Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

02-PRO-0962

JUL 0 9 2002

Mr. E. K. Thomson, President
Fluor Hanford, Inc.
Richland, Washington 99352

Dear Mr. Thomson:

CONTRACT NO. DE-AC06-96RL13200 – EXECUTION OF CONTRACT MODIFICATION M159

Enclosed for your files is one fully executed original of the subject contract Modification, including one duplicate original of FY 2002-2003 Performance Incentive FHI-M8A, 300 Area Cleanup (Rev. 0). If you have any questions regarding this matter, please contact me at (509) 376-3166.

Sincerely,

David E. Stromberg

David E. Stromberg
Administrative Contracting Officer

PRO:DES

Enclosures

cc w/encls:
S. W. Bork, FHI
J. L. Jacobsen, FHI

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE	PAGE	OF	PAGES
	1		6

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. *(If applicable)*
M159	July 8, 2002		

6. ISSUED BY CODE

U.S. Department of Energy
Richland Operations Office
825 Jadwin Avenue; MSIN A7-80
Richland WA 99352

7. ADMINISTERED BY *(If other than Item 6)* CODE

8. NAME AND ADDRESS OF CONTRACTOR *(No., street, city, county, state and zip code)*

Fluor Hanford, Inc.
2420 Stevens Drive
P.O. Box 1000
Richland WA 99352

CODE FACILITY CODE

(X) 9A. AMENDMENT OF SOLICITATION NO.

9B. DATED *(SEE ITEM 11)*

X 10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC06-96RL13200

10B. DATED *(SEE ITEM 13)* 08/06/96

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: Clause H.33: Performance Objectives, Measures, Expectations, and Fee Dist.

D. OTHER *(Specify type of modification and authority)*

E. IMPORTANT: Contractor ☐ is not, ☒ is required to sign this document 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 add Performance Incentive FHI-M8A and incorporate it into Part III, Section J, Appendix D of the contract.

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)*	
E. Keith Thomson, President and Chief Executive Officer		Sally A. Sieracki	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)	7-2-02	*(Signature of Contracting Officer)*	8 Jul 02

DUPLICATE ORIGINAL

FY 2002-2003 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE: 300 Area Cleanup (324 SNF & Special Material Removal)

SECTION 1
GENERAL INFORMATION

Performance Incentive Number:	FHI-M8A
Performance Incentive Title:	**300 Area Cleanup**
Revision Number & Date:	Rev. 0, 06/21/02
Maximum Available Incentive Fee:	0.95% of the fee available in Contract clause B.4.
Performance Incentive Type: *(Check appropriate box)*	☑ Base ☑ Stretch ☑ Superstretch

SECTION 2
PERFORMANCE OUTCOMES

Check appropriate box:

☑ Outcome #1: Restore the River Corridor for multiple uses

☐ Outcome #2: Transition Central Plateau to support long-term waste management

☐ Outcome #3: Put DOE Assets to work for the future

SECTION 3
PERFORMANCE OBJECTIVE(S) MEASURE(S) & EXPECTATION(S)

List associated performance objectives, measures, and performance expectation. Identify associated PBS# for each performance objective and/or measures as appropriate

PBS # RC06
(TP04, TP08, TP-14)

Measure 1: Maintain Progress on 300 Area Cleanup

Expectation 1: 324 SNF Removal

Base 1: Complete transfer of two of the six NAC-1 casks of 324 SNF to the 200Area Interim Storage Area (ISA) by 9/30/2002.

Base 2: Complete transfer of two additional NAC-1 casks of 324 SNF to the 200Area Interim Storage Area (ISA) by 11/20/2002.

Stretch Complete transfer of a third additional NAC-1 cask of 324 SNF to the 200 Area ISA by 11/20/2002.

Measure 2: Accelerate Progress on 300 Area Cleanup

Expectation 1: Accelerate removal of Spent Nuclear Fuel and Special Nuclear Materials from the 324 Building.

Superstretch 1: Complete transfer of a fourth additional NAC-1 cask of 324 SNF to the 200 Area ISA by the later of 11/20/2002 or 90 days after award of the River Corridor Contract, but in no case later than 12/20/2002.

Superstretch 2: Complete transfer of all 324 fissile and Special Nuclear Material inventory (exclusive of materials described in the above Base, Stretch, and Superstretch 1 expectations) for appropriate burial and/or storage in the 200 Area by the later of 11/20/2002 or 90 days after award of the River Corridor Contract, but in no case later than 12/20/2002. This does not include the material identified through non-Destructive Assay and material held up in building ventilation systems, ducting, equipment, etc.

RL-CO [illegible] Date 7/1/02

FY 2002-2003 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE: 300 Area Cleanup (324 SNF & Special Material Removal)

SECTION 4
FEE SCHEDULE

Identify fee schedule by performance objective and/or measure(s)

Base = 61.0% of the fee available for this Performance Incentive.
Stretch = 39.0% of the fee available for this Performance Incentive.

Measure 1: Maintain Progress on 300 Area Cleanup

Expectation 1: 324 SNF Removal.

Base 1: 24.0% of the available fee for this Performance Incentive shall be earned as a progress payment upon completion of this Expectation in accordance with the criteria set forth in Section 5.

Base 2: 37.0% of the available fee for this Performance Incentive shall be earned as a progress payment upon completion of each additional NAC-1 cask of 324 SNF transferred to the 200 Area ISA in accordance with the criteria set forth in Section 5., as follows:

Additional cask	Fee Earned
1st	15.0%
2nd	22.0%

Stretch 39.0% of the available fee for this Performance Incentive shall be earned as progress payments for completion of the third additional NAC-1 cask of 324 SNF transferred to the 200 Area ISA in accordance with the criteria set forth in Section 5., as follows:

Additional cask	Fee Earned
3rd	39.0%

Measure 2: Accelerate Progress on 300 Area Cleanup

Expectation 1: Accelerate removal of Spent Nuclear Fuel and Special Nuclear Materials from the 324 Building.

Superstretch 1: $600,000 may be earned for the removal of a fourth NAC-1 cask of 324 SNF to the 200 Area ISA.

Superstretch 2: $400,000 may be earned for completion of the transfer of all 324 fissile and Special Nuclear Material to the 200 Area.

TPA/DNFSB STANDARD PENALTY STATEMENT: A provisional penalty of up to $10K/week may be imposed for any missed TPA or DNFSB milestone that is considered interim to a final incentivized milestone designated with an asterisk (*). Provisional penalties may be waived by the Contracting Officer if the final (*) contractual milestone is met and/or the Contracting Officer determines that no fines, penalties, or significant adverse impacts, will result from the missed interim milestone.

FY 2002-2003 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE: 300 Area Cleanup (324 SNF & Special Material Removal)

SECTION 5
PERFORMANCE REQUIREMENTS

PREVIOUS YEAR'S GATEWAY: *Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this Performance Incentive. The requirements listed below are the gateway only requirements for this Performance Incentive.*

NONE

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 percentage [((BCWP-ACWP)/BCWP) x 100] greater than 5.0 percent cumulatively from 10/01/00, measured at the end of the last expectation date of each performance-measure, at the Project Baseline Summary level identified in Section 4, Fee Schedule.

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared.*

Measure 1: Maintain Progress on 300 Area Cleanup

Expectation 1: 324 SNF Removal.

Base 1: Transfer two of the six NAC-1 casks of 324 SNF to the 200 Area ISA in accordance with the formal agreement with the 200 Area ISA custodians.

Base 2: Transfer up to two additional NAC-1 casks of 324 SNF to the 200 Area ISA in accordance with the formal agreement with the 200 Area ISA custodians.

Stretch Transfer a third additional NAC-1 cask of 324 SNF to the 200 Area ISA in accordance with the formal agreement with the 200 Area ISA custodians.

Measure 2: Accelerate Progress on 300 Area Cleanup

Expectation 1: Accelerate removal of Spent Nuclear Fuel and Special Nuclear Materials from the 324 Building.

Superstretch 1: Transfer a fourth additional NAC-1 cask of 324 SNF to the 200 Area ISA in accordance with the formal agreement with the 200 Area ISA custodians.

Superstretch 2: Complete transfer of all 324 fissile and Special Nuclear Material inventory (exclusive of materials described in the Base, Stretch, and Superstretch 1 expectations), for appropriate burial and/or storage in the 200 Area. This expectation will be completed when all the 324 Building fissile and Special Nuclear Material (SNM) that is discretely packaged has been packaged and transported to the 200 Area for appropriate burial and/or storage. This is not intended to include material identified on the SNF inventory as material held up in facility equipment, ventilation system ducting or piping, etc., that has been identified using NDA techniques, and that would require equipment or facility system dismantlement in order to retrieve that material.

DUPLICATE ORIGINAL

FY 2002-2003 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE: 300 Area Cleanup (324 SNF & Special Material Removal)

DEFINITIONS: *(Define terms)*

None

COMPLETION DOCUMENTS LIST: *(In addition to the Completion Notice, the document(s) that should be submitted/data that should be available/actions to be taken by evaluator, to determine actual performance to the requirements stated above.*

Measure 1: Maintain Progress on 300 Area Cleanup

Expectation 1: 324 SNF Removal.

Base 1: Letter Report: The contractor shall submit a letter report to RL which documents:

- Acceptance of two of the six NAC-1 casks of 324 SNF by the current 200 Area ISA custodians via 741 Form-Nuclear Material Transactions.
- Certifies completion of transfer of two of the six NAC-1 casks of 324 SNF to the 200 Area ISA.

Base 2: Letter Report: The contractor shall submit a letter report to RL which documents:

- Acceptance of up to two additional NAC-1 casks of 324 SNF by the current 200 Area ISA custodians via 741 Form-Nuclear Material Transactions.
- Certifies completion of transfer of up to two additional NAC-1 casks of 324 SNF to the 200 Area ISA.

Stretch Letter Report: The contractor shall submit a letter report to RL which documents:

- Acceptance of a third additional NAC-1 cask of 324 SNF by the current 200 Area ISA custodians via 741 Form-Nuclear Material Transactions.
- Certifies completion of transfer of a third additional NAC-1 cask of 324 SNF to the 200 Area ISA.

Measure 2: Accelerate Progress on 300 Area Cleanup

Expectation 1: Accelerate removal of Spent Nuclear Fuel and Special Nuclear Materials from the 324 Building.

Superstretch 1: Letter Report: The contractor shall submit a letter report to RL which documents:

- Acceptance of a fourth additional NAC-1 cask of 324 SNF by the current 200 Area ISA custodians via 741 Form-Nuclear Material Transactions.
- Certifies completion of transfer of a fourth additional NAC-1 cask of 324 SNF to the 200 Area ISA.

Superstretch 2: Letter Report: The contractor shall submit a letter report to RL which would include the following:

- The shipment records which show acceptance of all radioactive material shipments at the appropriate 200 Area burial and/or storage facility.
- A facility SNM inventory sheet that identifies all fissile and SNM remaining in the 324 Building.
- Descriptions of (a) the nature of each remaining item and (b) how the requirements of this PI have been met with each item still remaining in the 324 Building.

DUPLICATE ORIGINAL

FY 2002-2003 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE: 300 Area Cleanup (324 SNF & Special Material Removal)

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: ***(For reasonably foreseeable impacts to performance which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation).***

Transition activities at the 324 Building will be performed in accordance with the FH River Corridor Transition Plan, HNF-10790, latest Rev.

The transition period ends on the later of 11/20/02 or 90 days after award of the River Corridor Contract. Should the transition period end date be accelerated to a date prior to 11/20/02, this performance incentive shall be reevaluated.

SECTION 6
SIGNATURES

N. C. Boyter, Vice President
River Corridor Project
Fluor Hanford, Inc.

Date: 7.2.02

E. Keith Thomson, President and Chief Executive Officer
Fluor Hanford, Inc.

Date: 7-2-02

H. E. Bilson , Assistant Manager
For River Corridor Project

Date: 7/1/02

W. W. Ballard, Assistant Manager
For Planning & Integration

Date: 7/1/02

M. H. Schlender, Deputy Manager
Richland Operations Office

Date: 7/1/02

K. A. Klein, Manager
Richland Operations Office

Date: 7/1/02

RL-CO _____ Date 7/1/02