and the pump operates at least 60% of the time over a 72-hour consecutive period, transferring a total of not less than 500 gallons of pumpable liquid tank waste.

Submit an Initiate Pumping Report to the ORP Director for Operations within 30 days of completing the above requirement. This report shall include contractor validation packages for completed work.

Item 2: The Contractor shall initiate interim stabilization pumping of three (3) single-shell tanks by August 10, 2000. Initiation of interim stabilization for each tank will be accomplished when actual pump operation has commenced and the pump operates at least 60% of the time over a 72-hour consecutive period, transferring a total of not less than 500 gallons of pumpable liquid tank waste.

Submit an Initial Pumping Report to the ORP Director for Operations within 30 days of completing the above requirement. This report shall include contractor validation packages for completed work.

Item 3: The Contractor shall reduce single-shell tank pumpable liquid volume remaining to be removed to 38% of the projected 502,000 gallons complexant liquid waste (since program initiation on 6-1-98) by August 30, 2000.

Submit a Liquid Waste Removal Report to the ORP Director for Operations Program Division within 30 days of completing the above requirement. This report shall include contractor validation packages for completed work.

Stretch: For tanks being interim stabilized the Contractor shall improve the quarterly average operating efficiency. Improvement will be measured on the sliding scale presented in Section 3. Additional tank startups shall conform to item 1 above.

Submit a Year-end Annual Operating Efficiency Report to the ORP Director of Operations no later than October 30, 2000. This report shall include contractor validation packages for pumping performance for tanks being interim stabilized.

DEFINITIONS: *(define terms)*

Annual Average Pump Efficiency = Total Hours Pumping / Hours Scheduled

(example: 8760 hours scheduled = 365 days * 24 hrs/day)

Numerator = total hours the pump physically operates during the period.

Denominator = total hours the pump is scheduled to operate, as defined in the Interim Stabilization Project Plan Rev. 3a, during the period.

If a pump start is achieved ahead of schedule for a given tank, the additional hours of operation will be reflected in the numerator however, the hours of availability will not be factored into the denominator.

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

Liquid Waste Removal Report

Initiate Pumping Report

Year-end Annual Operating Efficiency Report

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.)*

If ORP takes a tank off line, the denominator/hours scheduled will be reduced for each hour or partial hour a tank is not available.

1. The pump efficiency definition applies to each tank being interim stabilized. If a tank is off line for the purpose of evaluating if the interim stabilization criteria have been met, the denominator/hours scheduled will be reduced for each hour or partial hour the tank is not available.
2. DOE approves saltwell pumping authorization basis changes (within 30 days of submittal) to delete portable exhausters, allow double valve isolation for physical disconnect, and to reduce continuous flammable gas monitor requirements.

FY 2000 PERFORMANCE INCENTIVE

- 3. Volume projections are based on "pump starts", pumping efficiency, and historical data on "pumpable volumes" and "liquid drain rates". The assumptions for actual pumpable volumes and drain rates are basis for adjustment and renegotiation of this PA.

**SECTION 5
Signatures**

ORP Contracting Officer's Representative/Date

CHG President and General Manager/Date

ORP Contracting Officer/Date

CHG Contract Representative/Date

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: W. T. Dehn

**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 (50%)

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 ORP 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; Configuration Management Plan; Quality Assurance Program Plan; Safety Program Plan; Environmental Program Plan; Technical Baseline Summary; Draft Project Execution Plan
3. Provide a letter report by April 24, 2000, 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.

STRETCH (50%)

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 37%
Rated Ready to Proceed with no outstanding deficiencies on 6/15/00 earn 18%
Rated Ready to Proceed with no outstanding deficiencies on 7/01/00 earn 6%
2. Develop presentation and training materials by June 30, 2000, to assist in the understanding of the Hanford, Regional, and Congressional community on feed delivery, pretreatment processing, glass production, and glass storage system to facilitate a positive B2 decision from Congress earn 13%.

NEGATIVE (100%)

- Rated Ready to Proceed with no outstanding deficiencies on 7/15/00 lose 13%
- Rated Ready to Proceed with no outstanding deficiencies 7/16/00 - 8/24/00 lose 2%/day until deficiencies are eliminated
- Rated Ready to Proceed with no outstanding deficiencies after 8/24/00 lose 3% per day until deficiencies are eliminated

FY 2000 PERFORMANCE 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.)*

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. Provide a report to the B2 Decision Manager regarding the resolution of the eight recommendations made in 98-WDD-032.

STRETCH:

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

Contractor's Memorandum of Readiness to Proceed

1. External Independent Review Team, Criteria Review Assessment Documents (CRADs) developed by ORP.
2. Submit presentation and training materials consisting of a CD-ROM on feed delivery, pretreatment processing, glass production, and glass storage system together with fact sheets on key aspects of the waste feed delivery system by June 30, 2000. These materials will be used to facilitate a B2 decision from Congress.

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; Configuration Management Plan; Quality Assurance Program Plan; Safety Program Plan; Environmental Program Plan; Technical Baseline Summary; Draft Project Execution Plan; Letter report on Major Recommendations on RTP evidence package; Baseline evaluation of waste feed delivery rates and impacts; and training materials.

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 December 31, 1999. The contractor may suggest improvements to CRADs up until February 29, 2000.
- Review Comment Record process will be used to close out deficiencies.
- No special approvals are required for producing the presentation and training materials.

FY 2000 PERFORMANCE INCENTIVE

**SECTION 5
Signatures**

~~ORP Contracting Officer's Representative/Date~~

~~CHG President and General Manager/Date~~

~~ORP Contracting Officer/Date~~

~~CHG Contract Representative/Date~~

FY 2000 PERFORMANCE INCENTIVE

**SECTION 1
 General Information**

Descriptive Short Title: Tank Characterization – Sampling Tanks
 Project Baseline Summary (PBS): TW01
 Maximum Available Incentive Fee: \$1,666,000
 Type: X Standard X Stretch

**SECTION 2
 Technical Contacts**

ORP Point of Contact: D. Bryson
 Contractor Point of Contact: B. Ross

**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 (25%)

Complete characterization sampling to meet the requirements of the River Protection Project, including the Retrieval Project. Also support acquisition of samples required by DOE-ORP's contract with BNFL Inc.

1. Complete 12 core, 12 grab and 6 Type IV vapor samples by September 30, 2000. (3.6% of fee)
2. Complete 7 core, 13 grab and 4-vapor laboratory analysis reports (LAR) by September 30, 2000. (3.6% of fee)
3. Complete the Draft and Final FY 2001 Technical Sampling Basis – Waste Information Requirements Documents (TSB-WIRD). Draft TSB-WIRD due June 15, 2000 (1.85% of fee). Final TSB-WIRD due August 21, 2000. (3.6% of fee)
4. Complete 13 Tank Characterization Reports by September 20, 2000. (3.6% of fee)
5. Complete the FY 00 WIRD deliverables including changes documented in the WIRD quarterly reports, by September 20, 2000. (3.6% of fee)
6. Complete the input of Characterization Data from LAR's into the electronic database within 7 days of LAR publication. (3.6% of fee)
7. Update the Best Basis Standard Inventory Estimates by September 20, 2000. (3.6% of fee)

STRETCH (75%)

All quantities in this stretch are in addition to quantities in the standard.

1. Deliver 2 more Core Samples to the analytical laboratory by 9/30/00 – Earn 13% of fee for each sample up to 25% of fee.
2. Deliver 4 more Grab Samples to the analytical laboratory by 9/30/00 – Earn 4% of fee for each sample up to 16% of fee.
3. Deliver 4 more Type IV Vapor Samples to the analytical laboratory by 9/30/00 -- Must complete all four of the Type IV Vapor Samples to earn 16% fee.

FY 2000 PERFORMANCE INCENTIVE

4. Complete 2 more Tank Waste Characterization Laboratory Analysis Reports. Earn 9% of fee for each Laboratory Analysis Report up to 18% of fee.

NEGATIVE (25%)

1. Complete any Standard Performance items 1-7 above after September 30, 2000, and lose 3.6% of fee for each up to a maximum of 25% 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. A core [grab, vapor] sample is completed when the last segment [sample bottle, vapor sample container] as specified in the Tank Sampling and Analysis Plan (TSAP) has been received by the analytical laboratory, and the chain of custody has been signed by the laboratory's sample receiving official. ORP will provide personnel to perform field verification.
2. A Laboratory Analysis Report is completed on the date of the document's signed cover page.
3. The draft FY 2001 TSB-WIRD is complete when ORP coordination comments are resolved. The final FY 2001 TSB-WIRD is complete when DOE-ORP and Washington State Department of Ecology comments have been resolved.
4. The Tank Characterization Reports (TCRs) are completed when DOE-ORP comments have been resolved and the TCR is released to the public via the Tank Waste Information Network System (TWINS) at internet address <http://twins.pnl.gov/twins3/twins.htm>
5. See Section 3
6. See Section 3
7. The Best Basis Standard Inventory (BBI) Estimates are updated when documentation of the changes is published in a publicly available document, and the updated estimates are posted on TWINS at the internet address <http://twins.pnl.gov/twins3/twins.htm>. The Best Basis Inventory estimates are to include tanks for which a TCR is written or updated in FY 2000 and tanks that were affected by a transaction (such as saltwell pumping) or transfer. Uncertainty estimates are to be included for updated tank content estimates. Solid and liquid splits are to be calculated in cases where there is sufficient data.

DEFINITIONS: *(define terms)*

1. A Core Sample is composed of one to 23, nineteen-inch segments of tank waste depending on the depth of the waste in the tank. The number of core samples required to meet programmatic needs is documented in the individual Tank Sampling and Analysis plans (TSAP).
2. A Grab Sample is a volume of liquid or soft sludge taken from one tank riser at multiple tank depths. Sampling cost increases as volume increases. Therefore, Grab Samples are defined as follows:

Volume (Liters)	Grab Sampling Events
1	1
2	1.2
3	1.3
4	1.5
5	1.7

Evaporator grab samples equal 1.2 Sampling Events. Therefore, 12 grab samples may not equal 12 separate grab-sampling events.

FY 2000 PERFORMANCE INCENTIVE

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

1. Chain-of-Custody form
2. Laboratory Analysis Reports – name is dependent on tank sampled. Document number is to be assigned.
3. Technical Sampling Basis-Waste Information Requirements Document for FY 2001, document number HNF-4048
4. Tank Characterization Reports. Availability of the Tank Characterization Reports on the Tank Waste Information Network System (TWINS) at internet address <http://twins.pnl.gov/twins3/twins.htm> shall constitute the documentation of completion.
5. WIRD quarterly report, letter from contractor to DOE-ORP
6. Tank Waste Information Network System, internet address <http://twins.pnl.gov/twins3/twins.htm>
7. BBI estimates to be published on TWINS internet address <http://twins.pnl.gov/twins3/twins.htm> and documented in appropriate TCR.

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.)*

Standard Performance Expectation 3: An administrative change to Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement) Milestone M-44 is being negotiated with Washington State Department of Ecology (Ecology) to include the dates of the Characterization Project's quarterly reports and to change the due date of the final TSB-WIRD Deliverables Report. Therefore, upon the formal approval of the administrative change to the milestone, this performance incentive will be revised to reflect the new dates for the quarterly reports and the final TSB-WIRD Deliverables Report.

**SECTION 5
Signatures**

ORP Contracting Officer's Representative/Date

CHG President and General Manager/Date

ORP Contracting Officer/Date

CHG Contract Representative/Date



CH2MHILL
Hanford Group, Inc.

CH2M HILL HANFORD GROUP, INC.

ACQUISITION PLAN

CONTRACT: DE-AC06-99RL14047
CLAUSE: H.2(a)(9)
BUY FOR ECONOMIC STABILIZATION
AND
TRANSITION (BEST)

I-22 Small Business Subcontracting
Plan

I-112 Make-or-Buy Plan

WBS: 1.1.10.1.3 RPP Planning/Control

CH2M HILL Hanford Group, Inc.

(Name of Contractor)

T. M. Bateman

(Type name)

Director, Contract and Procurement

(Title)

(Date)

Plan accepted by: _____

(Contracting Officer)

Date: _____

CHG-0001343

CONTRACT NUMBER DE-AC06-99RL14047; CH2M HILL HANFORD GROUP, INC.
CORPORATION ACQUISITION PLAN

Consisting of 17 pages
including cover page

OVERVIEW

CH2M HILL Hanford Group, Inc. in seeking to streamline work processes recognized the essential correlation between Prime Contract provisions in the area of:

- (a) Buy for Economic Stabilization and Transition (BEST) H.2(a)(9)
- (b) *Small Business Subcontracting Plan, I-22*
- (c) *Make-or-Buy, I-112*

and have established this in an all encompassing Acquisition Plan.

1.0 Background

CH2M HILL Hanford Group, Inc.(CHG) Prime Contract; DE-AC06-99RL14047, with the U.S. Department of Energy, Office of River Protection (ORP) contains in addition to Small Business Subcontracting Plan (I-22) and make Make-or-Buy Plan (I-112) the requirement under Section H *Special Provisions* clause H.2, *Promises and Commitments* subpart (a)(9).

“Of the total Contractor budget, 50% shall be outsourced by 2001, and within two years, 60% of all outsourced dollars shall be directed to local, regional, and Native American businesses. For purposes of this paragraph, outsourcing means contractual commitments to entities other than the Contractor itself.”

The total contract budget is equivalent to the River Protection Project (RPP) approved Multi-Year Work Plan, (MYWP) total budgeted cost of work scheduled for a given fiscal year, less fee allocations and work performed by the ORP. The premise to Buy for Economic Stabilization and Transition (BEST) is to further local economic development and job creation.

2.0 Purpose

This plan establishes the Acquisition policy and guidance for CHG. The goal is to ensure that all work activity, products and service requirements (excluding core competency items) required to perform the RPP work scope are acquired, in a cost effective manner that contributes to the meeting of contractual obligations, and promotes local economic stabilization, growth and transition. The program objective is to establish a broad and stable local economic base over the long term, including creating new local commercial employment opportunities, in support of BEST program, H.2 (a) (9).

3.0 Policy

Our Small Business (SB) and Small Disadvantaged Business (SDB) strategy promotes, develops and implements an innovative small, small disadvantaged, small woman owned business and Historically Black Colleges and Universities/Minority Institutions (HBCU/MI) business subcontracting program that ensures significant business opportunities for minority concerns.

It is the policy of CHG to meet the obligations to the ORP in a cost-effective manner, while self-performing core competency activities. This policy establishes preference for buying, subject to specific ORP *make-or-buy* criteria contained in the prime contract, clause I.112, (DEAR 970.5204-76).

When CHG places work with subcontractors, considerations include, company policy and commitments, collective bargaining obligations and certain Government regulations, such as the Government's socioeconomic program (for *Small Business Subcontracting*, clause I-22 {FAR 52.219-9}

3.1 Small Business and Small Disadvantaged Business Initiatives

It is CHG's policy to evaluate its socio-economic subcontracting programs in recognition of compelling moral, social, and economic reasons. Additionally, we afford small and small disadvantaged business concerns maximum practical opportunity to compete for and furnish materials and services required for the RPP program that fall within their demonstrated capabilities.

It is understood that minority companies are most likely to hire minority employees. The main goal of our socio-economic program is to provide those opportunities, which enable the minority segments of our population to contribute to the overall productive output of the country.

CHG and our principal subcontractors recognize the importance to the nation's economic viability of bringing minority-owned concerns into the economic mainstream and strive to do our share to achieve this important goal.

We will compile, maintain, and share SDB source data associated with this program to enhance increased opportunities for known qualified SDB firms. Where practical, the RPP Team will combine program requirements and create bidding opportunities for SDBs only.

Senior Materiel and RPP Program Office personnel will ensure that all areas of the RPP team are actively involved in providing these business opportunities. Acquisition strategy will include consideration of socio-economic subcontracting requirements in order to meet SB/SDB goals.

The RPP team will explore every opportunity provided by legislation and regulation to implement programs that contain incentives conducive to developing more opportunities for SDBs. We have a strong leadership role within, and its focus on increasing opportunities for small disadvantaged businesses.

3.1.1 Mentor/Protégé Program

The RPP team will implement the Mentor/Protégé Program in accordance with the FAR and DOE regulatory guidelines. CHG with direct involvement of our technical and management staffs, will identify high technology SDB candidates for the Mentor/Protégé program.

Potential candidates for the Mentor/Protégé technical and management assistance program will be developed from known existing sources as well as reviewing the data available from the following organizations:

- National Center for American Indian Enterprise Development
- National Minority Supplier Development Council
- Latin American Management Association
- Black Business Association

- Asian Business Association
- National Association for Equal Opportunity Higher Education (NAFEO)

3.1.2 **CHG, Innovative Reporting**

With the concurrence of DOE the RPP team will add emphasis on SDB Program reporting. RPP SDB Program will be organized and reported as follows:

- CHG will identify and develop, wherever practical, SDB firms, which have sufficient capabilities to become qualified production partners.
- CHG will collect the subcontracting data committed by its subcontractor base to SDBs and provide a consolidated RPP program report.
- CHG and our principal and major/critical subcontractors will meet quarterly to exchange ideas, develop and track innovative approaches for increasing opportunities for the SDB community.
- CHG will coordinate the use of common SDB sources for materials and supplies to enhance our total SDB commitments.

4.0 **Process**

It is a requirement that CHG develops an MYWP or an Annual Work Plan (AWP), shall during that development, review potential work scope for subcontracting candidates using the following process to identify and select candidates:

- An evaluation of prior years actual subcontracting goals versus performance.
- Analyze the MYWP scope to see if additional actions are required. If additional actions are required, they will be identified during the MYWP or AWP process. Candidates are analyzed for viability and compliance with Collective Bargaining Agreements.
- Additional candidates are evaluated by the project management and are listed on the *Candidate Evaluation List*, attachment A, including the final determination to subcontract or self perform (make-or-by) and the rationalization for that determination.
- The Project Manager will then forward the *Candidate Evaluation List* (containing all candidates initially identified) to CHG Contracts with completed *Candidate Screen Form*, attachment B for all candidates deemed to be viable. **Note:** A cost Benefits Analysis must be attached to each *Candidate Screening Form* submitted, which addresses, as a minimum, cost of current performance compared to the total estimated cost to subcontract (submission timeline: within 60 days of ORP's approval of the MYWP/AWP).
- CHG reviews candidates submitted for consistency with the strategy, core competencies, and documentation required to demonstrate contract compliance.

5.0 Subcontract Management and Control

Philosophy/Approach. Our subcontractor management and control approach is focused on engaging subcontractors to ensure that RPP program technical, quality, schedule, and cost objectives are achieved. Attainment of our subcontracting goals are based on two critical elements of subcontract management: status and control. Obtaining status effectively provides the current state of the subcontract and provides a static perspective of the subcontractors performance. Status is an essential element that provides the foundation of our control philosophy. It is the goal of our RPP team to invoke subcontract management controls, which will allow appropriate actions to be taken to affect future results. The intent of our control approach is to achieve a thorough understanding of the subcontractors procedures, processes, personnel, systems, and performance. The RPP team will thoroughly comprehend the underlying reasons for the subcontractors performance, and will recognize deviations from established cost, schedule, quality, or technical baselines. Striving for this level of understanding will allow the RPP to implement actions, which may be required to ensure the desired end results.

The specific status and control techniques generally used in the management of RPP subcontractors are divided into five categories:

- Management
- Technical
- Cost
- Schedule
- Quality

An innovative and aggressive RPP subcontract management approach will ensure that subcontractor performance meets RPP objectives for technical, cost, schedule, and quality.

Submission Requirements

If additional actions are required based on the above process, each subcontracting submission package shall consist of, as a minimum, the following attachments:

- (a) Candidate Screening Form, one per candidate, Attachment B.
- (b) Candidate Evaluation List, one for each candidate initially identified Attachment A.
- (c) Statement of Work, if necessary, based on CHG standards. Attachment C.

IMPORTANT NOTES:

- CHG legal/personnel written concurrence is required of any candidate with Collective Bargaining Agreement impacts. CHG will interact with ORP on an as needed basis to ensure an appropriate sharing of information related to the Collective Bargaining Candidates. Appendix A is the CHG summary of administrative actions required by the Federal Requisition Regulation (FAR) 52.219-9 *Small Business Subcontracting Plan*, Contract clause I-22.

Attachment "A"

CANDIDATE EVALUATION LIST

Note: all candidates initially identified and evaluated must have the form completed, including the decision to subcontract or self perform with the rationale for that decision. Use one sheet per candidate. (Reproduce as necessary).

Candidate Title: _____

Subcontractor (if known): _____

Small Business: Yes _____ No _____ Type _____

Short Description: _____

Subcontract Decision (Yes/No): _____

Rationale for decision: _____

Attachment "B"

Candidate Screening Form

Candidate Task: _____

TBR(s) _____

Instructions: Subject each candidate work scope to the preliminary screening criteria below:

Preliminary Screening Criteria	Yes	No
A. Function is currently self performed by a distinct and separable work unit		
B. Satisfactory subcontractors are available and expected to propose		
C. Subcontractors can meet ES&H requirements		
D. Projected costs for subcontracting are expected to be less than self performing		
E. Function is not a unique technology, business interest, or does not produce proprietary information		
F. Company will not provide an unfair competitive advantage to any supplier if this function is subcontracted		
G. Collective bargaining obligations are not adversely impacted (attach LMHC IR letter of concurrence)		
H. Work is <u>not</u> inherently a company function, requiring self-performance.		
I. Employment laws, recall rights or EEO/AA is not adversely impacted.		

Supporting Data/Info for any "no" answers:

Are there other function-specific considerations that would prohibit Subcontracting this work? (Please explain):

Impacts of a change in current practices on the existing work force: (Please explain):

Completed by: _____

Date: _____

Functional Manager of
work scope

Attachment "C"
Example of an SOW

**STATEMENT OF WORK
PROFESSIONAL SERVICES FOR KEN HAUG**

OBJECTIVE: Provide CH2M HILL Hanford Group, Inc. (CHG) Corporate leadership to the Chief Financial Officer (CFO). This leadership will involve strategic decisions and organizational strategies consistent with Corporate Best Practices.

SCOPE: Will provide senior level interface with CHG to improve the quality of the CHG Contracts and Procurement organization. This improvement will take advantage of CHG best practices techniques utilized at other U.S. Department of Energy sites, and Mr. Haug's vast knowledge of Government contracting. This experience is critical to implementation of the CHG Prime Contract with the U.S. Department of Energy, Office of River Protection (ORP).

Period of Performance October 1, 1999 through March 1, 2000.

Scope of Work

Review Activities:

- Provide CHG CFO strategies and proven methods for streamlining CHG Contracts and Procurement organization to meet ORP goals and objectives
- Provide leadership in the restructuring systems and process consistent with CHG becoming a Prime Contract with ORP versus being a Fluor Hanford, Inc. Subcontractor. This will include the identification of procedure changes, procurement terms and conditions, evaluation of new procurement system, establishment of the new contract organization, and other tasks as assigned by the CFO.
- Assist CHG in customer interface within the U.S. Department of Energy, Richland Operations Office and ORP organization.
- Assist CHG with any interface at DOE-Headquarters in support of the ORP mission.
- Provide assistance to the Contracts and Procurement organization in the restructuring and streamlining with innovative approaches.

Products:

- Provide an assessment of the new Contracts and Procurement organization's ability to perform the Prime Contract.
- Provide the Contracts and Procurement organization with guidance and procedures/policies to implement a CHG culture at Hanford.

Appendix A

Clause I.22, FAR 52.219-9 "Small Business Subcontracting Plan"

1. Name of Prime Contractor: CH2M HILL Hanford Group, Inc.
Address: Post Office Box 1500
Richland, Washington 99352
Telephone Number: (509) 376-1500
2. Contract of Solicitation No.: DE-AC06-99RL14047
Total Amount of Contract: \$305M
Period of Performance: October 1, 1999 through September 30, 2000
Place of Performance: Richland, Washington 99352

Description of Contract Requirements:

CH2M HILL Hanford Group, Inc. shall provide all materials, supplies, services and transportation necessary to perform the Statement of Work as a Prime Contractor to the U. S. Department of Energy, Office of River Protection.

Items 3 through 7 are based on Fiscal Year (FY) 2000 dollars only.

3.	Total amount of planned subcontracting:	<u>\$170,000,00.00</u>
	Percentage of total amount of planned subcontract	<u>56%</u>
4.	Total planned for Small Business concerns:	<u>\$20,000,000.00</u>
	Percentage to 3 above	<u>12%</u>
5.	Total planned for HUB Zone Small Business concerns: *	<u>\$ 100,000.00</u>
	Percentage to 3 above	<u>.06%</u>
6.	Total planned for Small Disadvantaged Business concerns: *	<u>\$6,800,000.00</u>
	Percentage to 3 above	<u>4%</u>
7.	Total planned for Woman Owned Small Business concerns:	<u>\$ 5,000,000.00</u>
	Percentage to 3 above	<u>3.0%</u>

* This percentage and goal are based on individual vendor's self-certification of their status as a small disadvantaged business owner or HUB Zone Small Business Concern.

8. Items to be subcontracted under this contract and the types of businesses supplying them are: (Check all that apply)

Subcontracting Items	Large Business	Small Business	Small/Disad. Business	Women-Owned Small Business	Small/HUB Zone Business
Office Supplies		X	X	X	X
Janitorial Supplies		X	X		X
Office Equipment		X	X		X
Construction Materials	X	X	X		X
Construction Services	X	X	X		X
Temporary Empl. Services					
A/E Services		X	X		
Lab Services	X	X			
Safety Equipment	X	X	X		X
Fuels		X	X		X
Operating Materials	X	X	X		X
Vehicles		X			
Real Estate	X	X			
Miscellaneous Services		X	X		X

9. The method used to develop the subcontracting goals for small, small disadvantaged, and woman-owned small business concerns is described as follows:
- The goals for small, HUB Zone small business, small disadvantaged, and woman-owned small business concerns were developed based on procurement history of CH2M HILL Hanford Group, Inc. experience at the Hanford Site as well as projections for FY 2000. Also, taken into consideration was the impact from adding scope as a result of transition to a major subcontractor, and new requirements by the Small Business Administration affecting the small disadvantaged business certifications.
10. The methods used to identify potential sources for solicitation purposes is as follows:
- Existing company source lists: Small Business Administration resources including regional and Headquarters; Pro-Net, small, HUB Zone small business, small disadvantaged, and woman-owned small business concerns trade associations; Trade Fairs; conferences/conventions; workshops; CH2M HILL Hanford Group, Inc. existing source lists; and Hanford Site Small Business Council referrals.
11. Indirect costs are not included in the above goals.

12. The following individual will administer the subcontracting program:

Name: R. A. Finke
Title: Procurement Lead
Address: Post Office Box 1500 Richland, Washington 99352
Telephone: (509) 376-1500

This individual's specific duties as they relate to the firm's subcontracting program are as follows:

- a. Provide adequate and timely consideration of the potentialities of small business, HUBZone small business, small disadvantage business, and women-owned small business concerns in all "make-or-buy" decisions.
- b. Ensuring, in the Project's acquisition of goods and services, that small business, HUBZone small business, small disadvantaged and woman-owned small business concerns are provided the maximum opportunity practicable to compete for subcontracted work and purchased materials within the framework of the CHG contract.
- c. Ensuring the establishment and maintenance of records of the total dollar value of solicitations and awards to small business, HUBZone small business, small disadvantaged and woman-owned small business concerns, large business concerns, and total solicitations and awards.
- d. Preparing and submitting semi-annual reports (SF294 & SF295) as required by FAR 52.219-9 on direct procurements to ORP Contracting Officer.
- e. Developing and maintaining source files of small business, HUBZone small business, small disadvantaged and woman-owned small business concerns for use by the Project in supporting preparation of site bidders lists for solicitations of direct and indirect goods and services.
- f. Participating, or ensuring participation of company representatives, in small business, HUB Zone small business, small disadvantaged and woman-owned small business and WOB trade associations, seminars, business opportunity workshops, and outreach programs.
- g. Conducting or arranging instructional and motivational workshops for procurement and contracts personnel and others in the duties and methods of enhancing the participation of small business, HUBZone small business, small disadvantaged and woman-owned small business concerns in RPP acquisitions.
- h. Coordinating Project activities during conduct of compliance reviews by federal agencies.

- i. Cooperating in any studies or surveys or submission of reports (in addition to those in Item d, above) as may be required by the U.S. Department of Energy or the U. S. Small Business Administration.
 - j. Establishing and maintaining adequate records of the above activities to document compliance with this subcontracting plan.
 - k. Obtaining the *Award of Distinction* level as determined by the U.S. Small Business Administration.
 - l. Implementing a procurement system, which uses the Information Highway to expand access by small business, HUB Zone small business, small disadvantaged and woman-owned small business concerns to the procurement process.
 - m. Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as small, HUBZone small, small disadvantaged, or women-owned small business for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor's subcontracting plan.
13. The following efforts will be made to assure that small, small disadvantaged small HUB Zone and woman-owned small business concerns will have an equitable opportunity to compete for subcontracts.
- a. Identify potential projects or portions of projects that can be performed by small, small disadvantaged small HUB Zone and woman-owned small business.
 - b. Include small business, small disadvantaged business, small HUB Zone and woman-owned small business concerns in *Request for Quotes* where such concerns are known to exist and are qualified to supply the items or services being procured.
 - c. Assist small business, small disadvantaged, small HUB Zone and woman-owned business with mentoring through establishment of a Small Business Utilization Manager.
 - d. Arrange bid solicitation; time for preparation of proposals, quantities, specifications and delivery schedules to facilitate participation.
 - e. Provide training for small, small disadvantaged small HUB Zone and woman-owned businesses doing business with CHG.
14. The clause entitled *Utilization of Small Business Concerns and Small Disadvantaged Business Concerns*, will be included in all subcontracts that offer further subcontracting opportunities and all subcontractors (except small business concerns) who receive subcontracts in excess of \$500,000.00 (\$1,000,000.00 for

construction of any public facility) will be required to adopt a plan similar to the plan agreed to by the officer.

15. The Contractor will cooperate in any studies or surveys as may be required; submit periodic reports in order to allow the Government to determine the extent of compliance by the officer with the subcontracting plan, will submit Standard Form 294 *Subcontracting Report for Individual Contracts* and Standard Form 295 *Summary Subcontract Report*, in accordance with the instructions on the forms or as provided in agency regulations and in the FAR Part 19, Small Business Subcontracting Plan (January 1999), and ensure that its subcontractors agree to submit Standard Forms 294 and 295.
16. The following types of records will be maintained to demonstrate procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists, and a description of its efforts to locate small, small disadvantaged, and woman-owned business concerns and award subcontracts to them. The records shall include at least the following (*on a company-wide basis, unless otherwise indicated*):
 - a. Source lists, guides, and other data that identify small, HUB Zone small business, small disadvantaged and woman-owned small business concerns.
 - b. Organizations contacted in an attempt to locate sources that are small, HUB Zone small business, small disadvantaged, or woman-owned small business concerns.
 - c. Records on each subcontract solicitation resulting in an award of more than \$100,000.00, indicating (1) whether small business concerns were solicited and if not, why not, (2) whether small disadvantaged business concerns small HUB Zone concern were solicited and if not why not, (3) whether woman-owned small business concerns were solicited and if not, why not, and (4) if applicable, the reason an award was not made to a small business concern.
 - d. Records of any outreach efforts to: (1) trade associations, (2) business development organizations, and (3) conferences and trade fairs to locate small, small disadvantaged, and woman-owned small business sources.
 - e. Records of internal guidance and encouragement provided to buyers through (1) workshops, seminars, training, etc., and (2) monitoring performance to evaluate compliance with the program's requirements.
 - f. Records to support award data submitted by CH2M HILL Hanford Group, Inc. to the Government, which will include the name, address, and business size of each subcontractor.

6.0 Definitions:

Budget – Total RPP BCWS for the given fiscal year (FY) less fee and direct funds to DOE.

Buy – refers to the acquisition of goods and services by the prime from either major subcontractors, enterprise subcontractors, other businesses in the local community and/or region, and/or other federal contractors.

Core Competency – refers to goods, services, and operations that must be performed by the contractor, and which, are considered essential to serving the customer and to maintaining a cost effective program.

Outsourcing – Prime Contract Section H.2(a) (9) states *outsourcing means contractual commitments to entities other than the Contractor itself.*

Regional – is defined as the Small Business Administration Region X.

Subcontracting – obtaining the maximum benefits of human resources, time, and materials through the use of outside business firms to perform the scope of work previously handled in-house. Work scope is considered to be subcontracted when performed by a business entity other than the prime contractor to ORP.

Viable – having a reasonable chance of succeeding.

7.0 Reporting

CHG will report annually (starting in November 2000) for FY 2000 results to ORP with corrective actions to achieve goals, if required, for Small Business Subcontractors and BEST program.

(a) Formula for BEST:

Add Cost Elements: Material + Services + Other Hanford Contractors (OHC) + Enterprise Companies + cost to subcontract.

Divide by fiscal year to date (FYTD) budgeted cost of work scheduled (BCWS) less fee as defined in this document.

(b) Standard Form 295 *Summary Sub-Contract Report*, Contracting Officer for Small Business Subcontracting.

End Appendix A