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

98-PRO-797

OCT 2 0 1998

Mr. R. D. Hanson, President
Fluor Daniel Hanford, Inc.
Richland, Washington 99352

Dear Mr. Hanson:

CONTRACT NO. DE-AC06-96RL13200 – TRANSMITTAL OF MODIFICATION M056

Enclosed for your files is a fully executed copy of the subject modification, incorporating corrections and negotiated changes to the Fiscal Year 1998 Performance Objectives, Measures and Expectations. These changes have been fully coordinated with your staff. Revised Performance Agreements were provided previously. If you have questions, please contact me on (509) 376-8948.

Sincerely,

Sally A. Sieracki
Contracting Officer

PRO:GFC

Enclosure

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE	PAGE	OF	PAGES
	1		56

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. *(If applicable)*
M056	See Block 16C		

6. ISSUED BY CODE

DEPARTMENT OF ENERGY
P.O. BOX 550
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 DANIEL HANFORD, INC.
2420 STEVENS CENTER
P.O. BOX 1000
RICHLAND, BENTON, 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)	
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. Clause H.41 of the contract
	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)*

E. IMPORTANT: Contractor ☒ is not, ☐ is required to sign this document 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 incorporate the latest revisions to the Fiscal Year (FY) 1998 table for Performance Objectives, Measures, and Expectations: Part III, Section J, Appendix D, Attachment II of the contract (last revised via M052).

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)*	
		SALLY A. SIERACKI	
15B. CONTRACTOR/OFFEROR *(Signature of person authorized to sign)*	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA Sally A. Sieracki *(Signature of Contracting Officer)*	16C. DATE SIGNED 15 Oct 98

Below is a summary of changes to Performance Objectives, Measures, Expectations and Incentives as a result of this contract modification. Refer to the table on pages 3 through 56 for specific changes.

1. The following incentives are changed to correct previous errors and omissions in the table:

ART 1.1.2, ART 1.1.4, SNF 1.5.1, FS 10.1, FS 10.1.1A, TWR 1.2.15, TWR 1.2.16 TWR 1.2.17.

2. TWR 3.2.2 is updated to reflect the September 1, 1998 revision to the incentive.

ECONOMIC TRANSITION				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
AMT 1: The Contractor shall work with DOE and the Tri-Cities to create a local economy which is substantially less dependent on a DOE Hanford payroll. The Contractor and its Major Subcontractors commit to help create 3,000 new jobs in the Tri-City community by the end of the five year contract period. 0.0% at Objective Level	AMT 1.1: N/A 0.0% at Measure Level	AMT 1.1.1 : Help create a two year (FY 1997-FY 1998) cumulative total of 500 local non-Hanford jobs toward the five year assistance goal of 3000, per the criteria established in the then current version of the FDH Economic Transition and Outsourcing Plan, by September 30, 1998. No incentive fee amount will be earned by the Contractor for meeting the Performance Expectation; the Performance Expectation is minimum expected performance. -2.5% at Expectation Level	N/A	–100% of the incentive fee for this PA will be assessed against the Contractor for failure to help create a two year (FY 1997-FY 1998) cumulative total of 425 local non-Hanford jobs

ADVANCED REACTOR TRANSITION				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
ART 1: Manage the standby and deactivation activities of the FFTF, along with the stabilization and disposition of nuclear material and hazardous materials associated with Nuclear Energy Legacies. 0.00% at Objective Level	ART 1.1: N/A 0.00% at Measure Level	ART 1.1.1 : Complete FY-98 sodium and sodium potassium alloy (NaK) disposition activities in the Nuclear Energy Legacies program by September 30, 1998. 100% of the incentive fee for this PA can be earned by the Contractor for meeting the Performance Expectation (NTE $175K). 0.41% at Expectation Level	N/A	-40 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.
		ART 1.1.2 : Complete the "cold testing phase" of the Open Test Assembly (OTA) Shear Project and complete the conceputal design phase of the Solid Waste Cask (SWC) Upgrade Project by September 8, 1998. 100% of the incentive fee for this PA can be earned by the Contractor for meeting the Performance Expectation (NTE $200K). 0.47% at Expectation Level	N/A	-40 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 8, 1998.

ADVANCED REACTOR TRANSITION				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		ART 1.1.3 : Complete work scope associated with the "maintaining health of the facility" by accomplishing defined surveillance and maintenance work scope, e.g., required surveillances, PM/ICRS packages, and designated corrective maintenance work. This work scope includes the Reactor Head Mounted Component Testing Program. 40% of the incentive fee amount for this PA can be earned by the Contractor for successful completion of the first six month period (combined first and second quarters), and 30% of the incentive fee for this PA can be earned by the Contractor for successful completion of each subsequent three month period (third and fourth quarters) (NT $1.125M). 2.64% at Expectation Level	N/A	Negative Incentive Fee: -20 percent of the incentive fee available for this PA will be assessed against the Contractor if less than 90 percent of the originally agreed to work packages have been completed in the first six month period (combined first and second quarters) -10 percent of the incentive fee available for this PA will be assessed against the Contractor in each subsequent three month period (third and fourth quarters) if less than 90 percent of the originally agreed to work packages for that period have been completed.

ADVANCED REACTOR TRANSITION				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		ART 1.1.4 : Increase safety and radiological control awareness. Implement the requirements of the Fluor Daniel Hanford (FDH) ISMS Plan through the Gap Analysis phase in accordance with the direction provided in Chapter 4 of the ISMS Plan within the criteria specified in Section 5. In addition, conduct a special emphasis assessment by the Facility Evaluation Board (FEB) of ISMS Gap Analysis. All ISMS requirements of this PA shall be completed by September 30, 1998. By September 30, 1998, the Contractor shall also complete the fiscal year 1998 work scope as defined in the BWHC Radiological Improvement Plan (RCIP). 100% of the incentive fee for this PA can be earned by the Contractor for meeting the Performance Expectation (NTE $100K). 0.23% at Expectation Level	N/A	-40 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation related to the ISMS and RCIP requirements by October 30, 1998.

WASTE MANAGEMENT				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
WM 1: Establish an ability to treat and dispose wastes through implementation of pilot treatment runs which are required to mitigate safety concerns and meet TPA Milestone M-19 commitments. 0.0% at Objective Level	WM 1.1: N/A 0.0% at Measure Level	WM 1.1.1: Characterization and disposition of a minimum of 2200 183-H drums to locate waste containers containing empty bags generated during clean up of the 183-H solar evaporation basin, and characterize at least 10,100 waste packages (Package Identification Numbers; PINs) to supply feed streams for treatment contracts. 80 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.62 at Expectation Level	100 percent of the incentive fee for this PA can be earned by the Contractor if Performance Expectation is completed along with the following: -Complete characterization activities on at least 400 additional PINs (**) and submit a completion letter report to RL-WPD by September 30, 1998. The report will include information on packages found not to meet the criteria for thermal or non-thermal treatment and reference project relevance to TPA Milestone M-19.	-40 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to characterize and disposition at least 1700 183-H waste containers generated during clean up of the 183-H solar evaporation basin, or characterize at least 7,500 waste packages.
WM 2: Reduce the volume of mixed and hazardous waste subject to storage and treatment. 0.0% at Objective Level	WM 2.1: N/A 0.0% at Measure Level	WM 2.1.1: Complete the implementation of the Return on Investment Projects No. FY97-37 for the mixed waste trench rain curtain and FY97-48 for removal and decontamination of bulk lead, and treat incinerable wastes through cooperative agreement with INEEL. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.33% at Expectation Level	N/A	N/A

WASTE MANAGEMENT				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
WM 3: Provide waste processing services utilizing Waste Receiving and Processing Facility, Module I (WRAP) capabilities to support treatment projects and/or on site and off site generator needs during FY98. 0.0% at Objective Level	WM 3.1: N/A 0.0% at Measure Level	WM 3.1.1: Utilize WRAP capabilities in providing Non-Destructive Assay/Non-Destructive Evaluation (NDA/NDE), Low-Level Waste (LLW) glovebox and Transuranic Waste (TRU) glovebox services during FY 1998. This will commence upon successful conclusion of facility start up activities. 40 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 2.25% at Expectation Level	100 percent of the incentive fee available for this PA can be earned by the Contractor if Performance Expectation is completed and the LLW glovebox line and TRU glovebox line (including restricted waste boxes) are operated during the last two quarters of FY 1998, after approval is obtained from RL-WPD to operate all lines. A minimum run time for operation of each line during each of the last two quarters of FY 1998 shall be 5 8-hour day shifts. For each quarter that meets the above requirements, the Contractor will earn: 40 percent of the incentive fee available for this PA in the third quarter, and 20 percent of the incentive fee available for this PA in the fourth quarter. Submit completion letter reports to RL-WPD documenting successful operations for each operating quarter within 30 days of the end of that quarter. If through no fault of the Contractor, RL-WPD does not grant approval to operate all lines, the fee applicable to that quarter will be transferred to the mega pool.	-100 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation.

WASTE MANAGEMENT				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
WM 4: Increase operating efficiency and facility utilization of the Effluent Treatment Facility (ETF). 0.0% at Objective Level	WM 4.1: N/A 0.0% at Measure Level	WM 4.1.1: Plant processing rates will be increased, and maintenance outages and required clean out will be minimized thus increasing overall plant throughput and availability. 70 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.2% at Expectation Level	100 percent of the incentive fee for this PA can be earned by the Contractor if Performance Expectation is completed and the Contractor submits a letter report to RL-WPD by October 7, 1998 documenting operation of ETF on CERCLA wastewater at 65 GPM (annual average) with same assumptions as in Section 5, item 3, (25 Days/Month x 24 Hr/Day x 60 Min/Hr x 65 Gal/Min = 2,340,000 Gal/Month).	<u>Negative Incentive Fee</u>: -20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to maintain operation of ETF on RCRA feed at an average of 25 GPM for the entire campaign. -20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to maintain operation of ETF on CERCLA wastewater at 50 GPM (annual average). The calculated throughput does not include planned outages - 5 days each month for biogrowth control and for planned maintenance outage (25 Days/Month x 24 Hr/Day x 60 Min/Hr x 50 Gal/Min = 1,800,000 Gal/Month).
		WM 4.1.2: Provide the Liquid Effluent Site-Wide Waste Acceptance Criteria and timely analysis of waste stream treatability to waste water generators. 80 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.95% at Expectation Level	100 percent of the incentive fee for this PA can be earned by the Contractor if the Performance Expectation is completed and if by September 30, 1998, the Contractor provides acceptability analysis for each new feed for acceptance at LERF/ETF within an average of 60 days of receipt of complete characterization data from generators.	N/A

WASTE MANAGEMENT				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
WM 5: Manage the 300 Area Liquid Effluents Program to initiate and accelerate deactivation of the 340 Waste Handling Facility. 0.0% at Objective Level	WM 5.1: Operate 300 Area Liquid Effluent Facilities in an efficient, safe, and compliant manner. 0.0% at Measure Level	WM 5.1.1: Initiate formal deactivation of the radioactive liquid waste system (RLWS) and portions of the 340 Complex. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.5% at Expectation Level	N/A	N/A
WM 6: Operate the 242-A Evaporator to support tank waste volume management objectives. 0.0% at Objective Level	WM 6.1: N/A 0.0% at Measure Level	WM 6.1.1: Complete Evaporator Campaign 98-1 with waste volume reductions as identified in the Process Control Plan or perform a cold run (water) to maintain the proficiency of the Operations staff and to avoid the cost associated with an otherwise unnecessary Operational Readiness Review. 50 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.95% at Expectation Level	75 percent of the incentive fee for this PA can be earned by the Contractor for meeting the Performance Expectation and if the 98-1 Campaign is completed at 90 percent Total Operating Efficiency (TOE). N/A if cold run is performed. 100 percent of the incentive fee for this PA can be earned by the Contractor for meeting the Performance Expectation, operating the 98-1 Campaign at 90 percent TOE (if no cold run is performed), and if ETF operations continue concurrent with Campaign 98-1 (or the cold run) (no shutdown of ETF due to staffing limitations).	-50 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by September 30, 1998.

WASTE MANAGEMENT				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
WM 7: Ensure consistent program elements are in place to enable the generation of analytical data of known quality. 0.0% at Objective Level	WM 7.1: N/A 0.0% at Measure Level	WM 7.1.1: Implement Hanford Analytical Services Quality Assurance Requirements Document (HASQARD), and maintain HASQARD alignment with regulations (Federal and State), DOE orders, and industry standards by September 30, 1998. 70 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.7% at Expectation Level	100 percent of the incentive fee for this PA shall be earned by the Contractor if Performance Expectation is met; and if charters, policies, and procedures, for the HASQARD focus group and the Integrated Contractor Assessment Team Program are finalized by April 15, 1998.	-30 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.
WM 8: Continue to improve Waste Management Operations 0.0% at Objective Level	WM 8.1: N/A 0.0% at Measure Level	WM 8.1.1: Upgrade the Waste Management Strategic Plan, expand the implementation of benchmarked Performance Indicators, and develop a system to allow transfer of Treatment, Storage, and Disposal (TSD) costs for mixed low-level waste streams to the generator. 60 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation; 20 percent for each of the last three quarters where the performance score is equal to an overall "satisfactory" rating. 3.08% at Expectation Level	100 percent of the incentive fee for this PA can be earned by the Contractor if the Performance Expectation is completed, and the performance score is equal to an overall "excellent" rating for all three quarters. Each quarter with an "excellent" rating will earn 1/3 of the fee available for this PA.	-15 percent of the incentive fee available for this PA will be assessed against the Contractor for each quarter that the Contractor fails to achieve at least a "satisfactory" rating.

WASTE MANAGEMENT				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
WM 9: Integrate Hanford Analytical Services across PHMC 0.0% at Objective Level	WM 9.1: N/A 0.0% at Measure Level	WM 9.1.1: Achieve efficiencies and suitable quality and reliability in operation of laboratories serving the Hanford Site through a functioning integration process, by April 30, 1998. 70 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.52% at Expectation Level	100 percent of the incentive fee available for this PA can be earned by the Contractor if the Performance Expectation is completed and if by March 15, 1998, the Contractor defines and implements at least four initiatives to increase work performed within WSCF, or provide an implementation plan with clear actions and responsibilities.	N/A
WM 10: Initiate project integration of Integrated Safety Management System (ISMS). 0.0% at Objective Level	WM 10.1: N/A 0.0% at Measure Level	WM 10.1.1: Prepare ISMS gap analysis and implementation plan, and complete the actions identified in the radiological Control Improvement plan 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	N/A
WM 11: Centralize PHMC waste management activities within the WMH Generator Services Organization. 0.0% at Objective Level	WM 11.1: N/A 0.0% at Measure Level	WM 11.1.1: Waste management activities beginning at active < 90 day storage pads will be managed by the Generator Services Organization. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.4% at Expectation Level	N/A	-75 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to achieve at least 75 percent of the activities identified in the FY 1998 implementation matrix.

SPENT NUCLEAR FUELS				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
SNF 1: Spent Nuclear Fuel Removed from reactor on the river area 6.0% at Objective Level	SNF 1.1: Fuel Stabilized 3.0% at Measure Level	SNF 1.1.1: Complete the KW Fuel Retrieval System Construction by July 16, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.6% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by September 16, 1998.
		SNF 1.1.2: Complete Construction/Installation of KW Integrated Water Treatment System by September 3, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.6% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.
		SNF 1.1.3: Submit 100K Safety Analysis Report (SAR) by August 18, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.6% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 19, 1998.
		SNF 1.1.4: Canceled	N/A	N/A

SPENT NUCLEAR FUELS				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		SNF 1.1.5 : Complete Fabrication of K-West Multi-Canister Overpack (MCO) Loading System by June 26, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.9% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by August 26, 1998.
		SNF 1.1.6: Complete the Development, Issuance, and Training on Office of Civilian Radioactive Waste Management (OCRWM) Quality Assurance (QA) Implementing Procedures by April 15, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by June 15, 1998.
		SNF 1.1.7: Complete, and Issue the Management Self Assessment Plan (MSAP) by February 12, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by April 12, 1998.

SPENT NUCLEAR FUELS				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		SNF1.1.8: Complete fabrication and delivery of all K East and K West basin in-pool FRS equipment by September 30, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.3% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.
	SNF 1.2: Canister Storage Building (CSB) Readiness 1.05% at Measure Level	SNF 1.2.1: Complete Canister Storage Building by January 15, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.60% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by March 15, 1998.
		SNF 1.2.2: Submit Canister Storage Building (CSB) Final Safety Analysis Report (FSAR) by August 14, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.60% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 14, 1998.

SPENT NUCLEAR FUELS				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		SNF 1.2.3: Complete Multi-Canister Overpack (MCO) Handling Machine (MHM) delivery by September 30, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.60% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.
	SNF 1.4: Cold Vacuum Drying (CVD) Facility Readiness 0.7% at Measure Level	SNF 1.4.1: Complete the CVD Design and Finalize Procurement by July 15, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.6% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by September 15, 1998.
		SNF 1.4.2: Complete Construction of the Cold Vacuum Drying Facility by September 3, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.6% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by September 3, 1998.

SPENT NUCLEAR FUELS				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
	SNF 1.5: Multi-Canister Overpack (MCO) Readiness 0.0% at Measure Level	SNF 1.5.1: Receipt of first shipment of Multi-Canister Overpacks (MCO) Baskets by May 21, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.125% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by July 21, 1998.
		SNF 1.5.2: Resubmit MCO Topical to DOE-RL for review by August 12, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.125% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 12, 1998.
SNF 3 : K Basins transferred to Successor Project 0.0% at Objective Level	SNF 3.1: Percent Complete Readiness for transfer 0.0% at Measure Level	SNF 3.1.1: Complete Sludge Pretreatment Process Selection by August 5, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 5, 1998.

SPENT NUCLEAR FUELS				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
SNF 5: Establish and maintain financial and managerial control of SNF Project 0.0% at Objective Level	SNF 5.1: Project Management Tools in Place 0.0% at Measure Level	SNF 5.1.1: Establish well defined technical baseline by March 31, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.0% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by June 1, 1998.
SNF 6: Establish, Maintain, and Improve Environment, Health, and Safety Performance for SNF Project Operations and Facilities 0.00% at Objective Level	SNF 6.1: Implementation of Environment, Safety, and Health (ES&H) Plans 0.00% at Measure Level	SNF 6.1.1: The Contractor shall issue the Integrated Environment, Safety, and Health Management System (ISMS) Plan and complete Phase I and Phase II DOE verification process for K Basins. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	N/A	N/A

FACILITIES STABILIZATION				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
FS 1: Accelerate the deactivation of the B Plant facility, reducing the mortgage (out-year maintenance costs) for the B Plant facility 1.0% at Objective Level	FS 1.1: Final deactivation of B Plant 0.0% at Measure Level	FS 1.1.1: Complete B plant deactivation by September 30, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.5% at Expectation Level	N/A	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.
		FS 1.1.2: Complete construction of Project W-059, B Plant Canyon Ventilation Upgrade, including declaration by the Contractor that the system is operational (and ready for use) by September 30, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.0% at Expectation Level	N/A	-50 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.
FS 2: Make Waste Encapsulation Storage Facility (WESF) a self sufficient, stand-alone facility 0.5% at Objective Level	FS 2.1: Decouple WESF from B Plant 0.0% at Measure Level	FS 2.1.1: Complete construction of the WESF Ion Exchange System, as a part of decoupling WESF from B Plant, and the Contractor declare the system operational (and ready for use) by March 23, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	-100 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by June 23, 1998.

FACILITIES STABILIZATION				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		FS 2.1.2: Complete decoupling activities for the WESF Low Level Liquid Waste system such that the deactivation of B Plant is not delayed. The following activity shall be completed for the WESF LLLW system: Complete construction of the WESF LLLW system and Contractor declare the system operational by September 30, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	-100 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.
		FS 2.1.3: Decouple WESF from B Plant, and the Contractor declare WESF is self-sufficient and a stand alone facility by September 30, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	-100 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.

FACILITIES STABILIZATION				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
FS 3: Efficient Mortgage Reduction and Surveillance and Maintenance (S&M). 0.0% at Objective Level	FS 3.1: Accelerate deactivation through efficiencies within current minimum safe activities. 0.0% at Measure Level	FS 3.1.1: Perform S&M of Accelerated Deactivation Facilities (231-Z, 222-T, 222-U, and 2704). Deactivate one of the four facilities. Perform all activities by September 30, 1998. 80 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	100 percent of the incentive fee for this PA can be earned by the Contractor if: the Performance Expectation is met and the 231-Z draft deactivation plan is submitted by July 30, 1998.	N/A
FS 4: Implement the FDH/RL Integrated Environmental, Safety and Health Management Systems (ISMS). 0.00% at Objective Level	FS 4.1: Complete a "Gap Analysis" and implementation plan for ISMS. 0.00% at Measure Level	FS 4.1.1: Complete a "Gap Analysis" and implementation plan for ISMS for WESF by June 30, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	N/A	-100 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by August 30, 1998.
		FS 4.1.2: Complete a "Gap Analysis" and implementation plan for ISMS at the 324 & 327 Facilities by September 30, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	N/A	-100 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.

FACILITIES STABILIZATION				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		FS 4.1.3: Complete a "Gap Analysis" and implementation plan for ISMS for PFP by September 30, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	-100 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.
FS 5: Transition the 324/327 Buildings to a low-cost, stable deactivated condition and disposition their nuclear materials. 1.0% at Objective Level	FS 5.1: Implement Effective Project Control and Execution 0.0% at Measure Level	FS 5.1.1: Issue 324/327 Area Project Management Plan (PMP) to RL by March 31, 1998. 85 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	100 percent of the incentive fee for this PA can be earned by the Contractor if Performance Expectation is completed and three or more unfunded trade studies are completed. (Trade studies listed in Draft PMP Basis of Estimate WBS K4Z13 and K7Z13).	-100 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by May 31, 1998.
	FS 5.2: Clean out 327 Hot-Cells. 0.0% at Measure Level	FS 5.2.1: Complete identification, designation, packaging and shipment of 200 legacy waste containers (one gallon cans) currently within the 327 Hot-Cells to the 200 Area interim storage by September 30, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.6% at Expectation Level	N/A	N/A

FACILITIES STABILIZATION				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
	FS 5.3: Clean out 324 Shielded Material Facility. 0.0% at Measure Level	FS 5.3.1: Complete all design and procurement of materials and systems by September 30, 1998, to allow for packaging of cesium powder, salts, and pellets; and to prepare for disposition of the remaining Nordion cesium capsules. 80 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.4% at Expectation Level	100 percent of the incentive fee for this PA can be earned by the Contractor if Performance Expectation is completed and one special form container is loaded, sealed and leak checked by September 30, 1998.	-80 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.

FACILITIES STABILIZATION				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
	FS 5.4: Clean out 324 B-Cell. 0.0% at Measure Level	FS 5.4.1: Size Reduce Rack 1B, containerize the dispersibles associated with two Racks, and ship Rack 1B associated dunnage by September 30, 1998. 80 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 2.0% at Expectation Level	An additional 5% of the incentive fee for this PA can be earned by the Contractor for completing the Performance Expectation and size reduction of the 2A Rack is completed by September 30, 1998. An additional 5% of the incentive fee for this PA can be earned by the Contractor for completing the Performance Expectation and the dispersibles under the third rack (2A) in B Cell are containerized by September 30, 1998. An additional 3% of the incentive fee for this PA can be earned by the Contractor for completing the Performance Expectation and the remaining fuel pins (5) in the 327 facility are transferred to the 324 facility by September 30, 1998 for subsequent packaging and loadout (in Fiscal Year 1999 or 2000 depending upon funding availability). An additional 7% of the incentive fee for this PA can be earned by the Contractor for completing the Performance Expectation and transfer of the residual Cs powder, salts, pellets, and Nordium capsules to WESF by September 30, 1998.	-55 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.

FACILITIES STABILIZATION				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
FS 6: Complete 300 Area Fuel Supply Shutdown (FSS) Transition to Environmental Restoration Contractor (ERC). 0.0% at Objective Level	FS 6.1: Complete FSS RCRA Closure Activities. 0.0% at Measure Level	FS 6.1.1: Complete Waste Acid Treatment System (WATS) Phase II activities by September 30, 1998. 70 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	100 percent of the incentive fee for this PA can be earned by the Contractor if Performance Expectation is completed and characterization for Phase III activities is completed and the report submitted by September 30, 1998.	-70 percent of the incentive fee available for this PA will be assessed against the Contractor if only one of the three Phase II buildings (303F, 333, and 334A) has been completed by September 30, 1998.
FS 7: Improve Plutonium Finishing Plant (PFP) maintenance efficiency. 0.0% at Objective Level	FS 7.1: Improve scheduled maintenance at PFP. 0.0% at Measure Level	FS 7.1.1: Improve scheduled maintenance performance at PFP. 50% of the incentive fee amount for this PA can be earned by the Contractor for successful completion of the first six month period (combined first and second quarters), and 25% of the incentive fee for this PA can be earned by the Contractor for successful completion of each subsequent three month period (third and fourth quarters) 1.0%at Expectation Level	N/A	-35 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to maintain an FY 1998 average of 30 scheduled commitments per month, and an average of 40 completed work packages per month for the first six months of FY 1998 and 45 completed work packages per month for the last six months of FY1998 by considering scheduled, emergent, and fill-in types of activities.
FS 8: Reengineer the Plutonium Finishing Plant (PFP) Project. 0.0% at Objective Level	FS 8.1: Streamline PFP. 0.0% at Measure Level	FS 8.1.1: Prepare a PFP Strategic Vision Plan by February 28, 1998 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	-50 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to complete the Performance Expectation by March 31, 1998.

FACILITIES STABILIZATION				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		FS 8.1.2: Issue a PFP reengineering plan and initiate implementation of the plan by September 30, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	-50 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.
FS 9: Improve Plutonium Finishing Plant (PFP) Nuclear Facility Operations. 0.0% at Objective Level	FS 9.1: Improve Safety and Conduct of Operations at PFP. 0.0% at Measure Level	FS 9.1.1: Demonstrate FY98 Safety & Conduct of Operations improvement over FY97 by developing and implementing a set of Safety and Conduct of Operations performance indicators. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	-1 percent of the incentive fee available for this PA will be assessed against the Contractor for each negative cumulative point, up to a maximum of -80 percent at the end of FY 1998.
		FS 9.1.2: Complete the implementation of a comprehensive drill program and demonstrate its effectiveness. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	N/A

FACILITIES STABILIZATION				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		FS 9.1.3: Demonstrate FY98 Corrective Action Management (CAM) improvement over FY97 by developing and implementing a set of CAM Performance indicators. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	N/A
FS 10: Mitigate urgent risks; transition and decommission the facility; maintain safe storage of special nuclear material (SNM) in the Plutonium Finishing Plant (PFP). 0.0% at Objective Level	FS 10.1: Complete installation and operational testing* of the inert atmosphere can opening system** at PFP. 0.0% at Measure Level	FS 10.1.1A: Complete installation and operational testing* of the inert atmosphere can opening system** at PFP on or before September 30, 1998. 80 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	20 percent of the incentive fee for this PA can be earned by the Contractor for completing the Performance Expectation and initiating the Contractor Operational Readiness Review (ORR) for metal stabilization, Phase 2 fissile material handling operations and the inert atmosphere can opening system on or before September 30, 1998.	N/A
FS 11: Implement Radiological Control Improvement Plan (RCIP). 0.0% at Objective Level	FS 11.1: Integrate RCIP initiatives as part of the ISMS strategy. 0.0% at Measure Level	FS 11.1.1: Complete each of the FY 1998 RCIP milestones by September 30, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	NA

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
TWR 1: Reduce mortgage costs and conduct Tank Farms Safe Operations. 0.0% at Objective Level	TWR 1.1: Provide basis for Tank Farms Safe Operation 0.6% at Measure Level	TWR 1.1.1: Submit technical documentation for use in closing the Condensed Phase Organic Nitrate Unreviewed Safety Question (USQ), resolution of the Organic Complexant Safety Issue, completion of the DNFSB 93-5 Commitment (5.4.3.3.b) and as the basis for removing tanks from the Organic Watch List, by August 17, 1998. (Short Title: USQ Organic Resolution) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 3.0% at Expectation Level	N/A	N/A
		TWR 1.1.2: Provide a Technical Report on flammable gas vapor space data from flammable gas tanks by September 30, 1998. (Short Title: Vapor Space Data) 70 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.0% at Expectation Level	100 percent of the incentive fee for this PA can be earned by the Contractor if the Performance Expectation is met and the technical report contains Standard Hydrogen Monitoring System (SHMS) data for a minimum of 7,950 data days for the period of October 1, 1997, through June 30, 1998.	-40 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 1.1.3: Flammable Gas Safety Issue Resolution; Provide Contractor-approved documents on Refined Safety Analysis Methodology and Double-Shell Tank (DST) Flammable Gas Expert Panel Results by July 15, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.4% at Expectation Level	N/A	-40 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by August 7, 1998.
		TWR 1.1.4: Complete enhancements to gas sampling capability for Tank Farm Operations for flammable gas tanks by July 15, 1998. (Short Title: Gas Sampling for Flammable Gas) 70 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.8% at Expectation Level	100 percent of the incentive fee available for this PA can be earned by the Contractor if the Performance Expectation is completed by May 31, 1998.	-40 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by September 1, 1998.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 1.1.5: Complete installation and testing for signal acquisition of 21 Tank Monitor and Control System (TMACS) connections by September 30, 1998. (Short Title: TMACS connections) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	N/A	-40 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.
	TWR 1.2: Conduct Tank Farm Safe Operations. 0.0% at Measure Level	TWR 1.2.1: Prepare an Authorization Basis (AB) status report on TWRS facilities including a plan for recommended AB modifications by May 1, 1998. (Short Title: Authorization Basis) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.24% at Expectation Level	N/A	-25 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by June 1, 1998.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 1.2.2: Submit completed modifications and a plan for future modifications to the TWRS Basis for Interim Operations and Technical Safety Requirements to incorporate specified Authorization Basis elements by September 30, 1998. (Short Title: Modifications to BIO and TSRs) 60 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.23% at Expectation Level	100 percent of the incentive fee for this PA can be earned by the Contractor if Performance Expectation is completed by August 31, 1998.	N/A
		TWR 1.2.4: Complete Contractor Post Transition Window (Window 3) actions required to close the Integrated Basis for Interim Operation (BIO) Transition Items and Conditions by December 29, 1997, as identified in DOE/RL-97-72 and precisely specified in the integrated list of items, Revision 1, dated October 28, 1997. (Short Title: BIO Window 3 actions) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.7% at Expectation Level	N/A	-40 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by January 30, 1998.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 1.2.7: Complete sampling and laboratory analysis, and/or technical justification to close Defense Nuclear Facilities Safety Board (DNFSB) Recommendation 93-5 Implementation Plan by agreed upon dates specified in Section 5. (Short Title: DNFSB 93-5) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.01% at Expectation Level	N/A	-40 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.
		TWR 1.2.8: Complete sampling, analysis, and reporting activities as requested by Safety Issue Resolution (SIR) by July 15, 1998, to support closure of the organic complexant Unreviewed Safety Question (USQ). (Short Title: Characterize for Organics) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 1.2.9: By September 30, 1998, obtain, extract, and deliver retained gas samples (for tanks AX-101 [DNFSB 93-5 High Priority Tank], S-102, SX-106, and a fourth tank to be determined [TBD]) to support closure of the flammable gas USQ. (Short Title: Characterize for Flammable Gas) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	N/A
		TWR 1.2.11: Complete electrical circuit verification and release Electrical Distribution System (EDS) drawings for 10 tank farms, and install labels/release drawings for AN, SY and T tank farms and incorporate backlog Engineering Change Notices for essential drawings by September 30, 1998. (Short Title: Drawing and Labeling) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.75% at Expectation Level	N/A	-60 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 1.2.12: Perform Equipment Installation and saltwell pumping preparatory tasks on one Single Shell tank (241-SX-106) by September 30, 1998. (Short Title: SST Interim Stabilization) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.1% at Expectation Level	N/A	N/A
		TWR 1.2.13: Perform ultrasonic examination of one double-shell tank by September 30, 1998. (Short Title: Ultrasonic Examination) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.55% at Expectation Level	N/A	-100 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 1.2.15: Complete grab and vapor sampling by the product due dates below: Major Deliverables, Milestone #, Product Due Dates 10 Vapor Samples, T01-98-115, February 2, 1998 30 Grab Samples, T01-98-116, September 30, 1998 (Short Title: Tank Waste Samples) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.8% at Expectation Level	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 1.2.16: Complete Tank Characterization Reports (TCRs) and the Waste Information Requirements Document (WIRD) by the product due dates below: Major Deliverables, Milestone #, Product Due Dates: WIRD, T01-98-101, August 31, 1998 16 TCRs, T01-98-122, September 30, 1998 10 Revised TCRs, T01-98-171, September 30, 1998 (Short Title: Tank Waste TCRs) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.7% at Expectation Level	N/A	-40 percent of the incentive fee available for this PA will be assessed against the contractor for failure to meet the Performance Expectations by the individual product due dates specified in the Performance Expectation.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 1.2.17: Provide tank waste information to the TWRS projects by the product due dates below: Major Deliverables, Milestone #, Product Due Dates: Best Basis Inventory, T01-98-153, September 30, 1998 Tank-by-Tank Safety Evaluation, T01-98-136, April 30, 1998 Issue Deliverables, T01-98-169, September 30, 1998 (Short Title: Tank Waste Info.) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.7% at Expectation Level	N/A	-40 percent of the incentive fee available for this PA will be assessed against the contractor for failure to meet the Performance Expectation for T01-98-136 by May 22, 1998, or T01-98-169 by September 30, 1998. There are no penalties applied to T0-98-153.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
	TWR 1.3: Reduce Tank Farm mortgage 0.0% at Measure Level	TWR 1.3.2: Replace the Compensatory Measures for Basis for Interim Operations (BIO) Authorization Basis (AB) Controls by September 30, 1998, or submit to RL an Engineering Change Notice requesting appropriate Technical Safety Requirements (TSR) changes by August 31, 1998. (Short Title: Replace Compensatory Measures) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.1% at Expectation Level	N/A	-100 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 30, 1998.
	TWR 1.4: Implement TWRS Integrated Safety Management System (ISMS) 0.0% at Measure Level	TWR 1.4.2: Complete the FY 1998 Project Hanford initiatives of the Radiological Controls Improvement Program (RCIP) by September 30, 1998. (Short Title: Radiological Controls Program) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	N/A	-25 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 23, 1998.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 1.4.3: Submit letter reports for TWRS Integrated Safety Management System (ISMS) Gap Analysis by March 2, 1998, and declaration of documentation readiness for RL Phase I Verification by August 31, 1998. (Short Title: ISMS) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.17% at Expectation Level	N/A	-25 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by September 14, 1998.
TWR 2: Stage for Low Activity Waste pretreatment and immobilization 0.0% at Objective Level	TWR 2.1: Provide Tank Waste Retrieval Systems for Initial Waste Feed Staging Tanks 0.0% at Measure Level	TWR 2.1.1: Complete Project W-211, Initial Tank Retrieval Systems, Title II design for Tanks 102-AP and 104-AP by September 30, 1998. (Short Title: W-211 Title II) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 2.9% at Expectation Level	N/A	-50 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by October 22, 1998.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
	TWR 2.3: Develop plans and technologies for Tank Farm Closure. 0.0% at Measure Level	TWR 2.3.2: Issue an Activity Plan by August 1, 1998 for an additional Vadose zone characterization borehole whose objectives are tied to the approved Vadose Zone Program Plan. (Short Title: Vadose Zone) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	N/A	-25 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by August 22, 1998.
	TWR 2.4: Support the TWRS Privatization Phase IB Authorization to Proceed decision Process. 0.0% at Measure Level	TWR 2.4.2: The Contractor shall demonstrate and document Readiness To Proceed (RTP) on TWRS Privatization Phase I by January 12, 1998. (Short Title: RTP Document) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 2.4% at Expectation Level	N/A	-10 percent of the incentive fee available for this PA will be assessed against the Contractor for each day after January 12, 1998, that the Contractor fails to meet the Performance Expectation to a maximum of -100 percent of the incentive fee available for this PA.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
TWR 3: Pretreat and Stage High Level Waste 0.0% at Objective Level	TWR 3.2: Development of a Resource Loaded Project Schedule 0.0% at Measure Level	TWR 3.2.2: Provide a TWRS Advanced Work Authorization for FY 1999 implementation of Phase I Privatization, by September 28, 1998. (Short Title: FY 1999 AWA) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.35% at Expectation Level	N/A	N/A
	TWR 3.3: Stage High Level Waste 0.0% at Measure Level	TWR 3.3.1: Complete design activities for the 200 E/W valve pit upgrades for Project W-314 Tank Farm Upgrades by March 20, 1998. (Short Title: W-314 Valve Pit Upgrades) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.8% at Expectation Level	N/A	-40 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by April 20, 1998.
		TWR 3.3.2: Complete design activities on AY Tank Farm for Project W-314 Tank Farm Upgrades by May 27, 1998. (Short Title: W-314 AY Upgrades) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.6% at Expectation Level	N/A	-50 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to complete design activities on AY Tank Farm by June 29, 1998.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 3.3.3: Complete design activities on AZ Tank Farm for Project W-314 Tank Farm Upgrades by September 28, 1998. (Short Title: W-314 AZ Upgrades) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.6% at Expectation Level	N/A	-50 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to complete design activities on AZ Tank Farm by October 30, 1998.
	TWR 3.4: Complete Supporting Projects 0.0% at Measure Level	TWR 3.4.1: Project W-320, Contractor declaration of readiness (per DOE Order 425.1) for transfer of waste from Tank C-106 to Tank AY-102 by August 14, 1998. (Short Title: W-320 from C-106) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 3.5% at Expectation Level	N/A	-100 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by September 14, 1998.
		TWR 3.4.2: Project W-320, Complete sluicing Transfer of waste from tank C-106 to tank AY-102 by August 30, 1999. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.0% at Expectation Level	TBD	TBD

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 3.4.3: Begin operation of the W-030 ventilation system with once through cooling by January 23, 1998, demonstrating a negative pressure without operation of the 702-A ventilation system on four tanks. (Short Title: W-030 Vent System) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.2% at Expectation Level	N/A	-65 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by January 29, 1998.
		TWR 3.4.4: Declaration of readiness for operation of supernate line (per DOE approved Memorandum of Understanding) and operation test of slurry line by April 5, 1998. 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.0% at Expectation Level	N/A	-50 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by April 15, 1998.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 3.4.5: Submit Topical Report to RL for High Heat Safety Issue Resolution, and resolve Tier I and Sub-Tank Advisory Panel comments by June 30, 1999. (Short Title: High Heat Resolution) TBD percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0% at Expectation Level	TBD	TBD
TWR 4: Provide Phase 1 Infrastructure Support Systems 0.0% at Objective Level	TWR 4.1: Complete Project W-519 0.0% at Measure Level	TWR 4.1.1: Transmit to RL the draft Data Package from the Field Sampling Plan by February 18, 1998. (Short Title: W-519 Data Package) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	N/A	-50 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by March 1, 1998.
		TWR 4.1.2: Submit to RL by August 30, 1998, a letter providing approved design deliverables for W-519. (Short Title: W-519 Design Deliverables) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	N/A	-50 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by September 30, 1998.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
TWR 5: Interim Store Immobilized High-Level Waste 0.0% at Objective Level	TWR 5.1: Complete Phase I Solidified High-Level Waste Interim Storage Project W-464 and start operation by June 2002. 0.0% at Measure Level	TWR 5.1.1: Provide cost, schedule, and technical input for late validation of Project W-464 as a FY2000 line item project based on a 4.5m canister by July 15, 1998. (Short Title: Support W-464 Validation) 40 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.4% at Expectation Level	100 percent of the incentive fee for this PA can be earned by the Contractor if the Performance Expectation is completed by April 15, 1998.	-50 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by July 15, 1998.
TWR 6: Store/Dispose of Immobilized Low-Activity Waste (ILAW) 0.0% at Objective Level	TWR 6.1: Complete TWRS ILAW Storage/Disposal Project W-465 and start operation by June 2002. 0.0% at Measure Level	TWR 6.1.1: Complete ILAW disposal Performance Assessment update, to support construction and operation of Project W-465 as a disposal facility, and provide cost, schedule, and technical input, for validation of Project W-465 as a FY 2000 line item project, by April 15, 1998. (Short Title: Support W-465 Performance Assessment and Validation) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.25% at Expectation Level	N/A	-50 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet the Performance Expectation by May 8, 1998.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
		TWR 6.1.3: Document soil hydraulic properties measurements from Borehole #1 by September 30, 1998. (Short Title: Borehole #1) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.3% at Expectation Level	N/A	N/A
		TWR 6.1.4: Conduct waste form testing to provide ILAW disposal system performance assessment data and report results by September 30, 1998. (Short Title: W-465 Waste Form Testing) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 0.5% at Expectation Level	N/A	N/A
	TWR 6.2: Complete ILAW Disposal Facility Project W-520 and start operation by March 2005. 0.0% at Measure Level	TWR 6.2.1: Complete ILAW Disposal Project W-520 90% Conceptual Design Report (CDR) by September 30, 1998. (Short Title: W-520 Concept. Design) 100 percent of the incentive fee for this PA can be earned by the contractor for meeting the Performance Expectation. 1.1% at Expectation Level	N/A	N/A

CHIEF FINANCIAL OFFICER				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
CFO 1 : Integrated financial systems maintain the Hanford Site financially in control. 0% at Objective Level	CFO 1.1 : N/A 0% at Measure Level	CFO 1.1.1: No funds ceilings cited on the FDH contract are exceeded in FY 1998. No incentive fee amount will be earned by the Contractor for meeting the Performance Expectation; the Performance Expectation is minimum expected performance. -2% at Expectation Level for each occurrence	N/A	-100 percent of the incentive fee available for this PA will be assessed against the Contractor for each control point where costs plus commitments exceeds total budget authority for that control point. A control point violation involves costs reported to RL in excess of control points that are not corrected.
CFO 2: The PHMC is managerially and financially in control. 0% at Objective Level	CFO 2.1: N/A 0% at Measure Level	CFO 2.1.1: By April 30, 1998, the Contractor shall review its performance measurement and cost charging practices and procedures for calculating BCWS, BCWP, and ACWP, make necessary revisions as required, and submit a written report to RL by April 30, 1998, verifying that the performance measurement and cost charging data is accurate and the necessary controls are in place. No incentive fee amount will be earned by the Contractor for meeting the Performance Expectation; the Performance Expectation is minimum expected performance. 0% at Expectation Level	N/A	If the Contractor fails to meet these criteria, the affected PAs will be treated as Management and Total Scope Performance Incentives (Mega Incentive).

CHIEF FINANCIAL OFFICER				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
CFO 3: The Contractor is cost competitive. 0.0% at Objective Level	CFO 3.1: Provide only the necessary indirect-funded services at competitive costs. 0.0% at Measure Level	CFO 3.1.1 : The FY 1998 Actual Cost of Work Performed (ACWP) shall be less than or equal to 100% of the baseline. 40 percent of the incentive fee for this PA can be earned by the Contractor for meeting the Performance Expectation. 4.5% at Expectation Level	The Contractor can earn one of the following additional incentive fee amounts if the stated performance condition is met: -70% of the incentive fee for this PA can be earned by the Contractor if the FY 1998 ACWP for originated costs on Contractor indirect-funded activities is less than or equal to 95% of the baseline; -80% of the incentive fee for this PA can be earned by the Contractor if the FY 1998 ACWP for originated costs on Contractor indirect-funded activities is less than or equal to 94% of the baseline; or -90% of the incentive fee for this PA can be earned by the Contractor if the FY 1998 ACWP for originated costs on Contractor indirect-funded activities is less than or equal to 93% of the baseline; or -100% of the incentive fee for this PA can be earned by the Contractor if the FY 1998 ACWP for originated costs on Contractor indirect-funded activities is less than or equal to 92% of the baseline.	No incentive fee amount can be earned by the Contractor if the FY 1998 ACWP for originated costs on Contractor indirect-funded activities are greater than or equal to the baseline. The Contractor will be assessed one of the following negative incentive fee amounts if the stated performance condition is met: --40% of the incentive fee for this PA will be assessed against the Contractor if the FY 1998 ACWP for originated costs on Contractor indirect-funded activities is greater than or equal to 101% of the baseline; --70% of the incentive fee for this PA will be assessed against the Contractor if the FY 1998 ACWP for originated costs on Contractor indirect-funded activities is greater than or equal to 102% of the baseline; --80% of the incentive fee for this PA will be assessed against the Contractor

CHIEF FINANCIAL OFFICER				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
			The Contractor can only earn incentive fee at the 70%,80%, 90% or 100% levels for the Stretch Performance Level.	if the FY 1998 ACWP for originated costs on Contractor indirect-funded activities is greater than or equal to 104% of the baseline; --90% of the incentive fee for this PA will be assessed against the Contractor if the FY 1998 ACWP for originated costs on Contractor indirect-funded activities is greater than or equal to 106% of the baseline; or --100% of the incentive fee for this PA will be assessed against the Contractor if the FY 1998 ACWP for originated costs on Contractor indirect-funded activities is greater than or equal to 108% of the baseline. In addition, the Contractor will be assessed 0.4% of total available FY 1998 incentive fee pool each time: - the Contractor fails to disclose any material FY 1998 AWP baseline change; - a reduction in workscope is implemented by the Contractor and not approved by RL using the formal change control process; or - customers that are affected by the workscope Change Request are not made aware of the proposed change in advance of the change.

CHIEF FINANCIAL OFFICER				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
				In addition, the Contractor will be assessed 1.2% of total available FY 1998 incentive fee pool for each accounting practice changed without following the RL Accounting Practice Change Policy.

CHIEF FINANCIAL OFFICER				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
CFO 4: Integrated, traceable, and consistent data. 0% at Objective Level	CFO 4.1: Data contained in the Multi-Year Work Plans (MYWP); Integrated Site Baseline (ISB); Accelerated Cleanup Plan (including Project Baseline Summary (PBS) [Parts A and C], Operations/Field Office Baseline Summary and Site Baseline Summary); Integrated Priority List (IPL); and the Hanford Strategic Plan (HSP) shall be integrated, traceable, and consistent. 0% at Measure Level	CFO 4.1.1 : The Contractor shall demonstrate: Element 1: 90% Data Traceability by budget submittal date (when Formulation Budget due to HQ - Mid-April); Element 2: 80% Data Consistency by budget submittal date (when Formulation Budget due to HQ - Mid-April); Element 3: 95% Data Traceability by MYWP submittal date (when Execution Year MYWP due to RL - Late August); and Element 4: 90% Data Consistency by MYWP submittal date (when Execution Year MYWP due to RL - Late August) 15 percent of the incentive fee available for this PA can be earned by the Contractor for meeting Elements 1 and 2 of the Performance Expectation. 25 percent of the incentive fee available for this PA can be earned by the Contractor for meeting Elements 3 and 4 of the Performance Expectation. 3% at Expectation Level	60 percent of the incentive fee available for this PA can be earned by the Contractor for completion of Elements 5 and 6: Element 5: 95% Data Traceability by budget submittal date (when Formulation Budget due to HQ - Mid-April) Element 6: 95% Data Consistency by budget submittal date (when Formulation Budget due to HQ - Mid-April)	-20 percent of the incentive fee available for this PA will be assessed against the Contractor for each of the following two conditions, for a total maximum negative incentive fee of -40 percent: - achievement of 70% or less Data Traceability or Data Consistency by budget submittal date (mid-April); or - achievement of 85% or less Data Traceability, or 75% or less Consistency by MYWP submittal date (August).

CHIEF FINANCIAL OFFICER				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
CFO 5: Acquisition Excellence 0% at Objective Level	CFO 5.1: The Contractor shall achieve all socioeconomic and fixed-price subcontracting goals 0% at Measure Level	CFO 5.1.1 : By the end of FY 1998, the Contractor shall: Element 1 (3 requirements): achieve all small business, small disadvantaged business, and women-owned business goals for the combined performance of all members of the PHMC team (Fluor Daniel Hanford, Inc.; B&W Hanford Company; DE&S Hanford, Inc.; Lockheed Martin Hanford Corporation; Numatec Hanford Corporation; Waste Management Services of Hanford, Inc.; and DynCorp Tri-Cities Services, Inc.) that are established in the RL approved *FY 1998 Fluor Daniel Hanford Socioeconomic Subcontracting Plan*; and Element 2 (1 requirement): achieve a minimum level of 90 percent fixed-price subcontracting for the combined performance of all members of the PHMC team. No incentive fee amount will be earned by the Contractor for meeting the Performance Expectation; the Performance Expectation is minimum expected performance. -1% at Expectation Level	N/A	-75 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet Element 1 of the Performance Expectation. -25 percent of the incentive fee available for this PA will be assessed against the Contractor for failure to meet Element 2 of the Performance Expectation.

SITE INFRASTRUCTURE				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
SID 1: Excellence in information resource management systems. 0% at Objective Level	SID 1.1: Provide an integrated suite of software modules for Finance and Supply Management Systems for Project Hanford. 0% at Measure Level	SID 1.1.1 : The Contractor shall complete the Production Readiness Acceptance for Both the Finance Management Module Phase I and the Supply Management Module by September 29, 1998. (Annual Work Plan Activity ID numbers 1.3.20 and 1.4.19). 40 percent of the incentive fee for this PA can be earned by the Contractor for meeting the Performance Expectation. 0.35% at Expectation Level	N/A	–100% of the incentive fee for this PA will be assessed against the Contractor if both the Financial Phase I and Supply Management Modules have not completed Production Readiness Acceptance by October 29, 1998.

SITE INFRASTRUCTURE				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
	SID 1.2: Eliminate Year 2000 associated computer related problems that if left unresolved would have an adverse impact to the Hanford Mission. 0% at Measure Level	SID 1.2.1:By September 30, 1998, the Contractor shall: 1) have Assessed 100% of the Equipment, 100% of the Infrastructure, and 80% of the IRM Systems, and 2) Remediated 70% of the Equipment, 70% of the Infrastructure, and 30% of the IRM Systems as defined in the attachments to Contractor letter FDH-9760877, dated November 18, 1997. 75 percent of the incentive fee for this PA can be earned by the Contractor for meeting the Performance Expectation. 0.65% at Expectation Level	100 percent of the incentive fee available for this PA can be earned by the Contractor if the Performance Expectation is met, and 100 percent of the IRM Systems are Assessed, 80 percent of the Equipment is Remediated, 80 percent of the Infrastructure is Remediated, and 40 percent of the IRM Systems are Remediated, as defined in the attachments to Contractor letter FDH-9760877, dated November 18, 1997.	N/A

OFFICE OF THE MANAGER				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
MGR 1: Reduce project direct costs. 0.00% at Objective Level	MGR 1.1: Reduce Tank Waste Remediation System, Waste Management, Spent Nuclear Fuel, and Facility Stabilization project direct costs. 0.00% at Measure Level	MGR 1.1.1:Reduce project direct costs by $21.2M in FY 1998. Project direct cost savings may come from any of the following projects: Tank Waste Remediation System, Waste Management, Spent Nuclear Fuel, and Facility Stabilization. 70 percent of the incentive fee available for this PA can be earned by the Contractor for meeting the Performance Expectation. If less than $21.2M is saved, the Contractor may earn a portion of the 70 percent as identified in Section 5, Table 1. 4.75% at Expectation Level	85 percent of the incentive fee available for this PA can be earned by the Contractor if the Performance Expectation is met and a total of net project direct cost savings exceeds $23.85M in FY 1998; and 100 percent of the incentive fee available for this PA can be earned by the Contractor if the Performance Expectation is met and the total of net project direct cost savings exceeds $26.50M in FY 1998.	N/A

OFFICE OF THE MANAGER				
OBJECTIVE	**MEASURE**	**EXPECTATION**	**INCREASED**	**NEGATIVE**
N/A	N/A	MEGA INCENTIVE: The *DOE Performance Expectation Plan for FDH Company Performance During the Twelve-Month Evaluation Period, Ending September 30, 1998*, establishes the bases to measure performance under this PA.	N/A	N/A

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

98-PRO-797

OCT 2 0 1998

Mr. R. D. Hanson, President
Fluor Daniel Hanford, Inc.
Richland, Washington 99352

Dear Mr. Hanson:

CONTRACT NO. DE-AC06-96RL13200 – TRANSMITTAL OF MODIFICATION M056

Enclosed for your files is a fully executed copy of the subject modification, incorporating corrections and negotiated changes to the Fiscal Year 1998 Performance Objectives, Measures and Expectations. These changes have been fully coordinated with your staff. Revised Performance Agreements were provided previously. If you have questions, please contact me on (509) 376-8948.

Sincerely,

ORIGINAL SIGNED BY:

Sally A. Sieracki
Contracting Officer

PRO:GFC

Enclosure

bcc: PRO Off File
PRO Rdg File
CCC Rdg File
Record Note: None

RECEIVED
OCT 2 0 1998
DOE-RL/RLCC

George\MODs\M056Cvr Ltr

Office >	PRO	PRO				
Surname >	CHAMPLAIN	SIERACKI				
Date >	15 oct 98	15 OCT 98				

(Please return to Rosie Garza 6-7736 A7-80/FED FAX 6-5378)

Document No. 6388