

INCOMING CORRESPONDENCE COVERSHEET

CTS No.: 01-0001

Author

Addressee

Correspondence No.

J. J. Short/ORP

R. F. Wood/CHG

0004845

Subject:

CONTRACT NO. DE-AC06-99RL14047 - AMENDMENT OF
SOLICITATION & MOD OF CONTRACT NUMBER M025

DISTRIBUTION

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Priority: NORMAL

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Received: October 2, 2000

Due Date: 11/02/2000 - Incorporate changes to contract.

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AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 7
2. AMENDMENT/MODIFICATION NO. M025	3. EFFECTIVE DATE 9/13/00	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY U.S. Department of Energy Office of River Protection PO Box 450, MS H6-60 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		(X)	9A. AMENDMENT OF SOLICITATION NO.
CODE			9B. DATED (SEE ITEM 11)
FACILITY CODE		x	10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC06-99RL14047
			10B. DATED (SEE ITEM 13) 9/30/99

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: I.92 "Changes"; H.20 "Available Fee"
	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.)

This is a supplemental agreement reflecting an equitable adjustment in contract cost, fee and terms to definitize the change order to perform interim operations and design activities associated with the Waste Treatment and Immobilization Plant (WTP). See attached pages for details of the following: (1) Contractor's Statement of Release (FAR 43.204.c); (2) Revision to Section B.3 "Estimated Cost and Fee"; (3) Revision to Section C "Statement of Work"; (3) Incorporation of Performance Incentive no. 6.1.2 dated 9/13/00.

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

The purpose of this contract modification is as follows:

1. Contractor's Statement of Release:

In consideration of the modifications agreed to herein as complete equitable adjustments for the Contractor's "proposals for adjustment" (listed below and in response to the DOE-ORP direction to assume work previously performed by BNFL Inc.), 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 "proposals for adjustment."

"Proposals for Adjustment" include but are not limited to, the following Contractor communications in response to the DOE-ORP direction to the Contractor to assume work previously performed by BNFL Inc. under the Waste Treatment Plant privatization contract:

CHG-0004311	"RPP Baseline Change Request No. 133..." dated 8/11/00.
CHG-0003362R2	"Additional Funding for Ongoing WTP Workslope" dated 8/3/00.
CHG-0003527	"MYWP Baseline Update for Operations of WTP Scope" dated 7/17/00.
CHG-0002574R1	"Acknowledgement of Receipt of Additional Work Scope Associated with BNFL, Inc." dated 7/14/00.

2. Section B.3 "Estimated Cost and Fee" is revised by changing Table B-2 as follows:

"Estimated CHG Cost" is increased by \$33.4 million from \$318 million to \$351.4 million.

"Available Fee Pool" is increased by \$1.5 million from \$14.4 million to \$15.9 million.

"Total Fee" is increased by \$1.5 million from \$19.4 million to \$20.9 million.

(continued on next page)

3. Section C "Statement of Work" is revised by adding the following as the third paragraph of Section C.1 "SUMMARY DESCRIPTION OF WORK":

"CHG shall also be responsible for Waste Treatment and Immobilization Plant (WTP) interim responsibilities consistent with the Department of Energy, Office of River Protection direction in the four letters below. All interim responsibility will conclude upon the program transition to the new WTP contractor, which is expected to be completed 45 days after the projected WTP contract award date of January 15, 2001. If any of the letters below imply that the operations/design work shall continue beyond the transition, then such implications are superceded by this work statement. However, CHG may perform operability oversight of the WTP after the transition as directed by DOE-ORP.

00-AMSA-036 "Clarification of Scope for Interim Design of the Waste Treatment and Immobilization Plant (WTP)" dated September 6, 2000.

00-ORP-082 "Radiological and Nuclear Safety Worksopce Guidance" dated August 31, 2000.

00-ORP-035 "Realignment of Responsibilities for the Hanford Waste Treatment and Immobilization Plant and Tasking for Interim Design Responsibilities" dated June 28, 2000.

00-BMA-070 "Operation of the Waste Treatment Plant (WTP)" dated June 8, 2000."

4. Revise existing FY 2000 Performance Incentive Agreements (PIs), by incorporating the attached PI No. ORP 6.1.2 "Waste Treatment Plant Interim Design and Transition" dated 9/13/00, into Section J, Appendix D.
5. Incorporate the attached summary of Performance Incentive Agreements into Section J, Appendix D, which replaces the prior summary incorporated into the contract.

**Summary of FY 2000
Performance Incentive Agreements**

FY 2000 PERFORMANCE INCENTIVE AGREEMENTS		
Number	Title	Available Fee
ORP 1.1.1 Rev. 2	Tank Characterization - Sampling Tanks	\$ 1,766,000
ORP 1.1.2	Tank Char. - Reduce Lab Turnaround DELETED 8/8/00	\$ -
ORP 2.1.1 Rev. 1	Authorization Basis Management Process Improvement	\$ 500,000
ORP 2.1.2	SY-101 Safety Mitigation	\$ 2,500,000
ORP 3.1.1 Rev. 2	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 Rev. 1	W-314 "A" Complex	\$ 1,250,000
ORP 3.2.3 Rev. 1	Implementation of Field Optimizations	\$ 400,000
ORP 3.3.1 Rev. 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 Rev. 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 6.1.2	Waste Treatment Plant Interim Design and Transition	\$ 1,500,000
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	\$ 15,900,000
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	\$ 19,480,000
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**

Title: **Waste Treatment Plant Interim Design and Transition**
Project Baseline Summary (PBS): TW06
Maximum Available Incentive Fee: \$1,500,000

**SECTION 2
Technical Contacts**

ORP Point of Contact: *W. J. Taylor*
Contractor Point of Contact: *M. A. Payne*

**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 completion criteria and expectations set forth in this Performance Incentive; and
2. No incur any unfavorable cost variance $\{(BCWP - ACWP)/BCWP\}$ greater than 5.0 percent, or incur any unfavorable schedule variance $\{(BCWP - BCWS)/BCWS\}$ greater than 7.5 percent, measured at the Project Baseline Summary level identified in Section 1, at the end of FY 2000.

SPECIFIC REQUIREMENTS:

General Assessment:

Based upon a rating assigned by the Office of River Protection (ORP) Transition Manager by October 15, 2000, the contractor may earn up to 40% of the available incentive fee (see the rating table below). Areas of the assessment include the following:

- Manage and supervise the interim team.
- Accomplishment of assigned tasks (DOE letter numbers 00-BMA-070, 00-ORP-035, and 00-ORP-082) in a cooperative and proactive manner.
- Mobilize the WTP project work force towards completion of FY2000 work assigned in ORP letters 00-ORP-035 and 00-AMSA-036.
- Complete transition activities (from BNFL to CHG) as outlined in the CHG transition plan.
- Aggressively develop responses to regulator Notice of Deficiencies on the Waste Treatment Plant Dangerous Waste Permit Application and regulator comments on the Risk Assessment Work Plan including, but not limited to developing a draft response table (and informally providing to ORP Transition Manager) by September 20, 2000.
- Aggressively pursue resolution and closure of ORP comments on the draft Notices of Construction and draft Prevention of Significant Deterioration Permit Application for the Waste Treatment Plant.

Assessment Rating	% Fee Earned
Unsatisfactory	0%
Satisfactory	1% to 75% of the available incentive fee based upon the ORP Transition Manager's assessment of the criteria stated above.
Outstanding	76% to 100% of the available incentive fee based upon the ORP Transition Manager's assessment of the criteria stated above.

Specific Deliverables:

Earn up to 60% of the available incentive fee as follows:

1. By September 29, 2000, submit a draft resource loaded schedule that defines the scope of work, cost, and schedule (with an estimate of the man-hours required and expected dates of completion) for the WTP interim design and transition to the

FY 2000 PERFORMANCE INCENTIVE

new WTP Contractor. Definition of the specific requirements is included in ORP letter 00-AMSA-036. (Earn 15% of available incentive fee)

2. By September 29, 2000, evaluate the 3D model, Operations Research (OR) model, and G2 model as received from BNFL to determine if they are complete and fully functional. Also, evaluate if the WTP Equipment List is complete and sortable. (See Assumption regarding OR model). (Earn 15% of available incentive fee)
3. By September 29, 2000, submit a clear and concise plan, complete with milestones to measure progress against, that supports submittal of necessary air permitting materials to support the project schedule for the treatment plant. The construction date for permitting purposes will be consistent with the \$1 billion baseline. (Earn 5% of available incentive fee)
4. By September 29, 2000, CHG shall have completed transition activities and readiness activities (e.g., resumption plans, self assessments, management assessments, independent assessments, etc.) related to the transitioned BNFL Inc. Quality Assurance Program (PP W375 QA 00001, *Quality Assurance Provisions Document*) to ensure that the program is fully compliant and implemented and that associated documents and records have been maintained. By September 29, 2000, CHG shall evaluate outstanding QA commitments and corrective actions to determine those that are still applicable. CHG shall develop a corrective action schedule to disposition applicable corrective actions. (Earn 10% of available incentive fee)
5. By September 29, 2000, develop (or update) a Design Change Control procedure that establishes DOE-ORP as an approval authority, along with CHG, over the process and facility design. CHG shall submit to ORP a draft design change control procedure by September 15, 2000. CHG shall work with ORP to obtain agreement by September 29, 2000 on the procedure to initiate, manage, and approve changes to the design. (Earn 15% of available incentive fee)

SECTION A
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. Regarding the OR model referenced in specific deliverable item number 2 above: CHG states that they have not received the OR model. Therefore, CHG shall have 14 days from receipt of the OR model to complete this deliverable. If BNFL has not provided the OR model by September 30, 2000, the deliverable description and the fee associated with it (15%) shall be allocated to the "general assessment" portion of the performance expectation. This allocation will cause the general assessment to change from 40% to 55% of the total available incentive fee.
2. The Contractor may submit any self-assessment input by October 5, 2000, in order to be considered for the ORP Transition Manager's review.

DEFINITIONS: (define terms)

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

Office of River Protection

Performance Incentive Number ORP6.1.2
Revision No. 0 Date August 30, 2000

SECTION 5
Signatures

Contracting Officer's Representative/Date

Title/Date:

(This person has signature authority to sign legally binding documents for the conduct of business affairs on behalf of CHG)

ORP Contracting Officer/Date

CHG Contract Representative/Date