

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES 1 17
2. AMENDMENT/MODIFICATION NO. M048	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)
6. ISSUED BY CODE 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) CODE		
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.
				9B. DATED (SEE ITEM 11)
			(<input checked="" type="checkbox"/>)	10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC27-99RL14047
CODE			FACILITY CODE	
			10B. DATED (SEE ITEM 13) September 30, 1999	

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.

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)
N/A

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

(<input checked="" type="checkbox"/>)	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: Section I, Clause I.63, Changes - Cost Reimbursement (AUG 1987) Alternate III (APR 1984) and by Mutual Agreement
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: is not, is required to sign and return 2 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 significant revisions/replacements to Contract Modification No. M047 and provides direction and clarification on placement of the text from Contract Modification No. M047 in the Contract. This Modification also incorporates revisions to various clauses in Section H, "Special Provisions," which were impacted by changes to the Contract in Modification No. M047.

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) Judith S. O'Connor	
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY (Signature of Contracting Officer)	16C. DATE SIGNED

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NSN 7540-01-152-8070

30-105

STANDARD

PREVIOUS EDITION UNUSABLE
Prescribed by GSA

FORM 30 (REV. 10-83)

FAR

(48 CFR) 53.243

Block 14 Continuation:

Description of the Change:

1. Delete in its entirety, Section H, SPECIAL PROVISIONS, Clause H.45, "CONTINGENT FEE," (which was added in Block 14, paragraph 1 of Contract Modification Number M047), and replace it with the following:

"H.45 CONTINGENT FEE

(a) W-314 Project Cost Schedule and Recovery

CHG agrees that its retention of any fee paid for fiscal year (FY) 2001 Project W-314 Performance Based Incentive (PBI) ORP-01 will be subject to the three conditions and contingent upon the successful recovery of the project's cost and schedule status to the DOE approved performance baseline by September 30, 2002. In addition if the project is not within the baseline cost and schedule variance thresholds as stated in paragraph (a)(3)(i) below, by September 30, 2002, then any fee allocated in FY 2002 for W-314 PBIs cannot be earned. For the period beginning October 1, 2002, and continuing for the duration of this Contract, Clause H.1.(d)(1) applies.

Recovery of Project W-314 cost and schedule performance consists of the following three (3) deliverables:

- (1) Submittal of a Recovery Plan, by January 16, 2002, which addresses the following areas and is considered to be reasonable and achievable by DOE.

Acceptable Recovery Plan shall contain:

- (i) Resource Loaded Schedule at WBS Level 7
 - (ii) Critical Path Logic at WBS Level 7
 - (iii) Monthly manpower plan (number of FTEs by labor classification (COCS) including subcontract labor FTEs)
 - (iv) Projected monthly spending plan that is within FY funding limitations
 - (v) Plan must encompass all carryover workscope from prior FYs as well as FY2002 BCWS
- (2) Monthly status report on W-314 Recovery Plan actions to be included in the Monthly Management Performance Report (MRM).
 - (3) Successful accomplishment of the actions outlined in the DOE reviewed Recovery Plan by September 30, 2002, which results in the following:
 - (i) Behind-schedule and over-cost conditions on Project W-314 as of October 1, 2001, will be improved such that the FY2002 project unfavorable schedule and cost variance shall not exceed 7.5%. Upon

receipt of the CHG Project Recovery Plan DOE will make an assessment relative to the project's cost variance criteria for gateway calculation.

CHG is required to demonstrate to DOE's satisfaction the above three deliverables.

If CHG fails to achieve Project W-314 recovery to DOE's satisfaction, as defined above, by September 30, 2002, and therefore CHG fails the condition subsequent to retain the contingent fee paid on FY 2001 PBIs for W-314, then the contingent fee paid, plus interest, will be offset against any CHG fee earned in FY 2002. If CHG's total fee earned in FY 2002 is insufficient to offset the entire W-314 contingent fee paid in FY 2001, CHG shall reimburse any remaining amount to DOE up to the amount earned during the full performance period of this contract.

(b) Termination

In the event CHG is terminated for default, any contingent fee that has been paid for Project W-314 shall be repaid with interest."

2. Delete Block 14, paragraphs 3.a and 4., of Contract Modification Number M047 and add them as a new clause in Section F, DELIVERIES OR PERFORMANCE, Clause F.3(g), "REPORTING REQUIREMENTS":
 - "(g) Implement change control thresholds, as provided in Table F-2, at the WBS levels stated in Table F-3, by January 18, 2002. These Change Thresholds and Control levels will be used for determining the approval level for proposed changes to the RPP baseline effective immediately. Note: Level 3 Baseline Change Thresholds will be reviewed by June 30, 2002. DOE will review control requirements on Capital Projects at WBS levels 6 and 7 (per Section F, DELIVERIES OR PERFORMANCE, Clause F.3 "REPORTING REQUIREMENTS," Table F-3) no later than January 15, 2002."
3. Delete Block 14, paragraph 3.b, of Contract Modification Number M047 and add it as a new clause in Section F, DELIVERIES OR PERFORMANCE, Clause F.3(h), "REPORTING REQUIREMENTS":
 - "(h) Submit a copy of all FY 2002, Class 3 or Class 2 Baseline Change Requests for DOE evaluation and approval. Complete by January 7, 2002."
4. Delete Block 14, paragraph 3.c, of Contract Modification M047 and add it as a new clause in Section F, DELIVERIES OR PERFORMANCE, Clause F.3(i), "REPORTING REQUIREMENTS":
 - "(i) Establish detailed quarterly assessment of project status similar to the FY 2001 year-end assessment conducted by DOE. Provide electronic file copy to DOE within 30 calendar days of the completion of each quarter, commencing quarter ending December 2001."
5. Delete Block 14, paragraph 3.d, of Contract Modification Number M047 and add it as a new clause in Section F, DELIVERIES OR PERFORMANCE, Clause F.3(j), "REPORTING

REQUIREMENTS”:

“(j) Improve quality of baseline changes to include the analysis of their impact on programmatic risk. Implement by March 31, 2002.”

6. Delete Block 14, paragraph 3.e, of Contract Modification Number M047 and add it as a new clause in Section H, SPECIAL PROVISIONS, Clause H.7.01(f), “PROJECT CONTROLS”:

“(f) Implement and demonstrate consistent Project controls practices across CHG. Complete by September 30, 2002.”

7. Delete Block 14, paragraph 3.f, of Contract Modification Number M047 and add it as a new clause in Section H, SPECIAL PROVISIONS, Clause H.7.01(g), “PROJECT CONTROLS”:

“(g) Establish procedures for the joint management of contingency, management reserve, and funding changes between DOE and CHG. Complete by April 15, 2002.”

8. Delete Block 14, paragraph 3.g, from Contract Modification Number M047 and add it as a new clause in Section H, SPECIAL PROVISIONS, Clause H.7.01(h), “PROJECT CONTROLS”:

“(h) CHG shall obtain an independent assessment of its Cost Schedule Control System by a DOE approved contractor. Complete by April 1, 2002.”

9. Delete Block 14, paragraph 5., from Contract Modification Number M047 and add it as a new clause in Section F, DELIVERIES OR PERFORMANCE, Clause F.3(k), “REPORTING REQUIREMENTS”:

“(k) Summary level performance status reports are to be submitted at the PBS and Capital Project levels. In addition, CHG should make available to ORP performance data at the levels of detail shown in Contract Section F, DELIVERIES OR PERFORMANCE, Clause F.3, “REPORTING REQUIREMENTS,” Table F-4. The summary report shall contain a list of those reporting level WBS elements (per Table F-4) where the schedule and cost variance exceed the limits as stated in contract Section H, SPECIAL PROVISIONS, Clause H.1 “PERFORMANCE BASED INCENTIVES, FEE DISTRIBUTION AND FEE POOL,” paragraph H.1(d)(1). The list shall contain a brief explanation for the variance. Reporting requirements shall take effect with the December 2001, month-end reporting cycle.”

10. Delete Attachments 1, 1A, and 2 from Block 14, paragraphs 4. and 5., of Contract Modification Number M047 and add them, as attached, as new Tables F-2, F-3, and F-4 in Section F, DELIVERIES OR PERFORMANCE, Clause F.3, “REPORTING REQUIREMENTS.”

11. Modify Section F, DELIVERIES OR PERFORMANCE, to delete page F-i, and replace it with the attached page F-i, to add Tables F-2 thru F-4.
12. Modify Section F, DELIVERIES OR PERFORMANCE, to delete Table F-1, and replace it with the attached Table F-1, which adds a "Project Status Assessment" due Quarterly.
13. Delete Section H, SPECIAL PROVISIONS, Clause H.7, "PROJECT CONTROLS," paragraph H.7.01(b)(4), and replace with the following:

“(4) *Approval of Updated Office of River Protection Project Baseline Summary (PBS) Baseline Change Control Thresholds*, Office of Policy, Planning and Budget, Environmental Management, signed by Richard W. Brancata, dated February 20, 2001; and”

14. Modify Section H, SPECIAL PROVISIONS, Clause H.7, "PROJECT CONTROLS," paragraph H.7.02(a)(2), delete the third sentence and replace as follows:

Delete: “The Reporting Level of the WBS is the fundamental grouping of work at which the Contracting Officer will receive routine status reports, evaluate and measure project performance, and exercise change control authority.”

Replace: “The Reporting Level of the WBS is the fundamental grouping of work at which the Contracting Officer will receive routine status reports, and evaluate and measure project performance. The Control Level of the WBS is the fundamental grouping of work at which change control authority is exercised. Refer to Section F, DELIVERIES OR PERFORMANCE, Clause F.3, "REPORTING REQUIREMENTS," Tables F-3 and F-4 for CHG Control and Reporting levels.”

15. Modify Section H, SPECIAL PROVISIONS, Clause H.7, "PROJECT CONTROLS," paragraph H.7.02(e)(1), delete and replace the fourth and fifth sentences as follows:

Delete: “The Contractor shall notify DOE thirty (30) days prior to the use of project contingencies. The Contractor may use contingency up to the levels established for each phase of work execution, but contingency use requires approval by the cognizant Contracting Officer’s Representative.”

Replace: “Application of project contingency budget to cost accounts requires DOE approval in accordance with Section F, DELIVERIES OR PERFORMANCE, Clause F.3, "REPORTING REQUIREMENTS," Table F-2, RPP Baseline Change Thresholds.”

16. Modify Section H, SPECIAL PROVISIONS, Clause H.7, "PROJECT CONTROLS," H.7.02(e)(3), delete and replace the second sentence as follows:

Delete: "The Contractor shall exercise specific control and decision authority at the reporting level."

Replace: "The Contractor shall exercise specific control and decision authority at the control level, as identified in Section F, DELIVERIES OR PERFORMANCE, Clause F.3, "REPORTING REQUIREMENTS," Table F-3, CHG Control Level by WBS."

17. Modify Section H, SPECIAL PROVISIONS, Clause H.7, "PROJECT CONTROLS," paragraph H.7.04(b), replace paragraph in its entirety as follows:

Delete: "Change Thresholds. Except for capital line item projects that will meet the requirements of DOE Order 413.3, Attachment 5, Baseline Change Control Approval Thresholds, baseline changes to scope, schedule, and cost may be made by the Contractor at or below the reporting level provided that:

- (1) There is no change to milestones defined in the Performance Based Incentives;
- (2) It does not impact regulatory milestones;
- (3) It does not otherwise require DOE Contracting Officer approval (e.g., Operational Readiness Reviews, critical decisions, requirement changes);
- (4) It does not move an activity onto the mission summary critical path;
- (5) It has no net impact to the total funding committed to this Contract, as set forth in the funding profile in Section B, Supplies or Services and Prices/Costs, and in accordance with EIA Standards set forth in Section H Clause entitled, Earned Value Management System; or
- (6) It does not require changes to requirements in DOE-controlled technical documents, such as Authorization Agreement, all DOE-controlled items for each Critical Decision, Maintenance Implementation Plan, and Acceptance Inspection Plans.

DOE shall have access to all pertinent records, data, and plans as allowed by other Clauses of this Contract."

Replace: “Change Thresholds. Changes to all project baseline elements, including technical, scope, cost, schedule, milestones and interfaces may be made by the Contractor at or below the control level as defined in Section F, DELIVERIES OR PERFORMANCE, Clause F.3 “REPORTING REQUIREMENTS,” Table F-3, CHG Control Levels by WBS, and in accordance with the change thresholds as defined in Section F, DELIVERIES OR PERFORMANCE, Clause F.3, “REPORTING REQUIREMENTS,” Table F-2, RPP Baseline Change Thresholds. Baseline changes will be in accordance with the EIA Standard set forth in Section H, SPECIAL PROVISIONS, Clause H.22, ‘EARNED VALUE MANAGEMENT SYSTEM.’”

18. Modify Section H, SPECIAL PROVISIONS, Clause H.1, “TECHNICAL DIRECTION,” paragraph Clause H.1(d)(1), to clarify "L Curve" calculation and earned value application replace paragraph in its entirety as follows:

Delete: “(1) In order for any PBI expectation to be considered performed, not only must it meet the PBI performance requirements, but the work must be accomplished within the funding thresholds specified in this Contract, and as follows:

The cost and/or schedule variance as measured at Level 4 of the WBS (except for interim stabilization and characterization, which are measured at WBS Level 3), shall not exceed an unfavorable cost variance of 5% or an unfavorable schedule variance of 7.5%. The above cost/schedule variance will be measured at the above WBS level with the exception of Capital or Expense Projects, as defined by DOE 413.3, that are established and measured at WBS level 5. The cost and schedule variances are to be based upon the DOE approved fiscal year baseline and the performance of that work, including stretch goals and excluding Superstretch performance incentives and non-current fiscal year baseline work performance. Any cost or schedule variance for Superstretch Performance Based Incentive (SSPBI) work shall not be used in determining cost variance and schedule variance for funded work.”

Replace: “(1) In order for any PBI expectation to be considered performed, not only must it meet the PBI performance requirements, but the work must be accomplished within the funding thresholds specified in this Contract, and as follows:

The cost and/or schedule variance as measured at Level 4 of the WBS (except for interim stabilization, which is measured at WBS Level 3), shall not exceed an unfavorable cost variance of 5% or an unfavorable schedule variance of 7.5%. The above cost/schedule variance will be measured at the above WBS level with the exception of Capital or Expense Projects, as defined by DOE 413.3. Capital or Expense projects should be measured at the WBS level that summarizes each project. The cost and schedule variances are to be based upon the DOE approved fiscal year baseline and

the performance of that work, including stretch goals and excluding Superstretch performance incentives and non-current fiscal year baseline work performance. Any cost or schedule variance for Superstretch Performance Based Incentive (SSPBI) work shall not be used in determining cost variance and schedule variance for funded work.”

Contractor's Statement of Release

The Contractor hereby releases the Government from any and all liability under this Contract for any further equitable adjustments attributable to the changes set forth above.