



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

JAN 12 1999

99-PRO-222

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

Dear Mr. Hanson:

CONTRACT NO. DE-AC06-96RL13200 – CONTRACT MODIFICATION M057, FISCAL YEAR (FY) 1999 PERFORMANCE AGREEMENTS (PAs) AND FY 1999 FEE PLAN

Enclosed for your file is fully executed Modification Number M057. This modification incorporates FY 1999 PAs into Part III, Section J, Appendix D, and incorporates the FY 1999 Fee Plan in Part III, Section J, Appendix H of the contract. Should you have any questions, please contact me on (509) 376-8948, or Alan Hopko of my staff on (509) 376-2031.

Sincerely,

Sally A. Sieracki
Sally A. Sieracki
Contracting Officer

PRO:AEH

Enclosure



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

JAN 12 1999

99-PRO-222

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

Dear Mr. Hanson:

CONTRACT NO. DE-AC06-96RL13200 – CONTRACT MODIFICATION M057, FISCAL YEAR (FY) 1999 PERFORMANCE AGREEMENTS (PAs) AND FY 1999 FEE PLAN

Enclosed for your file is fully executed Modification Number M057. This modification incorporates FY 1999 PAs into Part III, Section J, Appendix D, and incorporates the FY 1999 Fee Plan in Part III, Section J, Appendix H of the contract. Should you have any questions, please contact me on (509) 376-8948, or Alan Hopko of my staff on (509) 376-2031.

Sincerely,

ORIGINAL SIGNED BY:

Sally A. Sieracki
 Contracting Officer

PRO:AEH

Enclosure

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

RECEIVED
JAN 12 1999
 DOE-RL/RLCC

E:\Alan\Mods\Executed M057 #222.8835

Office >	PRO	PRO				
Surname >	HOPKO	SIERACKI				
Date >	12/11/98	12/12/99				

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

Document No. 8835

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES 1 45
-----------------------------------------------------------	--	--	---------------------	-------------------------

2. AMENDMENT/MODIFICATION NO. M057	3. EFF. DATE 10/01/98	4. REQUISITION/PURCHASE REQ. NO. N/A	5. PROJECT NO. (If applicable)
---------------------------------------	--------------------------	-----------------------------------------	--------------------------------

6. ISSUED BY U.S. Department of Energy Richland Operations Office 825 Jadwin Avenue MSIN A7-80 Richland WA 99352	CODE	7. ADMINISTERED BY (If other than Item 6)	CODE
------------------------------------------------------------------------------------------------------------------------------------	------	-------------------------------------------	------

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) FLUOR DANIEL HANFORD, INC. 2420 STEVENS CENTER P. O. BOX 1000 RICHLAND WA 99352	9A. AMENDMENT OF SOLICITATION NO.
	9B. DATED (SEE ITEM 11)
	10A. MODIFICATION OF CONTRACT/ORDER NO. X DE-AC06-96RL13200
10B. DATED (SEE ITEM 13)	08/06/96

CODE	FACILITY CODE
------	---------------

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 ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

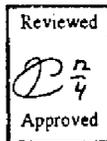
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

<input type="checkbox"/>	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
<input type="checkbox"/>	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: H.41: Performance, Objectives, Measures, Expectations ...
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not is required to sign this document and return 3 copies to 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 Fiscal Year (FY) 1999 Performance Agreements into Part III, Section J, Appendix D of the contract; and to incorporate the FY 1999 Fee Plan into Part III, Section J, Appendix H of the contract.



Except as provided herein, all terms and conditions of the document related to Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) Ron D. Hanson President and Chief Executive Officer	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) John D. Wagoner, Manager
15B. CONTRACTOR/OFFEROR <i>Ron D. Hanson</i> (Signature of person authorized to sign)	15C. DATE SIGNED 12/18/98
16B. UNITED STATES OF AMERICA BY <i>John D. Wagoner</i> (Signature of Contracting Officer)	16C. DATE SIGNED 10/16/98

WASTE MANAGEMENT				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
<p>WM 1: Retrieve, treat, store, and dispose of legacy waste and newly-generated waste, on a schedule that supports the Tri-Party Agreement (TPA) and National Transuranic (TRU) Program requirements, in a safe and environmentally compliant manner.</p> <p>0.0% at Objective Level</p>	<p>WM 1.1: Mixed Low-Level Waste (MLLW) Treatment and Disposal Operations.</p> <p>0.0% at Measure Level</p>	<p>WM 1.1.1:</p> <ul style="list-style-type: none"> Submit the Contractor certified Effluent Treatment Facility (ETF) final delisting modification document to RL-WPD, by November 30, 1998; and Initiate disposal of Land Disposal Restriction (LDR)-compliant MLLW in the mixed waste trenches by June 30, 1999. <p>70 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>0.90% at Expectation Level</p>	<p>The remaining 30 percent of the incentive fee available for this PA may be earned by the Contractor for disposing 100 cubic meters of LDR-compliant waste into mixed waste Trench 34 by September 30, 1999. The Contractor shall submit a letter report to RL-WPD by October 29, 1999 documenting that the additional disposed waste volume objective has been met. The report shall specify the Package Identification Number (PIN), associated external package volume, and treatment and/or disposition path for each waste package sent to disposal (reference Notes 1 and 2).</p>	<p>N/A</p>

WASTE MANAGEMENT				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	<p>WM 1.2: TRU Program.</p> <p>0.0% at Measure Level</p>	<p>WM 1.2.1:</p> <ul style="list-style-type: none"> Initiate contact-handled, small container TRU/TRU-mixed (TRUM) waste processing by December 31, 1998 to satisfy TPA milestone M-91-02; and Process at least 120 cubic meters of waste through the Waste Receiving and Processing (WRAP) facility including one or more of the following activities: radioassay, radiography, and/or glovebox operations (e.g., sorting, repackaging, sampling) by September 30, 1999. <p>80 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>2.10% at Expectation Level</p>	<p>100 percent of the incentive fee available for this Performance Agreement may be earned by the contractor if the Performance Expectation is completed and a stretch goal is completed, the specifics of which will be determined by April 1, 1999, and will be based on an improvement to FY 1999 first and second quarter WRAP throughput, with a focus on glovebox operations.</p>	<p>The Contractor's total earned incentive fee will be reduced by 80 percent of the total fee available for this PA for failure to initiate contact-handled, small container TRU/TRUM waste processing by December 31, 1998 to satisfy TPA milestone M-91-02.</p>

WASTE MANAGEMENT				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
		<p>WM 1.2.2: To support achievement of readiness to ship waste to the Waste Isolation Pilot Plan (WIPP), a minimum of 80 waste containers will be processed consistent with the requirements of the Hanford Site TRU Waste Quality Assurance Project Plan (QAPjP) and Certification Plan by September 30, 1999.</p> <p>80 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>1.25% at Expectation Level</p>	<p>100 percent of the incentive fee available for this PA may be earned by the Contractor if the Performance Expectation is completed in accordance with the following:</p> <p>Process 100 waste containers consistent with the requirements of the Hanford Site TRU Waste QAPjP and Certification Plan (see Note 2) by September 30, 1999 (reference Note 1 and Section 5, Criterion 1).</p>	N/A
	<p>WM 1.3: Effluent Treatment Facilities (ETF) Operations.</p> <p>0.0% at Measure Level</p>	<p>WM 1.3.1 The Contractor shall:</p> <p>(A) Earn 60 percent of the incentive fee available for this PA for operating the ETF on UP-1 groundwater at a cumulative average throughput during FY 1999 of at least 1,800,000 gallons per month (gpM), and</p> <p>(B) Earn 20 percent of the incentive fee available for this PA for conducting and reporting the on results of a 30-day process test by June 30, 1999 to determine the most effective/efficient method to treat the wastewater currently stored in the Liquid Effluent Retention Facility (LERF) Basin 44.</p> <p>1.34% at Expectation Level</p>	<p>100 percent of the incentive fee available for this PA may be earned by the Contractor if the Performance Expectation is completed and the Contractor operates of ETF on UP-1 groundwater at an cumulative average throughput during FY 1999 of at least 2,340,000 gpM as documented in a letter report.</p>	<p>The Contractor's total earned incentive fee will be reduced by 20 percent of the total fee available for this PA for failure to conduct the process test and submit a report to RL-WPD by July 30, 1999 documenting the most effective/efficient method to treat the wastewater currently stored in the LERF Basin 44.</p>

WASTE MANAGEMENT				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	WM 1.4: 242-A Evaporator Operations. 0.0% at Measure Level	WM 1.4.1: Conduct the 242-A Evaporator FY 1999 campaign(s) that will concentrate high-level tank waste that has been staged and sampled as of May 1, 1999. 50 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 1.70% at Expectation Level	100 percent of the incentive fee available for this PA may be earned by the Contractor for meeting the Performance Expectation and maintaining Effluent Treatment Facility (ETF) operations concurrent with Evaporator tank waste processing (i.e., no shutdown due to staffing limitations – reference Note 2).	The Contractor's total earned incentive fee will be reduced by 20 percent of the total fee available for this PA for failure to begin operation of the 242-A Evaporator within 90 days of written notification by RL-WPD of waste availability.
	WM 1.5: 300 Area Liquid Effluent Facilities Operations. 0.0% at Measure Level	WM 1.5.1: Operation of the 300 Area Treated Effluent Disposal Facility (TEDF) to treat industrial liquid effluents in FY 1999 with an average plant down time, other than for scheduled maintenance or planned outages, of less than 10 percent. 100 percent of the incentive fee available for this PA may be earned by the Contractor for meeting the Performance Expectation. 0.35% at Expectation Level	N/A	The Contractor's total earned incentive fee will be reduced by 20 percent of the total fee available for this PA if the total waste staging tank volume exceeds 80 percent more than 5 percent of the time (based on a 24-hour day, 365 day year).

WASTE MANAGEMENT				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
WM 2: Effectively utilize Waste Management cross-cutting services to maximize progress towards site-wide, critical outcomes. Ensure pollution prevention goals are met for minimizing waste generation. 0.0% at Objective Level	WM 2.1: 222-S Laboratory Operations. 0.0% at Measure Level	WM 2.1.1: By September 30, 1999, the Contractor shall provide analytical support of up to 20 analytical equivalent units (AEU's) as required by the Tank Waste Remediation System (TWRS) Program. 80 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 1.84% at Expectation Level	100 percent of the incentive fee for this PA may be earned by the Contractor if the Performance Expectation is completed and the FY 1999 analytical worklists are completed with a percent early value of greater than 90 percent and the Contractor submits a letter report to RL-WPD by October 7, 1999 documenting the percent early value.	N/A
	WM 2.2: Corrective Actions. 0.0% at Measure Level	WM 2.2.1: Meet the requirements of Milestone M32-03-T06 and support site decontamination and waste treatment needs by completion of Project W-259 construction activities, issuance of a contractor declaration of readiness to restart operations at the 2706-T Facility, and completion of identified dangerous waste tank corrective actions (see Note 1) for T Plant by September 30, 1999. 100 percent of the incentive fee for this PA may be earned by the contractor for meeting the Performance Expectation. 0.70% at Expectation Level	N/A	N/A

WASTE MANAGEMENT				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
WM 3: Meet on-site and off-site customer needs, including reducing costs to benchmarked standards. 0.0% at Objective Level	WM 3.1: Develop and utilize effective management tools. 0.0% at Measure Level	WM 3.1.2: Provide a Project Management Plan (PMP) for treating, storing, and disposing of low-level mixed waste and greater than Class 3 waste (Tri-Party Agreement [TPA] Milestone M-91-10) by May 22, 1999, and an optimized version of the Hanford Site Treatment, Storage, and Disposal (TSD) disposition maps to RL-WPD by June 30, 1999. 100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 0.32% at Expectation Level	N/A	N/A
		WM 3.1.3: Meet standards set by Waste Management Project Performance Indicators, including environmental compliance, safety, production, and customer satisfaction. 60 percent of the incentive fee available for this PA may be earned by the Contractor by achieving a satisfactory or higher rating in all four quarters (a satisfactory or higher rating in any quarter will earn 15 percent of the available fee to a maximum of 60 percent). 1.50% at Expectation Level	Each quarter with an "excellent" rating will earn an additional 10 percent of the fee available for this PA.	The Contractor's total earned incentive fee will be reduced by 15 percent of the total fee available for this PA for each quarter that the Contractor fails to achieve at least a "satisfactory" rating.

SPENT NUCLEAR FUELS				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
SNF 1: All Hanford spent nuclear fuel consolidated in the 200 Areas in safe, cost effective, dry, interim storage pending national decisions on ultimate disposition. 0.0% at Objective Level	SNF 1.1: K Basin Readiness. 0.0% at Measure Level	SNF 1.1.1: Complete 105-KW Fuel Retrieval System Construction by July 7, 1999. 100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 2.25% at Expectation Level	N/A	The Contractor's total earned incentive fee will be reduced by 100 percent of the total fee available for this PA for failure to meet the Performance Expectation by September 1, 1999.
		SNF 1.1.2: Complete 105-KW Integrated Water Treatment System (IWTS) Construction by June 21, 1999. 100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 2.25% at Expectation Level	N/A	The Contractor's total earned incentive fee will be reduced by 100 percent of the total fee available for this PA for failure to meet the Performance Expectation by August 1, 1999.
		SNF 1.1.3: Complete the 105-KW Cask Transportation Facility Modification (CTFM) by September 22, 1999. 100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 1.0% at Expectation Level	N/A	The Contractor's total earned incentive fee will be reduced by 100 percent of the total fee available for this PA for failure to meet the Performance Expectation by October 29, 1999.

SPENT NUCLEAR FUELS				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	SNF 1.2: Canister Storage Building (CSB) Readiness. 0.0% at Measure Level	SNF 1.2.1: Complete Pre-Operational Testing of the Multi-Canister Overpack (MCO) Handling Machine by June 22, 1999. 100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 0.75% at Expectation Level	N/A	N/A
		SNF 1.2.2: Complete Sampling Station Pre-Operational Testing by September 23, 1999. 100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 2.0% at Expectation Level	N/A	N/A
		SNF 1.2.3: Complete Installation of the Standard Canister Storage Building Storage Tubes by May 20, 1999. 100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 2.0% at Expectation Level	N/A	N/A

SPENT NUCLEAR FUELS				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	SNF 1.3: Cold Vacuum Drying Readiness. 0.0% at Measure Level	SNF 1.3.1: Complete Cold Vacuum Drying (CVD) Process Equipment Construction Acceptance Testing for the first two bays by August 27, 1999. 50 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 5.25% at Expectation Level	100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation by July 27, 1999.	N/A
SNF 4: Improve ES&H performance for all SNF project activities to benchmarked standards. 0.0% at Objective Level	SNF 4.1: Safety Analysis Reports (SARs) schedule/product focus. 0.0% at Measure Level	SNF 4.1.1: Submit Final Safety Analysis Reports (FSARs) and the Multi-Canister Overpack (MCO) Topical Report in accordance with the dates and requirements cited in Section 5. 50 percent of the incentive fee available for this PA may be earned by the Contractor for meeting the Performance Expectation for submitting the first four safety documents referenced in Section 5. This fee will be equally split (12.5% each) between each of the first four safety documents referenced in Section 5. 21 percent of the incentive fee available for this PA may be earned by the Contractor for meeting the Performance Expectation for submitting the remaining three safety documents. This fee will be equally split (7% each) between each of the three remaining safety documents referenced in Section 5. 4.0% at Expectation Level	For each of the first four safety documents in Section 5 that are submitted 30 or more calendar days ahead of the expectation due date, the Contractor may earn an additional 12.5 percent, per safety document, of the total incentive fee available for this PA.	N/A

SPENT NUCLEAR FUELS				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	SNF 4.2: ISMS schedule/product focus. 0.0% at Measure Level	SNF 4.2.1: Implement (by a declaration of readiness to proceed) an Integrated Environment, Safety and Health Management System for the SNF Project by September 1, 1999. 100 percent of the incentive fee for this PA may 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 1: Mitigate urgent risks, transition and decommission the facility, and maintain safe storage of special nuclear material (SNM) in the Plutonium Finishing Plant (PFP). 0.0% at Objective Level	FS 1.1: Perform Defense Nuclear Facilities Safety Board (DNFSB) Recommendation 94-1 stabilization activities at PFP. 0.0% at Measure Level	FS 1.1.1: Restart the thermal stabilization process at PFP and demonstrate strong progress in stabilizing the inventory of higher risk plutonium-bearing materials, as referenced in Section 5, by September 30, 1999. 80 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 4.0% at Expectation Level	100 percent of the incentive fee for this PA may be earned by the Contractor if the Performance Expectation is met and a combination of onsite stabilization and/or disposition (i.e., shipment to the onsite Central Waste Complex or RL-designated offsite locations) of an additional 150 kilograms of special nuclear material above and beyond the selected stabilization case in Section 5, "Performance Expectation Level" is completed.	The Contractor's total earned incentive fee will be reduced by 30 percent of the total incentive fee available for this PA for failure to meet the Performance Expectation by October 29, 1999.
		FS 1.1.2: Restart the prototype calciner with plutonium solution feed by May 10, 1999 (target date) and complete installation of the production model Vertical Denitration Calciner, as referenced in Section 5, by September 30, 1999. 80 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 3.0% at Expectation Level	100 percent of the incentive fee for this PA may be earned by the Contractor if, by September 30, 1999: The Performance Expectation is met, <ul style="list-style-type: none"> The minimum necessary staff for of the production model of the Vertical Denitration Calciner are hired and trained for initial operations, and The cold testing of the process is completed. 	The Contractor's total earned incentive fee will be reduced by 25 percent of the total incentive fee available for this PA for failure to restart the prototype calciner with plutonium solution feed by July 9, 1999 or complete installation of the production model Vertical Denitration Calciner by October 29, 1999.

FACILITIES STABILIZATION				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
		<p>FS 1.1.3: Complete preparation of the PFP processes for accelerated stabilization and inventory disposition in accordance with Defense Nuclear Facilities Safety Board (DNFSB) Recommendation 94-1.</p> <p>1.0% at Expectation Level</p>	<p>Accelerate completion one or both of the following FY 2000/2001 activities by September 30, 1999:</p> <p>1) 50 percent of the incentive fee for this PA may be earned by the Contractor for completing installation of three (3) additional muffle furnaces in Glovebox HA-21I;</p> <p>2) 50 percent of the incentive fee for this PA may be earned by the Contractor for cleanout and preparations for the resumption of the cementation process.</p>	N/A
	<p>FS 1.2: Perform remediation activities on Tank 241-Z-361 at PFP.</p> <p>0.0% at Measure Level</p>	<p>FS 1.2.1: Obtain two core samples from Tank 241-Z-361 per the Tank 241-Z-361 Characterization Plan and deliver the samples to a qualified laboratory by September 30, 1999.</p> <p>90 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>1.0% at Expectation Level</p>	<p>100 percent of the incentive fee for this PA may be earned by the Contractor if the Performance Expectation is met and laboratory characterization work for the two core samples has been completed by September 30, 1999.</p>	<p>The Contractor's total earned incentive fee will be reduced by 60 percent of the total fee available for this PA for failure to meet the Performance Expectation by October 29, 1999.</p>

FACILITIES STABILIZATION				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	FS 1.3: Develop PFP Integrated Project Management Plan. 0.0% at Measure Level	FS 1.3.1: Issue an Integrated Project Management Plan and supporting detailed, resource-loaded schedules by April 30, 1999. The Integrated Project Management Plan must conform to Section 8 of the <i>Federal Facility Agreement and Consent Order</i> . Final facility deactivation and dismantling schedules and estimates will necessarily be at a higher level than those for nearer-term surveillance and maintenance and material stabilization scope. 90 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 2.0% at Expectation Level	95 percent of the incentive fee for this PA may be earned by the Contractor if the Performance Expectation is met by April 9, 1999. 5 percent of the incentive fee for this PA may be earned by the Contractor if a corresponding Basis of Estimate that provides a firm foundation for the FY 2000 Multi-Year Work Plan is available by June 30, 1999.	The Contractor's total earned incentive fee will be reduced by 80 percent of the total fee available for this PA for failure to complete the Performance Expectation by July 31, 1999.

FACILITIES STABILIZATION				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	FS 1.4: Establish criticality safety performance indicators for PFP. 0.0% at Measure Level	FS 1.4.1: <ul style="list-style-type: none"> • By November 15, 1998, establish criticality safety performance indicators; and • By September 30, 1999, demonstrate significant improvements (as defined in Section 5) in each of the major deficiency areas identified in the May 1998 DOE-EH review of the PFP Criticality Safety Program through quarterly reports for the last three quarters of FY 1999 and an independent DOE (or possibly DOE and the Contractor) assessment. 100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 1.0% at Expectation Level	N/A	N/A

FACILITIES STABILIZATION				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	FS 1.5: Improve PFP maintenance program. 0.0% at Measure Level	FS 1.5.1: Improve maintenance efficiency in the maintenance program as defined in Section 5. 25 percent of this PA incentive fee amount may be earned by the Contractor for successful completion of each three-month period. 2.0% at Expectation Level	N/A	The Contractor's total earned incentive fee will be reduced by 40 percent of the total fee available for this PA for failure to complete in the last three quarters of FY 1999 an average of at least 30 scheduled commitments per month and maintain an average of 40 completed maintenance work packages per month considering scheduled, emergent and fill-in type of activities. For this provision, the first quarter test period results will not be applicable for the scheduled commitments and completed maintenance work packages.

FACILITIES STABILIZATION				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
<p>FS 2: Transition the 324/327 Buildings to a low-cost, stable deactivated condition and disposition their nuclear materials.</p> <p>0.0% at Objective Level</p>	<p>FS 2.1: Remove materials from 324 B-Cell.</p> <p>0.0% at Measure Level</p>	<p>FS 2.1.1: Remove, package, and ship excess equipment from B-Cell by September 30, 1999 as defined in Section 5.</p> <p>90 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>4.5% at Expectation Level</p>	<p>95 percent of the incentive fee for this PA may be earned by the Contractor if the Performance Expectation is met and 18 cu ft of dispersibles from the B-Cell floor are containerized in engineered containers by September 30, 1999. This dispersible is in addition to the dispersibles to be removed as part of the 2A Rack removal.</p> <p>100 percent of the incentive fee for this PA may be earned by the Contractor if the Performance Expectation is met and removal of all low-level waste activities associated with removal of the fuel are completed as described in WBS 1K4BOE0A09 by September 30, 1999.</p>	<p>The Contractor's total earned incentive fee will be reduced by 40 percent of the total fee available for this PA for failure to complete the Performance Expectation by October 29, 1999.</p>

FACILITIES STABILIZATION				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	<p>FS 2.2: Remove materials from the 327 Canyon.</p> <p>0.0% at Measure Level</p>	<p>FS 2.2.1: Remove SNF-owned and generated waste and equipment from the 327 F- and G-Cells by September 30, 1999.</p> <p>65 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>1.0% at Expectation Level</p>	<p>85 percent of the incentive fee for this PA may be earned by the Contractor for completion of the Performance Expectation and the compaction, packaging and shipping of twenty (20) 327 Building Legacy Waste Drums to the burial site by September 30, 1999.</p> <p>100 percent of the incentive fee for this PA may be earned by the Contractor if, by September 30, 1999:</p> <ul style="list-style-type: none"> • The Performance Expectation is completed, • The compaction, packaging, and shipment of twenty (20) 327 Building Legacy Waste Drums to the burial site is completed, and • The Contractor has accepted the required verification of the contents of all 327 Legacy Waste Buckets generated prior to November 1, 1996. (See Note 1.) 	<p>The Contractor's total earned incentive fee will be reduced by 100 percent of the total fee available for this PA for failure to complete the Performance Expectation by October 29, 1999.</p>

FACILITIES STABILIZATION				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	FS 2.3: Establish/maintain the Safety Basis for 324/327. 0.0% at Measure Level	FS 2.3.1: Complete a revised 324 Safety Analysis Report (SAR) by August 31, 1999. 65 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 0.5% at Expectation Level	100 percent of the incentive fee for this PA may be earned by the Contractor for completing the Performance Expectation and completing the 327 Basis for Interim Operations document by September 30, 1999.	The Contractor's total earned fee will be reduced by 100 percent of the total incentive fee available for this PA for failure to meet the Performance Expectation by October 29, 1999.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
<p>TWR 1: Stage for low-activity waste pretreatment and immobilization and pretreat and stage high-level waste.</p> <p>0.0% at Objective Level</p>	<p>TWR 1.1: Develop plans and technologies for tank farm closure.</p> <p>0.0% at Measure Level</p>	<p>TWR 1.1.1:</p> <ol style="list-style-type: none"> 1) Complete Light Duty Utility Arm (LDUA) Contractor declaration of readiness for deployment in Tank 241-AX-104 by March 11, 1999 and complete LDUA Sampling Campaign within 60 calendar days of receiving approval from DOE-RL to deploy the LDUA into Tank 241-AX-104. 2) Complete the Cone Penetrometer (CP) Hot Deployment into AX Tank Farm by September 30, 1999. <p>50 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation Item 1.</p> <p>50 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation Item 2.</p> <p>1.0% at Expectation Level</p>	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
		<p>TWR 1.1.2: Complete a detailed characterization plan (Rev. 0) that addresses the tank leak/plume locations identified in Rev. 0 of the TWRS Vadose Zone Program Plan (1998), for the "Initial Vadose Zone Campaign," by January 31, 1999. Complete drilling and sampling from a characterization borehole (or characterization activity that accomplishes similar objectives) at one of the sites addressed in the detailed characterization plan by June 30, 1999 and submit a report to RL by September 30, 1999 describing the results from the borehole or other activity.</p> <p>50 percent of the fee available for this PA may be earned by the Contractor for completion of the detailed characterization plan by January 31, 1999.</p> <p>50 percent of the fee available for this PA may be earned by the Contractor for completion of a characterization of a borehole at one of the "Initial Vadose Zone Campaign" sites by June 30, 1999 and submittal of a report describing the results from the borehole characterization by September 30, 1999.</p> <p>1.0% at Expectation Level</p>	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	TWR 1.2: Complete Supporting Projects. 0.0% at Measure Level	TWR 1.2.1: Remove two feet of waste from Tank C-106 by April 30, 1999. 60 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 5.1% at Expectation Level	100 percent of the incentive fee for this PA may be earned by the Contractor if four feet of waste are removed from Tank C-106 by September 30, 1999.	The Contractor's total earned incentive fee will be reduced by 100 percent of the total fee available for this PA for failure to complete the Performance Expectation by May 30, 1999.
	TWR 1.3: Prepare for waste feed delivery from double-shell tanks (DSTs) and single-shell tanks (SSTs). 0.0% at Measure Level	TWR 1.3.1: Issue Project W-211 Title II Design for Tank AN-105 by May 31, 1999. 70 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 0.84% at Expectation Level	100 percent of the incentive fee for this Performance Agreement may be earned by the Contractor for completing Project W-211 Title II Design for Tank AN-105 by April 30, 1999.	N/A
		TWR 1.3.2: Complete an Alternative Generation Analysis (AGA) for the SST retrieval of Tank C-104 by September 30, 1999. 70 percent of the fee available for this PA may be earned by the Contractor for meeting the Performance Expectation. 0.45% at Expectation Level	100 percent of the fee available for this Performance Agreement may be earned by the Contractor for meeting the Performance Expectation and issuing a Phase I Tank Source Selection AGA by May 31, 1999.	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
		<p>TWR 1.3.3: Issue the operations and maintenance (O&M) concept document for waste feed delivery, to validate ability to meet waste feed delivery schedule for the first three source tanks, by August 30, 1999.</p> <p>70 percent of the incentive fee for this PA may be earned by the Contractor for meeting this Performance Expectation.</p> <p>3.0% at Expectation Level</p>	<p>100 percent of the incentive fee for this Performance Agreement may be earned by the Contractor for meeting the Performance Expectation and conducting a risk assessment of the O&M concept in the Performance Expectation, per HNF-IP-0842, Volume IV, Section 2.6, "Risk Management," by September 30, 1999.</p>	N/A
		<p>TWR 1.3.4: Update the Tank Waste Remediation System Operations and Utilization Plan (TWRS O&UP) and deliver to RL by May 5, 1999.</p> <p>50 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>0.6% at Expectation Level</p>	<p>100 percent of the incentive fee for this Performance Agreement may be earned by the Contractor for meeting the Performance Expectation and documenting verification and validation of the Hanford Tank Waste Operations Simulator (HTWOS) model against the Operational Waste Volume Projections (OWVP) requirements by September 30, 1999.</p>	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
		<p>TWR 1.3.5: By July 30, 1999, complete an unconstrained integrated resource-loaded project schedule for the implementation of Phase I Privatization.</p> <p>50 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>2.1% at Expectation Level</p>	<p>100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation and for completing a integrated resource-loaded project schedule for the implementation of Phase I Privatization, that is constrained for FY 2000 through FY 2006 with the years thereafter unconstrained, by September 30, 1999.</p>	<p>The Contractor's total earned incentive fee will be reduced by 70 percent of the total fee available for this PA for failure to complete the Performance Expectation by September 1, 1999.</p>
<p>TWR 2: Conduct reduced mortgage tank farm safe operations.</p> <p>0.0% at Objective Level</p>	<p>TWR 2.1: Complete supporting projects.</p> <p>0.0% at Measure Level</p>	<p>TWR 2.1.1: Complete definitive design on the AN portion of the Project W-314 (Revised) 200 East waste transfer system and the procurement specification for the new pipeline by September 30, 1999.</p> <p>100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>0.387% at Expectation Level</p>	N/A	N/A
		<p>TWR 2.1.2: Complete construction and start-up activities of Project W-314 AN Valve Pit Upgrades Construction Package by September 30, 1999.</p> <p>100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>1.56% at Expectation Level</p>	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
		TWR 2.1.3: Complete the Contractor rebaselining of all Project W-314 Phase I activities by January 15, 1999. 100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 0.312% at Expectation Level	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
<p>TWR 3: Store/dispose immobilized low-activity waste (ILAW). 0.0% at Objective Level</p>	<p>TWR 3.1: Provide ILAW storage/disposal facilities. 0.0% at Measure Level</p>	<p>TWR 3.1.1:</p> <ol style="list-style-type: none"> 1) By March 26, 1999, issue a re-evaluation of Immobilized Low-Activity Waste (ILAW) storage/disposal alternatives and submit a recommendation to RL in accordance with the approved decision plan. 2) By September 3, 1999, issue a revision of the <i>Immobilized Low-Activity Waste Disposal Plan</i> (HNF-1517) that reflects the preferred ILAW disposal alternative and supports the Privatization Contractor's need dates (described as the 90% Confidence Case in the July 1998 Report to Congress). 3) By September 30, 1999, submit to RL draft ILAW performance assessment data packages containing the waste form testing and geotechnical data needed to complete performance analyses in support of a) the FY 2000 DOE decision to authorize construction of a privatized tank waste treatment plant and b) the FY 2001 update of the ILAW performance assessment. <p>25, 25, and 50 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation's Items 1, 2, and 3, respectively.</p> <p>1.455% at Expectation Level</p>	N/A	A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
TWR 4: Interim storage of immobilized high-level waste (IHLW). 0.0% at Objective Level	TWR 4.1: Provide IHLW storage facility. 0.0% at Measure Level	<p>TWR 4.1.1:</p> <ol style="list-style-type: none"> 1) By March 26, 1999, issue a re-evaluation of Immobilized High-Level Waste (IHLW) storage alternatives and submit a recommendation to RL in accordance with the approved decision plan. 2) By September 3, 1999, issue an update of the <i>Immobilized High-Level Waste Storage Plan</i> (HNF-1751) that reflects the preferred IHLW storage alternative and supports the Privatization Contractor's need dates (described as the 90% Confidence Case in the July 1, 1998 Report to Congress). <p>50 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation Item 1.</p> <p>50 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation Item 2.</p> <p>0.475% at Expectation Level</p>	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
TWR 5: Conduct tank farm safe operations. 0.0% at Objective Level	TWR 5.1: Implement TWRS Integrated Safety Management System. 0.0% at Measure Level	<p>TWR 5.1.1: Complete FY 1999 <i>High-Level Waste (HLW) Storage Tank Farms Standards/Requirements Identification Document (S/RID)</i> Program Implementation Plan Phase II Assessment deliverables by September 30, 1999.</p> <ol style="list-style-type: none"> 25 percent of the incentive fee for this Performance Agreement may be earned by the Contractor for submitting a PHMC-approved TWRS S/RID Program Implementation Plan, including a plan and schedule for the performance of Phase I and II assessments, by December 15, 1998. 75 percent of the incentive fee for this Performance Agreement may be earned by the Contractor for completing the <i>High-Level Waste (HLW) Storage Tank Farms Standards/Requirements Identification Document (S/RID)</i> Program Implementation Plan Phase II Assessment FY 1999 deliverables and submitting a letter report documenting completion by September 30, 1999. <p>0.312% at Expectation Level</p>	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
		<p>TWR 5.1.2: Complete TWRS implementation of DNFSB 95-2 and submit a letter report on declaration of implementation readiness for RL Phase II Verification of the TWRS Integrated Safety Management System by July 14, 1999.</p> <p>70 percent of the incentive fee for this Performance Agreement may be earned by the Contractor for meeting the Performance Expectation.</p> <p>0.6% at Expectation Level</p>	<p>100 percent of the incentive fee available for this Performance Agreement may be earned by the Contractor for meeting the Performance Expectation by March 31, 1999.</p>	N/A
<p>TWR 6: Conduct tank farms safe operations.</p> <p>0.0% at Objective Level</p>	<p>TWR 6.1: Resolve safety issues.</p> <p>0.0% at Measure Level</p>	<p>TWR 6.1.1: Provide a Contractor-approved technical report on flammable gas vapor space data from flammable gas tanks by August 23, 1999. The technical report must contain Standard Hydrogen Monitoring System (SHMS) data for a minimum of 8,000 data days for the period of October 1, 1998, through June 30, 1999 in order to meet the Performance Expectation.</p> <p>100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>0.625% at Expectation Level</p>	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
		<p>TWR 6.1.2: After the first sluicing campaign is completed for C-106, by September 30, 1999, the Contractor shall:</p> <ol style="list-style-type: none"> 1) Submit a topical report to RL for High-Heat Safety Issue Resolution and disposition Chemical Reactions Sub-TAP (CRS) comments, OR 2) Submit a report suitable for RL delivery to DNFSB to explain the reasons (i.e., physical waste and system characteristics) for an extension to DNFSB Milestone 5.4.3.6.(d) and provide the path forward for resolving the high-heat issue (if either the first sluicing campaign is insufficient to resolve the high-heat issue or the C-106 tank fails to thermally stabilize within two months). <p>60 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>0.312% at Expectation Level</p>	<p>100 percent of the incentive fee for this PA may be earned by the Contractor for completing Item 1 or Item 2 of the Performance Expectation by August 31, 1999.</p>	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
		<p>TWR 6.1.3: Submit Authorization Basis amendment package for single-shell tanks (SSTs) and double-shell tanks (DSTs), based on HNF-SD-WM-ES-410, Rev. 2, <i>Refined Safety Analysis Methodology for Flammable Gas Risk Assessment in Hanford Site Tanks</i>, by early FY 2000 (TBD).</p> <p>TBD percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>0.0% at Expectation Level</p>	N/A	The Contractor's total earned incentive fee will be reduced by TBD percent of the total fee available for this PA for failure to meet the Performance Expectation by early FY 2000 (TBD).
		<p>TWR 6.1.4: Submit a closure package for flammable gas unreviewed safety question (USQ) on double-contained receiver tanks (DCRTs), catch tanks (CTs), and transfer systems by early FY 2000 (TBD).</p> <p>TBD percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>0.0% at Expectation Level</p>	N/A	The Contractor's total earned incentive fee will be reduced by TBD percent of the total fee available for this PA for failure to meet the Performance Expectation by TBD.

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
		<p>TWR 6.1.5:</p> <ol style="list-style-type: none"> By December 31, 1998 submit a report documenting the options and evaluations being undertaken to close the crust level unreviewed safety question (USQ) for Tank 241-SY-101. By March 1, 1999 submit a recommended path forward and an Advance Work Authorization (AWA) or Baseline Change Request (BCR) for RL approval. TBD (The intent of this item will be to authorize and complete actions necessary to remediate the level growth. However, until Items 1 and 2 are completed, the scope and schedule for this item cannot be finalized. The scope and schedule for this item will be finalized and the Performance Expectation renegotiated by April 1, 1999.) <p>10 percent of the incentive fee for this PA may be earned by the Contractor for completing Item 1 of the Performance Expectation.</p> <p>30 percent of the incentive fee for this PA may be earned by the Contractor for completing Item 2 of the Performance Expectation.</p> <p>60 percent of the incentive fee for this PA is reserved for the completion of Item 3 when it is defined.</p> <p>1.95% at Expectation Level</p>	N/A	<p>The Contractor's total earned incentive fee will be reduced by 10 percent of the total fee available for this PA for failure to meet Item 1 of the Performance Expectation by January 7, 1999.</p> <p>The Contractor's total earned incentive fee will be reduced by 30 percent of the total fee available for this PA for failure to meet Item 2 of the Performance Expectation by March 22, 1999.</p> <p>60 percent of the Contractor's total earned incentive fee penalty will be reserved for Item 3 when it is defined.</p>

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	TWR 6.2: Characterize tank waste to meet Tri-Party Agreement (TPA) and Defense Nuclear Facilities Safety Board (DNFSB) Milestones.	<p>TWR 6.2.1: Complete sampling to meet the requirements of the Characterization Project to support closure of DNFSB 93-5 and the Privatization Project's contract with BNFL Inc.</p> <p>100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the following product due dates:</p> <p>Major Deliverables, Milestone #, Product Due Dates: 21 Core Samples, TBD, September 30, 1999.</p> <p>Major Deliverables, Milestone #, Product Due Dates: 21 Grab Samples, TBD, September 30, 1999.</p> <p>0.9% at Expectation Level</p>	N/A	N/A
		<p>TWR 6.2.2: Complete the FY 2000 Waste Information Requirements Document (WIRD), Tank Characterization Reports (TCRs), and WIRD deliverables.</p> <p>25 percent of the incentive fee for this PA may be earned by the Contractor for completing the FY 2000 WIRD by August 23, 1999.</p> <p>75 percent of the incentive fee for this PA may be earned by the Contractor for completing 17 TCRs by September 20, 1999 and for meeting the final WIRD deliverables by September 20, 1999.</p> <p>0.7% at Expectation Level</p>	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
		<p>TWR 6.2.3: Complete and issue a report, by June 30, 1999, to provide the basis for DOE to recommend closure of DNFSB Recommendation 93-5 milestone 5.6.3.1.j.</p> <p>100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>0.312% at Expectation Level</p>	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
		<p>TWR 6.2.4:</p> <p>Part 1. The Contractor shall have the first shipments staged and ready for receipt from 222-S Laboratory by BNFL Inc. on or before the following dates:</p> <p>241-AN-102 October 6, 1998</p> <p>241-AZ-102 February 23, 1999</p> <p>241-C-104 March 11, 1999</p> <p>Part 2. The Contractor shall complete the Laboratory Analysis Reports (LARs) that support the Privatization Project, closure of the DNFSB 93-5, safety issue resolution, retrieval and tank farm operations as specified in the FY 1999 Multi-Year Work Plan (MYWP).</p> <p>50 percent of the incentive fee for this PA may be earned by the Contractor if Part 1 is met.</p> <p>50 percent of the incentive fee for this PA may be earned by the Contractor if Part 2 is met.</p> <p>0.7% at Expectation Level</p>	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	TWR 6.3: Conduct tank farm safe operations. 0.0% at Measure Level	TWR 6.3.1: Perform ultrasonic examination on four double-shell tanks and submit report of observations by July 31, 1999. 100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 0.7% at Expectation Level	N/A	N/A
		TWR 6.3.2: By September 30, 1999, incorporate the Master Equipment Lists (MEL), generated by the As-building Project as of December 31, 1998 and the Safety Equipment List (SEL), revised as of July 31, 1999, into HANDI 2000 Work Management module so that TWRS personnel have a single source for configuration control of the tank farm equipment. 100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 0.312% at Expectation Level	N/A	N/A
		TWR 6.3.4: Complete integrity assessments of 28 double-shell tanks by September 30, 1999. 100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 0.7% at Expectation Level	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
		<p>TWR 6.3.5: By September 30, 1999,</p> <ol style="list-style-type: none"> 1. Perform electrical circuit verifications and release associated current configuration electrical distribution system (EDS) drawings (estimated at 29 sheets) for AY and AZ tank farms, and 2. Reduce essential drawing Engineering Change Notices backlog for completed field work activities to within 30 calendar days for tank farm systems. <p>100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>0.9% at Expectation Level</p>	N/A	N/A
		<p>TWR 6.3.7: Install 8 ENRAFs in S/SX Tank Farms and 8 ENRAF's in AP Tank Farm and complete associated connections to Tank Monitoring and Control System (TMACS) by September 30, 1999.</p> <p>100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation.</p> <p>0.5% at Expectation Level</p>	N/A	N/A

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	TWR 6.4: Interim stabilization of single-shell tanks (SSTs). 0.0% at Measure Level	TWR 6.4.1 Performance Expectation: Initiate interim stabilization pumping of at least TBD single-shell tanks by September 30, 1999. (Tank 241-C-106 cannot be included to meet the Performance Expectation.) 70 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 9.75% at Expectation Level	100 percent of the incentive fee for this PA may be earned by the Contractor for initiating interim stabilization pumping of at least TBD single-shell tanks by September 30, 1999.	The Contractor's total earned incentive fee will be reduced by 20 percent of the total fee available for this PA for failure to initiate interim stabilization pumping of at least TBD single-shell tanks by September 30, 1999. The Contractor's total earned incentive fee will be reduced an additional 50 percent of the total fee available for this PA (70 percent total) for failure to initiate interim stabilization pumping of at least TBD single-shell tanks by September 30, 1999.
TWR 7: Manage and Integrate Tank Waste Remediation System Activities. 0.0% at Objective Level	TWR 7.1: Provide necessary crosscutting technical management and integration products. 0.0% at Measure Level	TWR 7.1.1: 1) Issue a Contractor-approved life cycle TWRs Testing and Evaluation Management Plan (TEMP) by August 15, 1999. 2) Provide an assessment report on the selected Integrated Information System by July 31, 1999. 55 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Item 1 of the Performance Expectation. 45 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Item 2 of the Performance Expectation. 0.6% at Expectation Level	N/A	N/A

Tank Waste Remediation System

TANK WASTE REMEDIATION SYSTEM				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
TWR 8: Provide Phase I Infrastructure Support Systems. 0.0% at Objective Level	TWR 8.1: Complete Infrastructure Project. 0.0% at Measure Level	TWR 8.1.1: Submit to RL by May 31, 1999, FDH-approved physical interface information for Site and Road Development, Raw and Potable Water, Liquid Effluent and Electrical System. 100 percent of the incentive fee for this PA may be earned by the Contractor for meeting the Performance Expectation. 0.348% at Expectation Level	N/A	N/A

CHIEF FINANCIAL OFFICER				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
<p>CFO 1: Provide cost competitive overhead and infrastructure.</p> <p>0.0% at Objective Level</p>	<p>CFO 1.1: Overhead and infrastructure cost as a percentage of total budget is maintained or reduced in accordance with yearly established standards.</p> <p>0.0% at Measure Level</p>	<p>CFO 1.1.1: The FY 1999 Actual Cost of Work Performed (ACWP) for originated costs (originated baseline) on Contractor indirect-funded activities shall be less than or equal to 97 percent of the originated baseline.</p> <p>The Contractor will not earn any incentive fee for meeting the Performance Expectation.</p> <p>5.0% at Expectation Level</p>	<p>The Contractor may earn one of the following incentive fee amounts if the stated performance condition is met:</p> <ul style="list-style-type: none"> • 40 percent of the incentive fee for this PA may be earned if the FY 1999 ACWP for originated costs on Contractor indirect-funded activities is less than or equal to 95 percent of the originated baseline; or • 55 percent of the incentive fee for this PA may be earned if the FY 1999 ACWP for originated costs on Contractor indirect-funded activities is less than or equal to 93 percent of the originated baseline; or • 70 percent of the incentive fee for this PA may be earned if the FY 1999 ACWP for originated costs on Contractor indirect-funded activities is less than or equal to 92 percent of the originated baseline; or • 80 percent of the incentive fee for this PA may be earned if the FY 1999 ACWP for originated costs on Contractor indirect-funded activities is less than or equal to 91 percent of the originated baseline; or • 90 percent of the incentive fee for this PA may be earned if the FY 1999 ACWP for originated costs on Contractor indirect-funded activities is less than or equal to 90 percent of the originated baseline; or • 100 percent of the incentive fee for this PA may be earned if the FY 1999 ACWP for originated costs on Contractor indirect-funded activities is less than or equal to 89 percent of the originated baseline. 	<p>1) Indirect Reductions</p> <p>The total negative incentive fee assessed cannot exceed the total available fee for this PA.</p> <ul style="list-style-type: none"> • The Contractor's total earned incentive fees will be reduced by 70 percent of the total fee available for this PA if the FY1999 ACWP for originated costs on Contractor indirect funded activities is greater than or equal to 102 percent of the originated baseline; or • The Contractor's total earned incentive fees will be reduced by 80 percent of the total fee available for this PA if the FY1999 ACWP for originated costs on Contractor indirect funded activities is greater than or equal to 104 percent of the originated baseline; or • The Contractor's total earned incentive fees will be reduced by 90 percent of the total fee available for this PA if the FY1999 ACWP for originated costs on Contractor indirect funded activities is greater than or equal to 106 percent of the originated baseline; or • The Contractor's total earned incentive fees will be reduced by 100 percent of the total fee available for this PA if the FY1999 ACWP for originated costs on Contractor indirect funded activities is greater than or equal to 108 percent of the originated baseline. <p>The Contractor's earned incentive fee can not be reduced at more than one of</p>

CHIEF FINANCIAL OFFICER				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
			The Contractor may earn incentive fee at only one of the above stated levels for Increased Performance.	<p>the above stated levels for failure to meet the Performance Expectation.</p> <p>2) The Contractor's total earned incentive fee will be reduced by 25 percent of the total fee available for this PA for each accounting practice change made that does not follow the RL Accounting Practice Change policy.</p>

SITE INFRASTRUCTURE				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
<p>SID 1: Excellence in information resource management systems.</p> <p>0.0% at Objective Level</p>	<p>SID 1.1: Eliminate Year 2000 (Y2K) associated computer related problems that if left unresolved would have an adverse impact to the Hanford Mission.</p> <p>0.0% at Measure Level</p>	<p>SID 1.1.1: The Contractor shall have completed Y2K Implementation and Compliance Assurance activities as follows:</p> <ul style="list-style-type: none"> • 25 percent of the incentive fee for this PA may be earned by the Contractor if, by March 31, 1999, the Contractor has completed Implementation and Compliance Assurance activities for each of the DOE Headquarters-reported, twenty-three (23) mission-essential Y2K compliance projects (identified by bold print on the attached list), and/or • 75 percent of the incentive fee for this PA may be earned by the Contractor if, by July 30, 1999, the Contractor has completed Implementation and Compliance Assurance activities for each of the RL-reported, one hundred, ninety-eight (198) Y2K compliance projects (see attached list). <p>3.0% at Expectation Level</p>	N/A	<p>20 percent of the incentive fee for this PA will be assessed against the Contractor for failure to complete by August 31, 1999, the Implementation and Compliance Assurance activities for all of the DOE Headquarters-reported, twenty-three (23) mission-essential Y2K compliance projects (identified by bold print on the attached list).</p> <p>An additional 20 percent (40 percent total) of the incentive fee for this PA will be assessed against the Contractor for failure to complete by September 30, 1999, the Implementation and Compliance Assurance activities for all of the RL-reported, one hundred, ninety-eight (198) Y2K compliance projects (see attached list).</p>

SITE INFRASTRUCTURE				
OBJECTIVE	MEASURE	EXPECTATION	INCREASED	NEGATIVE
	<p>SID 1.2: Provide an integrated suite of commercial off-the-shelf software modules to serve Project Hanford's information resource management needs.</p> <p>0.0% at Measure Level</p>	<p>SID 1.2.1: The Contractor shall have completed the FY 1999 Hanford Data Integrator (HANDI) 2000 workscope activities associated with the following:</p> <ul style="list-style-type: none"> • Business Management Systems (BMS) Phase I (Work Breakdown Structure [WBS] 6.04.04.01.01.02.02) by February 26, 1999. • ES&H Chemical Management (WBS 6.04.04.01.01.04.01) and Deficiency Tracking System (DTS) migration to HP 9000 fileserver (WBS 6.04.04.01.01.03.03) by August 2, 1999. <p>80 percent of the incentive fee for this PA may be earned by the Contractor for completing BMS Phase I by February 26, 1999. 20 percent of the incentive fee for this PA may be earned by the Contractor for completing ES&H Chemical Management and DTS migration to HP 9000 fileserver by August 2, 1999.</p> <p>1.5% at Expectation Level</p>	N/A	<p>The Contractor's total earned incentive fee will be reduced by 30 percent of the total fee available for this PA for failure to complete BMS Phase I by March 31, 1999. The Contractor's total earned incentive fee will be reduced by 10 percent of the total fee available for this PA for failure to complete ES&H Chemical Management and DTS migration to HP 9000 fileserver by September 2, 1999.</p>

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, 1999, establishes the bases to measure performance under this PA.	N/A	N/A

PART III-LIST OF DOCUMENTS EXHIBITS AND OTHER ATTACHMENTS

FEE PLAN SECTION J

APPENDIX H

FOR THE PERIOD OCTOBER 1, 1998 – SEPTEMBER 30, 1999

1. The total available fee pool for FY99 as set forth in contract clause B.4 of this contract is allocated as follows:

Base Fee – none
Award Fee – none
Performance Fee – 100%

2. 70 percent of the total available fee pool in contract clause B.4 is allocated to the critical few objectives, measures, and expectations, as follows:

Objectives – 0.0%
Measures – 0.0%
Expectations – 100%

The specific percentage of fee assigned to an individual objective, measure, or expectation is set forth in Section J, Appendix D, Attachment III. Available fee is suballocated into fee for baseline performance, increased performance, and negative fee for poor performance. If the Contractor fails to meet a given performance objective, measure, or expectation, a negative incentive fee will result (if applicable). The specific amount will be deducted from the total amount of fee earned. However, in no event will the amount deducted for failure to meet performance objectives, measures, or expectations exceed the total amount of fee earned on all incentives.

3. 30 percent of the total available fee pool in contract clause B.4 is allocated to a MEGA incentive. The *DOE Performance Expectation Plan for FDH Company Performance During the Twelve-Month Evaluation Period, Ending September 30, 1999*, dated October 1, 1998, establishes the bases to measure performance.



Performance Expectation Plan

Fluor Daniel Hanford, Incorporated
Contract Number DE-AC06-96RL13200

Performance period:
October 1, 1998 through September 30, 1999

DOE PERFORMANCE EXPECTATION PLAN
For
FDH Company Performance
During the Twelve-Month Evaluation Period, Ending
September 30, 1999
Contract Number DE-AC06-96RL13200

Introduction

Purpose. To provide procedures and policy, assign responsibilities for evaluating contractor performance, and determine the amount of the Management and Total Scope Performance Incentive (Mega Incentive) earned by the FDH Company.

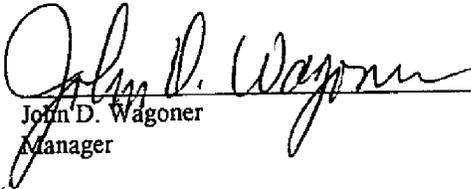
Scope. The provisions of this plan apply to all elements of contract DE-AC06-96RL13200 with the FDH company. This plan prescribes both a qualitative and quantitative evaluation of contractor performance. Any fee determination made herefrom is limited to the Mega Incentive portion of the fee structure established under Modification Number M057 of contract DE-AC06-96RL13200, executed on _____, 1998.

Departmental Policy. The Department expects the contractor to exercise due diligence in the conduct of all contract activities. The Department also expects that management systems will be in place and enforced to ensure that effective procedures are developed and implemented.

The Department expects the contractor to perform the workscope contained within the Multi-Year Work Plans (MYWPs) and Annual Work Plans (AWPs) in a timely manner, within budget, with minimum rework, and with good quality. Proposed scope deletions or additions, and emerging issues, will be informally discussed with RL early in the decision process.

The contractor's failure to oversee, through acts of commission or omission, the conduct of its operations and all of its employees, which potentially or actually causes property damage or loss, endangers the safety, health, or environment, or compromises the ability of the Department to carry out its mission, will be weighed heavily in the performance ratings. By the same standard, the performance ratings will not be adversely affected if the contractor raises safety issues to the DOE-RL Manager, or his/her designee, for resolution. Furthermore, the performance ratings will not be adversely affected if the contractor stops an activity that is deemed unsafe even though the contractor's action may appear to be contrary to DOE direction.

Responsibilities and Procedures. The responsibilities and procedures associated with contractor performance evaluation, with regard to the Mega Incentive are established in this plan.



John D. Wagoner
Manager

10/16/98
Date

Table of Contents

<u>Section</u>	<u>Page</u>
A 1. Review and Approval of Contractor's Earned Mega Incentive Fee	4
A 2. Mega Incentive Performance Areas and Objectives	7
A 3. Adjective Definitions	8
B 1. Tank Waste Remediation System	10
B 2. Waste Management Project	15
B 3. Spent Nuclear Fuels Project	17
B 4. Facility Stabilization Project	19
B 5. Advanced Reactors Transition Program	21
B 6. Infrastructure/Landlord/Site Services	22
B 7. Hazardous Materials Management and Emergency Response	24
B 8. Office of Environment, Safety and Health	24
B 9. Employee Concerns Office	27
B 10. Office of the Chief Financial Officer	28
B 11. Project Management	31
B 12. Human Resources/Contractor Workforce Programs	33
B 13. Technology Management	34
B 14. Economic Transition	35
B 15. Safeguards and Security	35
B 16. Technical Training and Qualification	36
B 17. External Affairs	36
B 18. Office of Chief Counsel	37
B 19. Office of the Manager	39

Part A: General Guidelines for Administration of the Mega Incentive

A 1. Review and Approval of Contractor's Earned Mega Incentive Fee

A 1.1 Applicability

This plan provides procedures and policy and assigns responsibilities for determining the level of the Management and Total Scope Performance Incentive (Mega Incentive) performance of the Fluor Daniel Hanford Company (FDH) in performance of contract DE-AC06-96RL13200 during the period of October 1, 1998 through September 30, 1999.

A 1.2 Plan Relationship to Other Contract Fee Provisions

This plan does not pertain to, and is separate and distinct from, the other fee provisions of DE-AC06-96RL13200, except as indicated in the contract modification number M057, executed _____, 1998. For example, excellent performance under the provisions of the specific objective fee items (Performance Objectives, Measures, Expectations, and associated Performance Agreements [PAs]) shall not be construed as excellent performance under the provisions of this Mega Incentive Performance Expectation Plan (PEP). Since the contractor cannot be evaluated/rewarded under both the Mega Incentive PEP and the PAs, where a PA has been established to cover a task that is also included in this Plan, the PA shall take precedence and that task effort will be evaluated under the criteria established in the PA, not under the provisions of this PEP.

A 1.3 Responsibilities

This Mega Incentive PEP covers FDH performance of the authorized work in the Multi-Year Work Plans (MYWP) and Annual Work Plans (AWP) not otherwise covered by a specific Performance Expectation and will be the basis for evaluation of FDH performance in those areas. The Mega Incentive used in conjunction with objective performance measures provides flexibility to incentivize acceptable contractor performance for the total scope of the contract.

Fee Determining Official. The Manager of the Richland Operations Office (RL) shall act as the Fee Determining Official (FDO). The FDO reviews the Mega Incentive recommendations submitted by the Fee Administration Board (FAB) and makes the final determination of the amount of Mega Incentive Fee earned by and payable to FDH.

Fee Administration Board. The FAB oversees development of the PEP, evaluates the contractor, and recommends the amount of Mega Incentive Fee to the FDO.

The FAB will consist of the following:

- A Chair (voting) - Deputy Manager
- Members (voting)
 - Assistant Managers: AMF, AMW, CFO, TWRS, AMT
 - Director, Office of Environment, Safety & Health
 - DOE-HQ Representative - Ralph Lightner (FY 1999)
- Advisors (non-voting)
 - Chief Counsel
 - Contracting Officer
 - Others as requested by the Chair

The FAB may be supported as designated by the Chair.

The FAB shall monitor, review, and evaluate the contractor's performance against the criteria established in the PEP, including execution of the MYWPs and AWP, for service/support areas and adherence to generally accepted standards of practice and standard operating procedures. The FAB shall consider the observations of RL staff when preparing the FAB performance analysis. The FAB will translate its evaluations into a report for the FDO. The report shall be documented as a Fee Administration Board Report (board report).

A 1.4 Performance Expectation Plan (PEP) Development

The PEP is developed and approved as the primary evaluation basis for FDH performance on the Mega Incentive. The draft PEP is developed by the RL projects and programs, in consultation with the contractor, regulators, Tribes, and DOE-HQ, as appropriate. The draft PEP is approved by the FAB; the FDO concurs and issues it to FDH.

Significant Evaluation Items. Each project and management/support area has identified and included in the PEP, significant objective evaluation items for the FY that do not have a specific objective fee-bearing incentive. These are identified as "***" items in this PEP. The "***" items have the following characteristics:

- as objective and definitive as reasonably possible;
- consistent with the FY workplan or planned activities;
- funded by the FY work authorization;
- schedules consistent with the planned FY work;
- not associated with specific fee-bearing objective; and
- incentives for the FY, but may be intermediate milestones for events that may be specific fee-bearing incentives in future years.

The FAB will consider the percentage achievement rate of the "***" PEP items as one factor in the final evaluation.

A 1.5 Process-Evaluation

Performance Evaluation Process. The Project Performance Area is nominally weighted 80% in the evaluation and the Overall Management and Support Performance is nominally weighted 20%. The evaluation process for each of the performance areas is as follows:

Project Performance. Each RL project manager and the facility representatives will be asked to evaluate their project performance in the evaluation areas specified in the following sections and note preliminary recommendations of noteworthy results, areas for improvement, and deficiencies. A preliminary non-numerical rating of Unsatisfactory, Marginal, Good, Excellent, or Superior will be assigned to each area and for overall performance. These preliminary recommendations will be forwarded through the appropriate chain-of-command to the FAB for consideration.

The FAB will review the preliminary draft, recommendations, and ratings, adjust them as appropriate for site-wide consistency, and assign a rating for the area, taking into consideration the project funding levels and priority.

Overall Management and Support Performance. Each RL project manager and the facility representatives will be asked for specific input in the terms of preliminary recommendations of noteworthy results, areas for improvement, or deficiencies in the evaluation areas specified in this PEP.

Each RL support area functional group will be asked for specific input in the terms of preliminary recommendations of noteworthy results, areas for improvement, or deficiencies in the area of Overall Management Performance.

Each RL support area functional group will also be asked for specific input in the terms of preliminary recommendations of noteworthy results, areas for improvement, or deficiencies in their areas of support

responsibility and asked to assign a preliminary non-numerical rating of Unsatisfactory, Marginal, Good, Excellent, or Superior.

The FAB will review the preliminary draft, recommendations, and ratings, adjust them as appropriate for sitewide consistency, and assign a rating for the area, taking into consideration the overall performance of FDH and the importance and impact of the notable results and deficiencies noted. (Note that a strict percentage allocation of the nominal 20% available has not been made to the specific areas identified. The intent is to provide full contractor attention to each performance area in this category and not limit the impact of unacceptable/exceptional performance in any one area to a very small percentage number.)

Significant Issues and Events. This evaluation category may be thought of as an adjustment factor. This category will be used to address any element(s) not adequately covered in the preceding evaluation areas. Under this category the FAB can recommend adding or subtracting Mega Incentive Fee amounts based on its determination, though in no case shall the total Mega Incentive Fee payment exceed 100% of the Mega Incentive amount.

Evaluation Period. FDH performance shall be evaluated once at the end of the FY. However, there shall be an interim evaluation at the six-month point. The focus of the interim evaluation shall be on "course correction," though those areas where the contractor is doing well shall also be identified. The interim evaluation shall serve to notify the contractor of areas needing improvement. The interim evaluation will not be formally reviewed by the FDO. The interim evaluation may be presented in a meeting between the contractor's senior management team and the FAB. Documentation of the interim evaluation may be a report, summary of issues discussed, or meeting minutes. In addition to the meeting between the FAB and the contractor's senior management, it is expected that there be mid-year course correction meetings at the Program/Project level (and functional Division level), between RL and contractor counterparts.

Descriptive ratings are provided as a guide to assist the overall determination process. The FAB will recommend the final rating and percentage of Mega Incentive fee for the period.

A 1.6 Mega Incentive Fee Determination

The FAB recommends award of the Mega Incentive Fee on the following basis:

<u>Overall FDH Evaluation</u>	<u>Range of Mega Incentive Fee Allowable</u>
Unsatisfactory	0%
Marginal	0%
Good	40-79%
Excellent	80-93%
Superior	94-100%

A 1.6.1 Performance Evaluation Reporting

Contractor Self-Evaluation Reports. FDH shall prepare one written self-evaluation performance report specifically responsive to the PEP. This report should address each evaluation area. The PEP evaluation report can be a part of or separate from the more comprehensive Critical Self-Assessment report. The PEP evaluation report shall be submitted to RL at the end of the rating period. It is expected that the self-evaluation report will be concise and critical and provide an objective assessment of performance against the evaluation standards in the PEP. The self-evaluation report shall discuss major accomplishments and progress for the entire performance period. The self-evaluation report shall be submitted to RL no later than 10 working days after the end of the performance period. The report may also discuss other accomplishments deemed worthy of consideration during the period. The self-evaluation report shall include the contractor's assessment of its areas for improvement (both the contractor's own findings and those provided by RL during the mid-year interim evaluation) and shall include the actions taken or planned to improve these areas.

The FAB shall review FDH's self-evaluation and consider its realism as part of the FAB's evaluation of FDH's performance. The thoroughness and candor of the report will be considered by the FAB and the FDO as an indicator of the degree to which the contractor seeks out problems and solutions and as an indicator of the contractor's understanding of site issues.

Evaluation Report. Within 26 calendar days after receipt of the contractor's year-end self-evaluation report, the FAB shall compile a board report discussing FDH's performance. The board report will address the overall evaluation criterion included in the PEP. The FAB will also utilize performance information (e.g., audits, appraisals, task force reports, etc.) as sources of input to its board report and will include consideration of the realism of FDH's self-evaluation when making its recommendation to the FDO.

The board report will also consider both FDH's diligence in developing written procedures for all aspects of the contractor's operation and the extent to which those procedures are adhered to by the contractor's employees.

Performance Expectation Plan Changes. The PEP may, consistent with the contract statement of work, be revised unilaterally by the Government at any time during the period of performance. Notification of such changes shall be provided to the contractor at least 30 calendar days before the change will apply, unless mutually agreed upon by both RL and the contractor.

A 1.6.2 Formal Recommendation to the Fee Determining Official (FDO)

The FAB shall articulate its findings and recommendation in the board report. The board report will then be submitted to the FDO. The report will include a recommended Mega Incentive Fee with supporting documentation.

A 1.6.3 Mega Incentive Determination

The FDO shall render a written decision on the amount of Mega Incentive Fee earned by FDH. This decision shall be based upon information contained in the board report and any information from other sources that are germane to the fee determination process. FDH will be notified of the FDO's decision within 60 days after receipt of the contractor's self-evaluation for the period (a single, annual formal evaluation and fee determination for each FY). A letter summarizing the FDO's written decision on the amount of Mega Incentive Fee established, including rationale (e.g., the board report) shall be furnished to FDH and DOE Headquarters, and constitute official issuance of the Mega Incentive determination.

A 2. Mega Incentive Performance Areas and Objectives

A 2.1 Project Performance (nominally 80%)

Each Project will be evaluated in the following areas:

- Safety and Health Performance
- Environmental Performance
- Training/Quality of Workforce
- Performance of Work (conduct of operations and maintenance, radiological control)
- Schedule Performance
- Cost Performance
- Cost Savings
- Rework Required
- Energy Efficiency and Pollution Prevention Performance
- Project Management Performance
- Technology Planning and Performance
- Overall Performance

The projects to be evaluated are:

- Tank Waste Remediation Systems Project
- Spent Nuclear Fuels Project
- Waste Management Services Project
- Facility Stabilization Project
- Advanced Reactors Project
- Infrastructure Project (Infrastructure - including IRM, Landlord)
- HAMMER Project

A 2.2 Overall Management and Support Performance (nominally 20%)

Overall Management Performance - Planning, Productivity, Efficiency, Responsiveness, Rework

Support Functions Performance -

- Environment, Safety and Health
- Office of Concerns, Resources and Quality
- Site Planning and Integration
- Budget
- Financial Management
- Contract Finance and Review Programs
- Procurement
- Project Management
- Human Resources/Contractor Workforce Programs
- Economic Transition
- Technology Management
- Safeguards and Security
- Training
- External Affairs
- Office of Chief Counsel

A 2.3 Significant Issues and Events (TBD%)

There is a broad range of contract activities that are essential to the success of Hanford but may not be adequately addressed in the MYWPs, AWP, or the PEP. Performance in these other areas will not affect FDH's evaluation for the period in the absence of a major issue or event that has a significant positive or negative impact.

A 3. Adjective Definitions

Superior: Significantly exceeds the baseline standard of performance; achieves noteworthy results; accomplishes very difficult tasks in a timely manner. Contractor initiatives and results are evident across multiple project or program areas.

Excellent: Exceeds the baseline standard of performance; although there may be room for improvement, or deficiencies in some elements, excellent or superior performance in other elements provide overall compensation.

Good: Meets the baseline standard of performance; assigned tasks are carried out in an acceptable manner -- timely, efficiently, and economically. Deficiencies do not substantively affect overall contract performance.

Marginal: Below the baseline standard of performance; deficiencies are serious, such that prompt management attention and corrective actions are required.

Unsatisfactory: Significantly below the baseline standard of performance; deficiencies are very serious, may affect overall results, and urgently require significant senior management attention. Immediate corrective action is required.

In the DOE system, "Good Performance" is not desirable for its major contractors over the long haul. "Good Performance" recognizes that deficiencies exist and that DOE expects that these deficiencies will be corrected.

Part B: Performance Expectations and Measurement Criteria

Project Performance Section

The Department expects the contractor to perform the workscope contained within the MYWPs and AWP in a timely manner, within budget, with minimum rework, and with good quality. Proposed scope deletions or additions, and emerging issues, will be informally discussed with RL early in the decision process.

B 1. Tank Waste Remediation System

B 1.1 Safety and Health Performance

**** Expectation:** Prepare safety analysis and work packages for grab sampling, deployment of the grab sampler and successfully sampling of 4 Inactive Miscellaneous Underground Storage Tanks (IMUSTs) by September 30, 1999.

Measurement criteria: The expectation will be met when the contractor: 1) provides verification that the expectation has been met and the laboratory analysis has begun, and 2) does not incur any unfavorable cost variance $[(BCWP-ACWP)/BCWP]$ greater than 5.0 percent or incur any unfavorable schedule variance $[(BCWP-BCWS)/BCWS]$ greater than 7.0 percent measured at the Project Summary level at the end of FY 1999.

Expectation: Complete and provide an RL-approved report on an assessment of the status of Tank Waste Remediation System (TWRS) compliance with DOE Order 5480.28 and with the new DOE Order 420.1 (from the Natural Phenomena Hazards point of view) by March 8, 1999. Provide as a part of the report a plan and schedule to reach full compliance with 5480.28 while identifying any needed alternate paths to include reaching compliance with 420.1. This should also include an evaluation of the merit of invoking each of these alternatives. This shall be a complete document assessing all aspects of the two DOE orders as they apply to all TWRS facilities and include all natural phenomena hazards.

Measurement criteria: The expectation will be met when a final report, which has been reviewed and commented on by DOE and has the comments resolved, is submitted to DOE. The time DOE shall take to review the document and the method of comment resolution shall be agreed to by DOE and the contractor.

**** Expectation:** Ensure that all TWRS facilities have adequate Authorization Bases. The following TWRS facilities are known to need an Authorization Basis upgrade:

- 242T Evaporator
- 244-CR Vault
- 244-AR Vault
- 242-S Evaporator
- ITS-1 In-tank solidification System
- 241-AX-IX Ion-exchange Column
- 204-AR Waste Unloading Facility
- 2727-W Sodium Storage Facility
- Grout Treatment Facility
- 213-W Dry Waste Compactor Facility

The expectation is that the TWRS Authorization Basis upgrade will conform to the upgrade strategy for each facility as it is described in the *Authorization Basis Status Report (Miscellaneous TWRS Facilities, Tanks and Components)*, HNF-2503.

Measurement criteria: The TWRS Authorization Basis is upgraded for at least three of the TWRS facilities identified in the expectation during FY 1999.

Expectation: While the soil density Unreviewed Safety Question (USQ) has been closed, uncertainties in storage tank dome loading requires more detailed analyses. These analyses will be used to update the TWRS Authorization Basis in the area of dome loading.

Measurement criteria: The contractor will complete all necessary studies and reports in support of an Authorization Basis upgrade for storage tank dome loading and will submit a dome loading Authorization Basis amendment for DOE approval during FY 1999.

Expectation: Ensure that potential radioactive and hazardous material exposures to members of the public and workforce are as low as reasonable achievable (ALARA), and that TWRS facilities operated by the contractor have the capabilities, consistent with the types of operations conducted, to monitor routine and non-routine releases. Ensure the Authorization Basis accurately reflects TWRS operations and activities. Make current versions of Authorization Basis documentation readily accessible to DOE.

Measurement criteria: Monitoring systems meet national standards and DOE requirements; unreviewed safety questions (USQs) are properly identified, analyzed and appropriate actions taken; quality Authorization Basis documentation is readily available to DOE.

**** Expectation:** Complete TWRS implementation of the Radiological Control Improvement Program (RCIP) by September 30, 1999.

Measurement criteria: The expectation will be met when the FY 1999 RCIP Plan initiatives are completed and fully implemented. Additionally, a summary report shall be submitted to RL that addresses the radiological control improvements, accomplishments and areas requiring further improvement for both FY 1999 and the overall RCIP performance period of FY 1997 through 1999.

Expectation: Implement *TWRS Comprehensive Ergonomics Program Plan*, HNF-IP-0842, Vol. 9, Section 4.3 by June 30, 1999.

Measurement criteria: The expectation will be met when the contractor completes the following requirements:

- 1) Collect and evaluate data concerning work-related musculoskeletal disorders in the workplace;
- 2) Identify jobs and work conditions that are ergonomics-related and provide effective ergonomics hazard controls to those jobs that pose a high risk through the Job Hazards Analysis (JHA) process.
- 3) Expand the ergonomics hazards recognition training to TWRS line management, persons-in-charge (PICs), and craft personnel.
- 4) Display management commitment and support in addressing safety and work-related ergonomics problems.
- 5) Minimize risk factors for musculoskeletal disorders and other ergonomics related work hazards when planning new work processes and operations.
- 6) Assess the work-related ergonomics program effectiveness and transmit the assessment report to RL, including the resulting corrective action plan.

B 1.2 Tank Farm Operations

Expectation: Improve the Tank Farms Operations emergency response capability.

Measurement criteria: The expectation will be met when the contractor achieves observable improvement in the Tank Farms emergency response capability as follows:

- 1) Demonstrate, with shift drills that progress from an operational event to a simulated emergency condition, the effective integration of on-shift personnel into an on-shift emergency response team capable of a rapid and adequate response.

The adequacy of response by each emergency response team shall be based upon the ability of the on-shift emergency response team to perform on a timely basis the necessary operational, engineering, health physics, industrial hygiene, security, first aid, evacuation/transportation, and personnel accountability functions that are typically required in an actual emergency.

**** Expectation:** Issue annual Operational Waste Volume Projection (OWVP) report to RL by August 30, 1999.

Measurement criteria: This activity is required to meet Tri-Party Agreement (TPA) milestones and is a key document in the planning associated with retrieval and stabilization activities. The contractor approved OWVP document must be formally submitted to RL by August 30, 1999 for review and eventual submittal to the Washington State Department of Ecology (Ecology).

**** Expectation:** Replace the failed transfer pump in tank AW-104 by September 30, 1999.

Measurement criteria: Tank AW-104 contains approximately one million gallons of dilute non-complexed waste that could be reduced by the 242-A Evaporator if an operational transfer pump were available. Within the past couple of years, a new transfer pump has been procured as well as equipment for removing long length contaminated equipment such as the failed AW-104 transfer pump. Replacing the pump would ultimately allow the tank contents to be evaporated and would free up an additional tank for retrieval activities as well as place the plant in a more operational configuration. The contractor shall provide to RL a letter of completion, by September 30, 1999, that includes verification of the final operational test of the new pump.

**** Expectation:** Stage a minimum of one tank of waste for each of the 242-A Evaporator campaigns 99-1 and 99-2.

Measurement criteria: The contractor shall submit a letter to RL for Campaign 99-1 by March 1, 1999 and for Campaign 99-2 by July 31, 1999, stating that a specific volume of waste has been transferred to a feed tank (AW-102, AP-107), sampled, analyzed, and is ready for evaporation.

Expectation: Make improvements to the Corrosion Probe Monitoring System and analyze corrosion probe data by September 30, 1999.

Measurement criteria: Over the past few years corrosion probes have been installed in double-shelled tanks (DSTs) to monitor corrosion and help quantify required amounts of caustic additions to the tanks. Performance of the following items will improve the system:

1. Troubleshoot instrumentation cables on tanks AN-107 and AN-102 to alleviate interference noise.
2. Run industry standard (ASTM) Linearized Polarity Resistance (LPR) test on AN-107 and AN-102 to determine uniform corrosion rate.
3. Determine why monitored corrosion rate appears to depend on instrument probe electrode size.
4. Determine instrumentation signature for crevasse corrosion, to distinguish this type from other types.
5. Determine difference between new steel and archive steel for fabrication of probe electrodes to ensure materials are similar to tank wall.
6. Improve gasket seats for electrodes.
7. Induce stress corrosion cracking from more realistic tank waste simulants.
8. Provide analysis of corrosion probe data. The analysis of the data would help validate the corrosion probe technology and demonstrate its necessity for cost-effective chemical adjustments to tank waste, as well as help to minimize costly sodium loading of the waste.

The contractor shall submit a report summarizing completion of the items listed above along with appropriate attachments, by September 30, 1999.

**** Expectation:** Complete Conduct of Operations Alarm Panel Improvement Initiative by September 30, 1999.

Measurement criteria: Many of the alarm panels have numerous "locked in" alarms suggesting that there is either an operations problem due to nuisance tripping, or signals are no longer necessary for effective conduct of safe operations. A plan has been developed to address this issue and work scope still needs to be defined. The contractor shall submit to RL a letter of completion regarding closure of this initiative by September 30, 1999.

B 1.3 Technology Planning and Performance

**** Expectation:** Technology Planning and Performance -- The contractor is expected to search out, investigate, evaluate, and apply innovative science and technology solutions to address user-defined Hanford needs. It is expected that baseline-planning activities will take into account potential innovative technology use in pursuit of improvement over the existing baseline. To support this expectation effectively, full support of the needs identification process, and the Technology Insertion Points (TIPs) process is expected.

Measurement criteria:

- Identification of alternative technologies and incorporation of technology solutions.
- Cost savings based on technology as captured through baseline change control.
- All TIPs shall be identified on the Project Baseline.

B 1.4 Nuclear Criticality Safety Program

Expectation: Complete the corrective actions and specific improvements identified by DOE/EH (May 1998) and FDH (July 1998) reviews of the nuclear criticality safety program and demonstrate leadership in managing an effective and efficient criticality safety program.

Measurement criteria:

- Define the processes, roles and responsibilities within all levels of Project Hanford Management Contract (PHMC) for administering a sound criticality safety program, which is consistent with Standard ANSI/ANS-8.19, and which especially provides for (a) development and maintenance of a strong criticality safety engineering and analysis capability; (b) proper integration of the line management and criticality safety engineering functions; (c) development, review, approval, and proper use of high quality criticality safety evaluation reports; and (d) adequate cognizance and follow-up of criticality safety personnel and operational resource needs identified by facilities.
- Develop and implement a rigorous training and qualification program for criticality safety engineers and criticality safety representatives relative to developing and maintaining sufficient knowledge of facility operations.
- Perform independent reviews of criticality safety evaluation reports, and conduct audits and assessments of the effectiveness of criticality safety programs for selected facilities and operations using appropriately qualified subject matter experts.

B 1.5 TWRS Employee Concerns

Expectation: Close or assist RL-TWRS in closing all TWRS related employee concerns generated prior to the start of FY 1999 and between September 1, 1998 and July 1, 1999, in a timely manner.

Measurement criteria: The expectation will be met if the contractor closes each TWRS employee concern that the contractor is fully responsible for, in one of the following ways: 1) within 90 days of the submission of the employee concern, if submitted after the start of FY 1999; 2) within 90 days from the start of FY 1999, if submitted prior to the start of FY 1999; or 3) on a schedule proposed by the contractor that is approved by RL-TWRS. For those TWRS employee concerns not fully the responsibility of the contractor, the contractor will assist RL-TWRS by providing information on a schedule specified in RL-TWRS letters of direction to the contractor.

B 1.6 TWRS Crosscutting

Expectation: Provide crosscutting technology and science management and integration products, as specified below.

- The contractor shall prepare a pilot risk report that identifies exposure and baseline improvement opportunities that would be candidates for technology and/or science mitigation actions or other mitigation actions for each of the following Project Baseline Summaries (PBS): TW04, Waste Retrieval; TW08 Privatization Infrastructure; and TW09 Immobilized Waste Storage and Disposal. Reports on each of these three PBS shall be delivered to DOE by January 15, 1999.
- The contractor shall submit baseline change requests reflecting FY 1999 and outyear changes recommended based upon the pilot risk reports. These shall be submitted to DOE by April 15, 1999.
- The contractor shall submit updated TWRS Science and Technology needs statements to DOE by June 15, 1999, for review by the Site Technology Coordinating Group-Tanks Sub Group. Each needs statement shall incorporate a mini-risk management analysis as part of the justification. For those PBSs for which a pilot risk report was prepared, the mini-risk management analysis shall be tied to the analysis contained in the report. Science needs will be fully revised during this process.
- The contractor shall incorporate TIPs into the TWRS FY 1999 MYWP for each funded (regardless of source of funding) science or technology activity.
- The contractor shall prepare (and update on a quarterly basis) a spreadsheet status tracking report of the progress on each FY 1999 funded (regardless of source of funding) science or technology need supporting the TWRS program. Updates shall be submitted quarterly, with the final report submitted to DOE-RL by September 30, 1999. Status tracking report shall include (as a minimum) technology need number, need title, responding activity title, PHMC leveraged funding levels, EM-50 funding levels, PHMC Points-of-Contact, and PHMC Risk Managers.
- The contractor shall identify opportunities for life cycle cost reduction and risk optimization by the applications of science and technology in the Single-Shell Tank Program Plan. The initial plan will be delivered to DOE by December 31, 1998, and more detail will be incorporated in the updated Single-Shell Tank Program Plan to be delivered to DOE by September 30, 1999.
- The contractor shall update the pilot risk report for TW04, TW08, and TW09 to support submittal of the TWRS FY 2000 MYWP and submit by August 31, 1999. The contractor shall include TIPs in the FY 2000 MYWP for each funded (regardless of source of funding) science or technology need for all TWRS PBSs.

Definitions

Science and Technology Needs refer to those needs transmitted to DOE annually for review by the Hanford Site Technology Coordination Group-Tanks Sub Group. These needs reflect identified technical or programmatic risk reduction opportunity or cost savings opportunity within the TWRS Program. Impact to the TWRS Program (impact of a science or technology need being implemented) can be assessed through assessment of likelihood and consequences.

Technology Insertion Point (TIP) represents the discrete pre-decision point (e.g., schedule milestones) in the project baselines where performance specifications, to perform a project task, drive a technology or science application selection to perform project baseline work. TIPs could be associated with documented decisions, such as: (1) formal change control to the baseline; (2) Records of Decision that define cleanup approaches or requirements; (3) Requests for Proposal to perform baseline project work; (4) Key technology and science application selection points; and (5) New project startups. TIPs should be shown for all activities where technology and science decisions are made to perform baseline project work and there exist opportunities for improved technologies or science to be selected for that work. In many cases, there may be no improved technologies or science that have a competitive advantage over the baseline technology or science.

Risk Report is a report that encompasses an assessment of risk at the PBS level and is tied to risks identified through the Technical Baseline Review Process. In this case, risk includes technical (including ES&H), cost, and schedule risks and will recommend the preferred method(s) for quantifying risks to indicate preferred technology investments.

B 2. Waste Management Project

The following sections list those project and functional activities and milestones to be accomplished in FY 1999 as a basis for determining FDH performance in qualitative areas and those not otherwise covered by other incentive agreements. The activities cover all areas of FDH operation and encompass Environmental, Safety and Health, and Quality (ESH&Q) functions as well as projects. Performance shall be determined based on FDH's overall ability to complete the listed activities and milestones within the constraints of changing budgets, priorities, and DOE direction.

B 2.1 Solid Waste

**** Expectation:** Closely coordinate with Allied Technology Group (ATG) to achieve the ATG goal of treating, certifying, and accepting 560 cubic meters of contact-handled mixed low-level waste by September 30, 1999.

Measurement criteria: The contractor shall provide a list of package identification numbers (PINs) for wastes available for ATG to treat. The volume will be determined by summing the internal package volumes. If ATG cannot accept the waste because of their permit issues, then the contractor (FDH) shall submit the volume information on drums ready to ship.

B 2.2 Liquid Waste

Expectations:

- Implement the new Liquid Effluent Site-wide Waste Acceptance Criteria.
- Prepare biennial tritium treatment technology report.

B 2.3 Analytical Services

Expectation: Reduce the cost of onsite laboratory analysis through optimization of laboratory infrastructure, increased productivity, and privatization, as appropriate.

B 2.4 Transportation and Packaging

Expectation: Upgrade or cancel seven Safety Analysis Reports for Packaging (SARPs) in FY 1999.

B 2.5 Pollution Prevention

Expectation: Effectively utilize Waste Management crosscutting services to maximize progress towards sitewide, critical outcomes. Ensure pollution prevention goals are met for minimizing waste generation. Work to minimize, streamline and institutionalize the Waste Minimization Program in order to reduce out year costs while maintaining the performance of the program.

B 2.6 Crosscutting

Expectations:

- Improve the Waste Management Project efficiency and schedule through efforts including participating in the contractor/DOE EM Integration efforts, interfacing with the Site and National science and technology programs, development and improvement of the Site and Project strategic plans, interfacing with "regional

sites" (e.g., the Nevada Test Site [NTS], Idaho National Engineering and Environmental Laboratory [INEEL], the Rocky Flats Environmental Technology Site [RFETS]) on cooperative efforts and leading the continued development and implementation of the Site Transportation, Storage and Disposal (TSD) integration effort.

- Submit letter to RL-WPD by September 30, 1999 documenting improvement of the Hanford Waste Management Project efficiency and schedule through the above EM integration efforts.
- Submit revised Hanford Waste Management Program Strategic Plan to RL-WPD incorporating updated strategies for supporting Site and Project mission objectives.
- Provide timely support to the Environmental Impact Statement (EIS) contractor to allow the EIS contractor to prepare the Solid Waste EIS.
- Improve work place safety through the following:
 - Demonstrate initiatives to promote worker involvement in the occupational safety program
 - Implement use of Electronic Job Analysis in job planning
 - Implement an injury investigation program including seminars and peer reviews as appropriate
 - Evaluate and revise charters for WMH Employee Safety Council to assure proper representation and consistency
 - Manage operations of facilities to comply with Federal, State, and Local environmental regulations to protect public health and the environment
 - Maintain an effective Quality Assurance (QA) Program
 - Issue the Quality Assurance Program Plan
 - Schedule QA program implementation assessments through the Management Assessment Program
 - Provide effective laboratory services, Transportation/Packaging activities, and waste generator services support to on-site and off-site customers
 - Support implementation of PHMC upgrades to Emergency Preparedness and Response
 - Improve project related communications with RL-WPD, FDH, Major Subcontractors (MSCs), and other site contractors
 - Provide timely response to client needs and evolving conditions

Expectation: Technology Planning and Performance -- The contractor is expected to search out, investigate, evaluate, and apply innovative science and technology solutions to address user-defined Hanford needs. It is expected that baseline planning activities will take into account potential innovative technology use in pursuit of improvement over the existing baseline. To support this expectation effectively, full support of the needs identification process, and the Technology Insertion Points process is expected.

Measurement criteria:

- Identification of alternative technologies and incorporation of technology solutions.
- Cost savings based on technology as captured through baseline change control.

B 2.7 Nuclear Criticality Safety Program

Expectation: Complete the corrective actions and specific improvements identified by DOE/EH (May 1998) and FDH (July 1998) reviews of the nuclear criticality safety program, and demonstrate leadership in managing an effective and efficient criticality safety program.

Measurement criteria:

- Define the processes, roles and responsibilities within all levels of PHMC for administering a sound criticality safety program, which is consistent with Standard ANSI/ANS-8.19, and which especially provides for (a) development and maintenance of a strong criticality safety engineering and analysis capability; (b) proper integration of the line management and criticality safety engineering functions; (c) development, review,

- approval, and proper use of high quality criticality safety evaluation reports; and (d) adequate cognizance and follow-up of criticality safety personnel and operational resource needs identified by facilities.
- Develop and implement a rigorous training and qualification program for criticality safety engineers and criticality safety representatives relative to developing and maintaining sufficient knowledge of facility operations.
 - Perform independent reviews of criticality safety evaluation reports, and conduct audits and assessments of the effectiveness of criticality safety programs for selected facilities and operations using appropriately qualified subject matter experts.

B 3. Spent Nuclear Fuels Project

**** Expectation:** Completion of all project milestones.

Measurement criteria: For all baselined Project milestones and above (not already covered by a Performance Agreement), 95% will be met prior to, on, or within ten days following the established milestone date (except for enforceable TPA milestones which must not be exceeded by one day).

**** Expectation:** Process quality Change Control and Document Control in a timely fashion.

Measurement criteria: Change Requests and the Change Control process will be evaluated based upon timeliness and quality of all change control packages.

Expectation: Develop a management system and implementation capable of providing accurate financial and scheduling information from the Basis of Estimate (BOE) to total project level.

Measurement Criteria: Complete project implementation of a consolidated information technology system that rolls data from the Basis of Estimate (BOE) to the total cost of the project. The system is to provide a single source of all financial and baseline resource loaded schedule data for the project. System capability is to electronically integrate the MYWP, Project Baseline Summary (PBS), and Project Priority List (PPL) data.

Method of measurement: RL and FDH will jointly develop a validation process of the Spent Nuclear Fuels (SNF) management system, by June 30, 1999. Validation of the system, by RL and FDH, shall be completed by September 30, 1999.

Expectation: Document performance of financial control and analysis by centralized financial and scheduling system.

Measurement Criteria: Develop and implement a time responsive automated process capable of conducting project scheduling and financial studies based on known impending project changes, assumptions, or identified risks utilizing the BOE database. Implement a disciplined review process system using deficiency notices and other existing or required reporting vehicles to identify potential changes in the project. The process is to be documented in the projects' business function guidelines and monitored for its effectiveness on a quarterly basis. It shall consist of a minimum of a weekly status report consisting of all outstanding reported deficiencies or variables identified by the subproject managers to SNF FDH Project Control Office. FDH and RL will jointly determine the contents of the report to be developed. The report will be reviewed jointly by FDH and RL during the weekly Results Management Team Meetings.

Method of measurement: Validation of this item will be tracked as part of the Results Management Team's (RMTs) weekly meeting agenda. The RMT is co-chaired by FDH and RL and will jointly review project issues defined in this area.

Completion date: Develop Report: November 1, 1998; Implementation of process: March 31, 1999; Validation of the process: June 30, 1999

Expectation: Develop a process system that identifies cost savings and cost avoidance.

Measurement Criteria: The system is to demonstrate evidence of savings. A cost saving is unexpended funds as a result of good performance. This means the basic scope of the work was completed satisfactorily or by an acceptable deviation as agreed by FDH and RL. Cost avoidance is cost avoided as a result of contractor identified improvement through the use of engineering, new technology or a reduction in work as a result of approved technical waivers or authorization deviation approved by RL.

Method of measurement: FDH will maintain and provide a listing of cost savings/avoidance and document savings through the Baseline Change Request process. In addition, this will be a standard item in the weekly Results Management Team agenda that is co-chaired by FDH and RL.

Completion date: Implementation of process: March 31, 1999; Validation of the process: August 2, 1999;

Expectation: Documented performance of financial and schedule contingency application and management.

Measurement Criteria: Implement a process to manage schedule and financial contingency. This process will be a central repository for all contingency management with the exception of the \$50,000 or 10% per line item, whichever is less, currently allowed on each subproject as authorized by the FDH Project Controls Office. The system will at a minimum identify the following by FY, starting with FY 1999:

- Total Project Contingency in dollars and schedule days
- Contingency Assumptions and identifies the potential areas for application

Expectation: Issue a weekly Contingency Status Report that contains the following data:

- Contingency balance at the start of the FY
- List of contingency issued from the balance
- Justification for the issue
- Name of authorizing official

Measurement Criteria: Weekly Contingency Report and review by the RMT as part of the agenda for weekly meeting. The completion date for this activity is March 31, 1999.

Expectation: Implement a Corrective Action Management System that effectively identifies the significance of deficiencies, develops realistic commitments for resolution, tracks action and documents closure.

Measurement Criteria: Completion is development of a corrective action management system that effectively identifies the significance of deficiencies, develops realistic commitments for resolution, tracks action and documents closure. Corrective action resolutions shall be developed within 30 days of deficiency identification and 90% of all items designated with a significance level of 3 or higher shall be corrected within the established realistic committed periods.

Expectation: Develop, obtain RL approval, and implement a detailed Plan of Action (POA) by February 28, 1999, that will address line ownership of the SNF quality assurance program in the areas of work activities supporting SNF operations, the process for establishing QA requirements for procurements of equipment and services, and implementation of Management Self Assessments (MSA) in quality related activities.

Measurement Criteria: Implementation of the POA shall be evidenced by SNF Project and DOE reviews in the following minimum areas: development of quality requirements in procurement documents; work activities in support of SNF operations; and MSA implementation in quality related activities.

Expectation: Demonstrate management improvements through periodic evaluations by an independent-outside group of management experts.

Measurement Criteria: Performance indicators (shall be developed, tracked/trended, and reported on the following:

- Procedure compliance
- Lock and Tag
- Regulatory Compliance
- Safety Compliance
- Work Productivity
- Configuration Management

Expectation: Technology Planning and Performance -- The contractor is expected to search out, investigate, evaluate, and apply innovative science and technology solutions to address user-defined Hanford needs. It is expected that baseline-planning activities will take into account potential innovative technology use in pursuit of improvement over the existing baseline. To support this expectation effectively, full support of the needs identification process, and the Technology Insertion Points process is expected.

Measurement criteria:

- Identification of alternative technologies and incorporation of technology solutions.
- Cost savings based on technology as captured through baseline change control.

B 3.1 Nuclear Criticality Safety Program

Expectation: Complete the corrective actions and specific improvements identified by DOE/EH (May 1998) and FDH (July 1998) reviews of the nuclear criticality safety program, and demonstrate leadership in managing an effective and efficient criticality safety program.

Measurement criteria:

- Define the processes, roles and responsibilities within all levels of PHMC for administering a sound criticality safety program, which is consistent with Standard ANSI/ANS-8.19, and which especially provides for (a) development and maintenance of a strong criticality safety engineering and analysis capability; (b) proper integration of the line management and criticality safety engineering functions; (c) development, review, approval, and proper use of high quality criticality safety evaluation reports; and (d) adequate cognizance and follow-up of criticality safety personnel and operational resource needs identified by facilities.
- Develop and implement a rigorous training and qualification program for criticality safety engineers and criticality safety representatives relative to developing and maintaining sufficient knowledge of facility operations.
- Perform independent reviews of criticality safety evaluation reports, and conduct audits and assessments of the effectiveness of criticality safety programs for selected facilities and operations using appropriately qualified subject matter experts.

B 4. Facility Stabilization Project

B 4.1 Nuclear Criticality Safety Program

Expectation: Complete the corrective actions and specific improvements identified by DOE/EH (May 1998) and FDH (July 1998) reviews of the nuclear criticality safety program, and demonstrate leadership in managing an effective and efficient criticality safety program.

Measurement criteria:

- Define the processes, roles and responsibilities within all levels of PHMC for administering a sound criticality safety program, which is consistent with Standard ANSI/ANS-8.19, and which especially provides for (a) development and maintenance of a strong criticality safety engineering and analysis capability; (b) proper integration of the line management and criticality safety engineering functions; (c) development, review, approval, and proper use of high quality criticality safety evaluation reports; and (d) adequate cognizance and follow-up of criticality safety personnel and operational resource needs identified by facilities.
- Develop and implement a rigorous training and qualification program for criticality safety engineers and criticality safety representatives relative to developing and maintaining sufficient knowledge of facility operations.
- Perform independent reviews of criticality safety evaluation reports, and conduct audits and assessments of the effectiveness of criticality safety programs for selected facilities and operations using appropriately qualified subject matter experts.

B 4.2 General/All Facility Stabilization Sub-projects

Expectations:

- Maximize pre-planning and forethought, such that critical or future work scope can be performed during windows of opportunity; thus gaining significant improvement in efficiency and productivity. This may include, but is not limited to deactivation, stabilization, or maintenance activities. In addition, this may include utilization of spare or idle resources to disposition or lower cost of surveillance and maintenance of miscellaneous structures under the Facility Stabilization program.
- Complete FY 1999 endpoint milestones in the following areas by the dates specified in the FY 1999 Radiological Control Improvement Plan.
 - Radiological Problem Reports
 - Specialized Radiological Worker Training
 - Review and Assessment of Work Involving Airborne Radioactivity
 - Procedure Upgrades
 - Self-Assessment

B 4.3 Plutonium Finishing Plant:

Expectations:

- Develop a plutonium inventory characterization plan with the following objectives:
 - 1) Minimize risk for continued storage.
 - 2) Development of the technical basis for the stabilization processes utilized for the various materials.
 - 3) Support development of a final dispositioning plan for each of the materials.
 - 4) Provide technical basis for prioritization of stabilization sequencing.

Measurement Criteria: Develop a plutonium inventory characterization plan by June 30, 1999.

- Develop and implement a plutonium inventory characterization program sufficient to enable the Plutonium Finishing Plant (PFP) to minimize risk of continued storage of some 8000 items by enhancing understanding of their expected behavior until they are stabilized and repacked. Provides a safety basis for the prioritization of materials for stabilization.
- ** Complete the annual update of the Facility Safety Analysis Report (FSAR) (milestone TRP-99-404) by September 30, 1999.
- ** Provide beneficial use of the Los Alamos Nuclear Material Accountability System (LANMAS) (milestone TRP-97-417) by September 30, 1999.
- ** Complete Project W-460 Facility Design by March 30, 1999.
- ** Start Project W-460 Infrastructure Construction by September 1, 1999.

- ** Update Air Operational Permit/National Emission Standards for Hazardous Air Pollutants (NESHAPS)/issue Notice of Construction (NOC) by March 30, 1999.

B 4.4 Waste Encapsulation and Storage Facility

Expectation: Operate Waste Encapsulation and Storage Facility (WESF) within compliance of environmental laws, Department of Transportation (DOT) requirements, and safety limits.

Measurement criteria: Operate WESF from October 1, 1998 through September 30, 1999 without violations of environmental laws, DOT requirements, Operational Safety Requirements (OSR's), and Interim Operational Safety Requirements (IOSR's), related to the storage and transportation of WESF cesium and strontium capsules.

B 4.5 324/327 Buildings

Expectations: Complete the workscope within the Project Management Plan (PMP) schedule identified in accordance with the approved FY 1999 MYWP for all work identified as Key milestones, and for all RL or TPA identified milestones that are not covered by a specific approved Performance Agreement.

- ** Complete 324 REC Decontamination Strategy Study (milestone TRP-99-940) by August 15, 1999.
- ** Complete Engineering Study "Vacuum Dispersibles from B-Cell Floor" (milestone TRP-99-941) by September 15, 1999.

B 4.6 Crosscutting

Expectation: Technology Planning and Performance -- The contractor is expected to search out, investigate, evaluate, and apply innovative science and technology solutions to address user-defined Hanford needs. It is expected that baseline-planning activities will take into account potential innovative technology use in pursuit of improvement over the existing baseline. To support this expectation effectively, full support of the needs identification process, and the Technology Insertion Points process is expected.

Measurement criteria:

- Identification of alternative technologies and incorporation of technology solutions.
- Cost savings based on technology as captured through baseline change control.

B 5. Advanced Reactors Transition Program

Expectation: Implement and complete all required aspects of the Advanced Reactors Transition (ART) FY 1999 MYWP and approved baseline change requests. Successful MYWP execution will be based on overall management systems performance while the management and staff ensure that safety is always first priority. The management team will also be assessed as to its ability to maintain the condition of Fast Flux Test Facility (FFTF) plant systems, equipment and personnel in such a condition as to preserve the option for reactor restart within three and one half years of a DOE-HQ decision to do so.

Measurement criteria: Evaluation of specific performance expectations include: Environmental Safety and Health (ES&H) compliance coupled with performance in conduct of operations, maintenance, and radiological controls; Standards/ Requirements Identification Document (S/RID) assessments; customer satisfaction and relations; technical performance; and cost and schedule performance.

Refer to the FY 1999 Multi-Year Work Plan for details on the milestones below.

Important work scope items to be completed as scheduled include:

- ** **1. Health of Facility:** Complete work scope associated with "maintaining health of the facility" by accomplishing defined surveillance and maintenance work scope, e.g., required surveillances, Preventive

Maintenance/Instrument Calibration & Recall System (PM/ICRS) packages, and designated corrective maintenance work. This task is separated into three consecutive four-month periods. The contractor shall formally submit to RL for approval the initial list of work packages for the period. The due dates for these letters are October 7, 1998, February 8, 1999, and June 7, 1999. The RL approved list will be the reference point for assessment of the performance during each period. The contractor management approach of planning, conducting and accomplishing the Surveillance and Maintenance work scope will be assessed. Due dates are January 31, 1999, May 31, 1999, and September 30, 1999.

- ** 2. **Solid Waste Cask (SWC) Hoist Upgrade:** Complete the design, procurement, and fabrication of the SWC hoist and grapple systems by August 31, 1999 (this is a stretch milestone of one month over the MYWP milestone).
- ** 3. **Closed Loop Ex-Vessel Machine (CLEM) Control System Upgrade:** Complete the design, procurement, fabrication, and fieldwork associated with work document 4F-97-2305/M by September 16, 1999 (this is a stretch milestone of two weeks over the MYWP milestone).
- ** 4. **New Mission Development:** FFTF Management reaction and attention to planning and conducting the transition to a new mission will be evaluated. This criteria is subject to receiving DOE/HQ direction on a new mission, either restart or shutdown.

B 6. Infrastructure/Landlord/Site Services

B 6.1 General Guidelines:

- All references to "availability" exclude acts of nature, incidents outside FDH's and their subcontractors' control, and site safety or security emergencies.
- For those fee items that ask for metrics, metrics will be reported quarterly. Quarterly reports shall be delivered 30 calendar days from the end of the quarter.
- Final performance will be based on the cumulative annual performance as reported during the year-end self-evaluation report, unless otherwise noted in this PEP.

B 6.2 Energy Savings Performance Contract

Expectation: The contractor shall provide support to formal requests with specific deliverables associated with the Energy Savings Performance Contract (ESPC) in FY 1999. The expectation is that RL will provide requests for support in written form and FDH will respond within a time period agreed upon by RL and FDH.

B 6.3 SID PHMC Invoice/Annual Work Plan Tracking and Analysis

Expectations:

For WBS elements 6.1.4, and 7.1.4, FDH will review the monthly invoices prior to submittal to DOE. The purpose of the review is to reconcile the invoice with the AWP. FDH shall provide written documentation of the review, due within 30 calendar days from the end of the invoice period. The review shall contain information related to any variances between the invoice and the AWP.

For WBS elements 6.1.4, and 7.1.4, FDH shall submit monthly progress reports due 30 days after the end of each month. The reports shall include total actual costs incurred including all accruals, schedule variances, cost variances, and scope changes through the month.

B 6.4 Information Resource Management

Expectations:

The Information Resource Management (IRM) shall support FDH Site Planning & Integration in the collection, rollup, and display of the "Critical Few" management and mission indicators (as reviewed and agreed to by the PHMC and DOE RL management) that indicates mission status at Hanford.

Oversight of LMSI - FDH shall review and be knowledgeable of RL deliverables developed by the subcontractors.

Work Management - FDH shall ensure that all work contains appropriate requirements and cost information and is identified in the AWP. In addition, a baseline schedule and detailed cost estimate shall be required and reviewed for all project work, before the work is started.

Competitive Price for Services - FDH shall ensure that the PHMC is receiving competitively priced Information Services (IS) and related IS infrastructure appropriate to support site requirements. This will be achieved through implementation of a fixed unit rate for the core IRM services (HLAN, and Desktop support) provided and a process to benchmark the services and rates to commercial practices.

Systems Engineering - FDH shall use a systems engineering basis for the IRM infrastructure. This shall be demonstrated by being able to review the Systems Engineering data to determine the impact to the mission if the service is decreased, increased, or eliminated entirely.

FDH shall, through open competition, obtain the following IRM services in FY 1999:

1. Multimedia services:
 - Printing, reproduction
 - Graphics
 - Photography
 - Video Production
 - Technical Publications
2. Systems Development and Integration
3. Voice/Telephone Services
4. Records Management and Document Control

The contractor will ensure the maintenance and operations of an effective Scientific and Technical Information Program to provide such information in an electronic form to the DOE Office of Scientific and Technical Information and RL, while complying with applicable DOE Orders.

The contractor shall support openness at Hanford by working to maintain and enhance the electronic resource center on the Hanford Home Page.

** The contractor shall complete the PHMC-Integrated Work Management Implementation Plan (milestone number H2K-99-066), in accordance with the milestone description sheet, by March 31, 1999.

B 6.5 Information Resource Management Service Levels

Expectation: The contractor shall provide IRM services that meet the deliverables and requirements, performance measurements, and service hours of the Service Level Agreements that are considered an integral part of the IRM AWP.

B 6.6 Energy Management

Expectations: Achieve a minimum rating of "Meets Expectations" for all performance objectives, for DOE RL's FY 1999 Energy Management Performance Agreement with HQ-EE-90. DOE is to finalize by October 1, 1998.

B 6.7 Deferred Maintenance

Expectations:

- The contractor shall provide the "Deferred Maintenance" data, as requested in RL letter 98-SOD-026, dated September 14, 1998.
- The contractor shall support the Facility Information Management System (FIMS) data requirements that are yet to be determined between the contractor and RL, following receipt of DOE-HQ's FIMS requirements for DOE-HQ reporting.

B 7. Hazardous Materials Management and Emergency Response

Expectation: Operate the Volpentest Hazardous Materials Management and Emergency Response (HAMMER) Training Center in a safe, efficient, and effective manner with major emphasis in marketing, sales, promotions, customer satisfaction, and increasing facility utilization.

Measurement Criteria: In order to define the criteria and measure accomplishment of this expectation, specific milestones with concomitant deliverables in WBS #1.9 of the 1999 FDH MYWP have been established. The measurement criteria for these milestones and deliverables focus on these areas:

- Marketing, Sales, and Promotions
- Customer Satisfaction
- Facility Utilization

Management and Functional Support Section

The Department expects the contractor to perform the workscope contained within the MYWPs and AWP in a timely manner, within budget, with minimum rework, and with good quality. Proposed scope deletions or additions, and emerging issues, will be informally discussed with RL early in the decision process.

B 8. Office of Environment, Safety and Health

For FY 1999, achieve the work committed to in the FY 1999 Office of Environment, Safety and Health (ESH) AWP and in the FY 1999 Environmental Compliance Program (ECP) MYWP, with a high degree of technical quality and within the established schedules and budgets. Maintain compliance with applicable federal, state, and local ES&H regulations and contractual requirements, with prompt notification of conditions that could potentially cause a non-compliance and implementation of corrective actions. Represent a proactive and aggressive ES&H organization that serves as a technical authority for Integrated Environment, Safety, and Health Management System (ISMS) implementation and cultural mentor to Fluor Daniel Hanford, Inc. (FDH) and all of its subcontractors.

For performance of work in FY 1999, the focus in ES&H is in eight key areas that promote ISMS implementation:

1. Integrated Environment, Safety and Health Management System (ISMS)
2. Radiological Controls Improvement Plan (RCIP)
3. Environmental Protection (EP)
4. Emergency Preparedness Improvement Program (EPIP)
5. Quality of Work
6. Performance Evaluation (Independent Assessment [IA]/Self Assessment [SA]/Facility Evaluation Board [FAB])

7. Performance Measurement
8. Corrective Actions

B 8.1 Integrated Environment, Safety and Health Management System – ESH

Expectations:

- Promote and advocate an environment that encourages the raising and constructive resolution of safety and health issues and is supportive of safety and health being an integral component of work products.
- Ensure that the elements of the Project Hanford Management Contractor (PHMC) protect worker rights, enhance consideration of employee concerns, encourage open communication, and support the establishment of a safety conscious work environment.
- ** Complete training and implementation of the Automated Job Hazard Analysis (AJHA) in accordance with the ISMS implementation schedule.
- ** Declare readiness for ISMS Phase II implementation for SNF, TWRS, and PFP/WESF.
- ** Declare readiness for ISMS Phase I on four PHMC facilities.
- ** Develop and implement an appropriate process for flowing ISMS and Department of Energy Acquisition Regulation (DEAR) clause requirements to lower tiered subcontractors.
- Support and assist RL in resolution of the site roster issue relative to the Hanford Occupational Health Process.
- Perform facility characterization and report outcomes of facilities identified as being suspect beryllium facilities.
- Complete a project management plan and schedule for PHMC ISMS effort to ensure a systematic and methodical implementation of ISMS within the PHMC. Coordinate this activity with FDH Project Direction and RL.
- The established Lessons Learned Program will be updated and utilized as the information feedback function of the ISMS.
- Hazard communication in a facility or project is adequate to prevent serious or life threatening injuries or illnesses that require emergency medical response.
- Support RL during the transition to the new site medical services contract.
- Develop a plan for more effective and efficient utilization of PHMC fire protection engineering resources.

B 8.2 Radiological Controls Improvement Plan – QSH

Expectations:

- ** Complete the FY 1999 commitments in the Radiological Controls Improvement Plan.
- Coordinate and host in the vicinity of the Hanford Site a DOE complex-wide ALARA conference focused on the FDH ALARA Center of Technology by September 30, 1999.
- Develop a PHMC Radiation Protection intranet home page on the Hanford World Wide Web to be used as a single point of reference for technical basis documentation, procedures, lessons learned, etc. by September 30, 1999.

B 8.3 Environmental Protection (EP) – [EAP]

Expectations:

- Provide effective management, integration, site-wide coordination, and/or implementation of the TPA, environmental reviews (*National Environmental Policy Act* and *State Environmental Policy Act*), environmental permits, documentation, reporting requirements, regulatory inspections, and environmental issues.
- Reaffirm awareness and commitment to regulatory compliance through updated training and assertive communications.
- Implement HANDI 2000 passport software purchasing, inventory, and Material Safety Data Sheet modules for the Chemical Management System.

- ** Complete studies and engineering and begin construction to demonstrate progress on fulfilling the requirements of the *Federal Facility Compliance Agreement* for the *Clean Air Act*.
- In the areas of effluent and environmental monitoring, data management, and reporting, use the ISMS core functions of analysis and feedback to maintain compliance and improve monitoring for the protection of workers, public, and the environment.
- ** Ensure environmental protection/compliance values are integrated into the PHMC ISMS effort.
- ** Work performed by the Environmental Protection organization is in compliance with the environmental regulations. Work performed by the TPA Integration organization is in compliance with the TPA.

B 8.4 Emergency Preparedness Improvement Program -- QSH

Expectations:

- ** Implement corrective actions to resolve issues identified by or resulting from the Plutonium Reclamation Facility (PRF) event, EH-22 assessment, self-evaluations (critiques), etc. to ensure there is an effective and efficient Emergency Preparedness Program across the PHMC.
- ** Complete implementation of design improvements of the Emergency Operations Center.
- Develop and implement facility level procedure streamlines and worker awareness initiative.
- ** Implement DOE Order 151.1, *Comprehensive Emergency Management System* by September 30, 1999, dependent on formal contract direction and baseline change request approval.
- Emergency preparedness training and drills are adequate to ensure that emergency notification is made within established time limits and that response and mitigating actions are sufficient to provide for the health and safety of site personnel.

B 8.5 Quality of Work -- QSH

Expectations:

- Ensure that the PHMC Quality Assurance (QA) Program is effectively implemented. If a main subcontractor (MSC) is not demonstrating adequate performance, QA will assure that the appropriate FDH organization implements corrective actions.
- ** Ensure unique QA requirements (Office of Civilian Radioactive Waste Management and Waste Isolation Pilot Plant) are appropriately integrated into the PHMC QA Program.
- ** Ensure that the PHMC deficiencies are tracked and trended in a single PHMC system. Ensure that issues are corrected/resolved in a timely manner. Implement an effective corrective action management system for the PHMC. If an MSC is not tracking or trending deficiencies in the PHMC system, QA will assure that the appropriate FDH organization implements corrective actions.
- Maintain an effective internal management-assessment program.
- Provide FDH PHMC management and leadership for the implementation and maintenance of the PHMC QA Program, including Standards/Requirements Identification Documents (S/RIDs) and procurement QA.
- Ensure that the quality of PHMC products and operations meet or exceed customer expectations, as defined in the PHMC contract and work plans.

B 8.6 Performance Evaluation (IA/SA/FEB) -- [PAD]

Expectations:

- Perform oversight activities on facilities/operations. Areas of improvement identified during these reviews will be addressed through a corrective action management plan. Corrective actions will be tracked to closure through the Deficiency Tracking System.
- Conduct oversight activities through established Independent Oversight and Management Self-Assessment processes and within the tenants of the Integrated Environment, Safety and Health Management System. Results will be trended, and portrayed in a performance indicator program.

External review results (i.e., EH-22, Defense Nuclear Facilities Safety Board, etc.) that have identified weaknesses and deficiencies will have Corrective Action plans written to address these concerns. The Independent Oversight/Self Assessment Programs will include monitoring these Corrective Actions to closure.

B 8.7 Performance Measurement -- [ESH]

Expectation: Establish a process for development, production, distribution, and analysis of performance indicators that measure the implementation and effectiveness of the ESH priority goals. PHMC-wide indicators (both leading and outcome) should focus on the ES&H Policy goals of reduced accidents, reduced exposures to chemical and radiological hazards, and the reduction of environmental incidents.

B 8.8 Corrective Actions -- [PAD]

Expectation: An effective Corrective Action Management program will be implemented and maintained. Procedures guiding this program will be updated, or produced, as necessary. The Corrective Action Management program will be reviewed on a scheduled basis by the Independent Oversight Organization for effectiveness.

B 8.9 Continuous Performance Improvement (CRQ)

Expectations:

- Conduct and publish the results of FY 1999 Fluor Daniel Hanford Client Review. Perform comparative analysis against FY 1998 Client Review. Establish improvement objectives for FY 2000 by September 30, 1999.
- Based on the JMJ Associates recommendation, complete the path forward for improved RL/PHMC Alignment by January 15, 1999.

B 8.10 Fire Protection Engineering

Expectation: Develop a plan for more effective and efficient utilization of PHMC fire protection engineering resources.

B 9. Employee Concerns Office

Expectations:

- Publish results of PHMC Employee Concerns Program self-assessment by November 1, 1998.
- Identify any changes to the program as a result of the self-assessment, and schedule for implementation by January 1, 1999.
- Conduct a survey of PHMC and enterprise employees, which as a minimum addresses the safety culture at the Hanford site and the effectiveness of the employee concerns programs, by August 31, 1999.
- Convert PHMC Employee Concerns Program tracking to Microsoft Access by September 30, 1999.

B 10. Office of the Chief Financial Officer

B 10.1 Office of the Chief Financial Officer

The Office of the Chief Financial Officer has included its performance expectation in the FY 1999 PHMC Annual Work Plan 1MDDPN "Vice President of Project Control." The Contractor performance will be evaluated against these performance expectations.

B 10.2 Hanford Site Planning and Integration

The Planning and Integration Division (PID) has included its performance expectations in the FY 1999 Update to the PHMC Multi-Year Work Plan, 1.8.2.1. The contractor performance will be evaluated against these performance expectations. The contractor will also be evaluated against the company level performance expectations identified below. These expectations are further addressed in the PHMC (DE-AC06-96-RL13200), Section C.2 and support PID's mission to assure integration and alignment of site planning and site execution functions.

All activities listed in the MYWP are important for the success of site integration and support the Site Critical Success Factors and near-term performance objectives established as result of the June 1998 joint RL/contractor senior management workshop. The major activities include Management Procedures, Policies and Training, Strategic Planning, Baseline Management & Change Control Process, Performance Assessment & Reporting, and Data Systems.

Expectation: Optimize activities performed.

Measurement criteria:

- Activities are appropriately sequenced to assure critical path accomplishments.
- Redundancies of activities among projects are minimized.

Expectation: RL approved Baseline Change Requests (BCRs) are incorporated into the baseline in a timely manner.

Measurement criteria: 96% of BCRs are incorporated into the baseline within 30 days of RL approval.

The following are significant objective evaluation items. Refer to the FY 1999 MYWP for details.)

- ** Improve and maintain data traceability and consistency to at least 96% by March 30, 1999.
- ** Provide electronic (on-line) MYWPs by August 31, 1999.

B 10.3 Budget

B 10.3.1 Budget Reports and Analysis

Expectation: Ensure AWP and MYWP products reflect DOE guidance, are of a quality that does not require significant revision, and are delivered within agreed to due-dates.

Measurement Criteria: Success in meeting this performance objective will be determined by completing assigned work, including the activities cited in the FY 1999 WBSs 6.6.5.1.3 and 1.8.2.1, as appropriate.

B 10.3.2 Field Budget Submission

Expectation: Ensure that all FY 2001 budget submissions, including any required supplemental schedules and narrative, effectively present and justify the funding requirements of the PHMC. In FDH's integrator role, the Environmental Management (EM) Program budget submission must reflect total integrated site-wide requirements.

Measurement Criteria: Success in meeting this performance objective will be determined, as indicated in the FY 1999 WBS 1.8.2.1, as appropriate.

B 10.4 Financial Management

The Financial Management Division (FMD) has included its FY 1999 PHMC performance expectations in the FY 1999 PHMC Annual Work Plan, 1MDD4B. These expectations support FMD's mission to administer the Department's financial operations and to ensure financial integrity through four Hanford Strategic Plan performance goals:

- maintain financial and managerial control,
- develop cost competitive overhead and infrastructure, commensurate with mission needs,
- projectize Hanford for clear management, accountability, responsibility and authority, and
- reduce accidents in the work place.

The PHMC's performance will be measured through their successful completion of the measures associated with these goals. FMD expects that the PHMC's products will be well coordinated, of an appropriate quality, and submitted in a timely manner. Final products should not require significant changes or rework.

B 10.5 Contract Finance and Review Programs

Expectation: Internal Audit -- Be financially in control by maintaining an effective internal audit capability to review the contractor financial activities and those of its major subcontractors.

Measurement Criteria: The success of the Internal Audit group in meeting this performance objective will be determined by its ability to perform the required work in accordance with its FY 1999 AWP, which shall contain the following:

- Submit an Annual Audit Plan for FY 2000, by June 15, 1999, that is in accordance with the Office of Inspector General (OIG) Cooperative Audit Strategy and acceptable to DOE,
- Complete audits in accordance with government auditing standards,
- Accomplish audits in accordance with FY 1999 Audit Plan schedule or as revised by mutual agreement,
- Have full disclosure of all conditions found during the audits,
- Achieve FDH management's acceptance of audit recommendations,
- Complete OIG investigation referrals within 20 days or agreed to dates,
- Coordinate timely responses to OIG and General Accounting Office (GAO) information requests,
- Track all uncompleted audit report recommendations and submit open action item reports within 15 calendar days after the end of the quarterly reporting period.

Expectation: Repeat Audit Findings -- FDH will demonstrate effective and efficient management and financial controls by correcting those external and DOE audit findings, within approved time frames, that were supported by the Contracting Officer (CO)/Contracting Officer's Representative (COR).

Measurement Criteria: The contractor's success in meeting this performance objective will be measured by its ability not to have any repeat Inspector General, GAO, Defense Contract Audit Agency (DCAA), or DOE audit/review findings during FY 1999. An external audit finding will not be considered to be a repeat audit finding unless it previously was supported by the CO/COR and the contractor has had sufficient time to implement its approved corrective action plan.

B 10.6 Procurement

B 10.6.1 Performance Agreements

Expectation: FDH Contracting shall submit 40 percent of FY 1998 Performance Expectation Completion Notices (PECNs) by October 31, 1998 and the balance of all FY 1998 PECNs will be submitted to RL-PRO on or before December 7, 1998.

Measurement criteria: Success will be measured by the number of PECNs FDH submits by October 31, 1998 and December 7, 1998. Only complete, comprehensive packages ready for RL disposition will be counted. Partial or incomplete packages will not be counted towards meeting this criterion.

B 10.6.2 Competition

Expectation: FDH shall promote competition among its PHMC subcontractors and broadly within the acquisition process, and increase the frequency and magnitude of competitive awards.

Measurement criteria:

- ** FDH shall conduct performance evaluations of all major subcontractors, DYNCORP and the Enterprise Company (ENCO) subcontractors. FDH will complete the compete-extend evaluations for Lockheed-Martin Hanford Company (LMHC) and Babcock & Wilcox Hanford Company (BWHC) by May 30, 1999.
- ** FDH shall increase the percentage of new subcontract and purchase order awards resulting from competition or market pricing from x percent experienced in FY 1998 to y percent in FY 1999 (a ten percent increase over FY 1998 will be our objectives). FDH shall report progress quarterly.
- FDH shall require all subcontractors to submit to FDH for review and approval any proposed transactions that would extend a contract beyond its original awarded term plus options and any non-competitive action value at greater than \$1,000,000.

B 10.6.3 Outsourcing

Expectation: FDH shall track its progress toward outsourcing 50 percent of total Project Hanford budget dollars by 2001 to other than major subcontractors and its progress toward allocating 60 percent of outsourced dollars to local, regional, and Native American businesses.

Measurement criteria:

- FDH shall report to the Contracting Officer quarterly outsourcing statistics reflecting the percentage of Project Hanford dollars expended on contracts with sources other than PHMC major subcontractors.
- FDH shall report quarterly the percentage of total outsourced dollars that have been allocated to local, regional or Native American businesses.
- FDH shall report to the Contracting Officer quarterly the percentage of total PHMC dollars obligated to local, regional, or Native American businesses.

B 10.6.4 Socioeconomic Goals

Expectations: FDH shall negotiate socioeconomic new award goals with the major subcontractors and DYNCORP and subsequently negotiate socioeconomic goals with RL for the PHMC. FDH will manage the major subcontractors and DYNCORP to meet their goals and ultimately meet the goals FDH has established with RL for the PHMC. Goals will be negotiated for new awards to small, small disadvantaged, and small woman-owned businesses. FDH is expected to achieve these goals by the end of FY 1999.

Measurement criteria:

- FDH shall negotiate FY 1999 socioeconomic new award goals with RL for the PHMC no later than November 1, 1998, and report socioeconomic award statistics on a quarterly basis.
- FDH shall strive to meet the socioeconomic program goals negotiated between FDH and RL for FY 1999.

B 10.6.5 Economic Diversification Via Involvement of Community in Contracting Opportunities

Expectation: FDH shall promote economic diversification of the Hanford area by producing and implementing a Supplier Advocacy Office Program and implementing the FY 1999 portions of FDH's Mentor-Protégé Program.

Measurement criteria:

- Complete the FY 1999 Supplier Advocacy Office plan and provide the Contracting Officer a copy of the plan by January 4, 1999.
- Report FY 1999 portions of the FDH Mentor-Protégé Program on a semi-annual basis to DOE-HQ as required during FY 1999.

B 10.6.6 Subcontract Cost Estimating

FDH will ensure that detailed cost estimates are prepared for subcontracts for projects and activities with an expected value exceeding \$100,000. The cost estimates will be based on sufficient analysis of a definitive scope of work. FDH will perform appropriate validation of the cost estimates in a timely manner, including DCAA audit and compliance with the *Truth in Negotiations Act*, to ensure a fair and reasonable price which is reflected in the FDH commitment control system. Subsequent comparison of actual costs to the cost estimates must also be performed to enhance the quality of cost estimates.

Measurement Criteria: Success will be measured by an independent validation of the level of detail of the cost and price analyses and processes to ensure compliance with a minimum of 90% of the cost estimates.

B 11. Project Management

B 11.1 Configuration Management

Expectation: Improve configuration management (CM) at Hanford to assure continued safe and reliable operations of projects and facilities by establishing and maintaining consistency among the design, physical configuration, and documentation for those systems, structures, and components essential for safe and reliable operations.

Measurement Criteria:

- Within the Projects, establish and maintain configuration management implementation plans and conduct periodic self-assessments to ensure effective implementation.
- Within the Projects, establish and maintain consistency among the design, physical configuration, and documentation for those systems, structures and components (SSCs) important to safe and reliable operation.

Deliverables: FDH will complete the consolidated program review for all five PHMC CM Plan areas (CM System Management, Configuration Identification, Configuration Status Accounting, Change Control and Assessments) in all major PHMC projects by June 30, 1999 and transmit the results to DOE-RL by July 30, 1999. The program review on the PHMC CM Plan Area, Configuration Identification, will include the review and evaluation of projects configuration item listings.

Use the established drawing metrics, collected from the HDCS database and reported in the engineering metrics, to improve control and quality of PHMC essential drawings, as follows, by March 31, 1998:

- Reduce unassigned essential drawings to less than 1% of the current number of total assigned essential drawings.
- Reduce the number of essential drawings with temporary Engineering Change Notices (ECNs), which are greater than 180 days since installation or since approved extension to less than 10% of the total current number of drawings affected by installed temporary ECNs.
- Reduce the number of essential drawings with ECNs, which have not been incorporated within 30 days, to 5% of the total number of essential drawings.

B 11.2 Engineering and Construction Programs

Expectation: FDH shall use a process for physical asset acquisition that is an integrated and systematic approach that ensures the utilization of best commercial engineering and construction practices.

Measurement Criteria: The process shall contain the following attributes:

- Specifying appropriate state, regional, or national building codes to which physical assets shall be designed and constructed. Approval of functional design criteria or functional requirements or similar documentation with minimal RL comments will demonstrate compliance.
- Consideration of maintainability, operability, disposition, life-cycle costs, and configuration integrity in designs and acquisitions. Compliance will be assessed by RL project engineers/managers who will be included as project team members throughout the design and construction process.
- Utilizing a project management system based on effective management practices that are sufficiently flexible to allow for the size and complexity of the project. Compliance will be demonstrated by development and implementation of the procedures governing the engineering and construction processes allowing such graded approach.
- Perform Architect/Engineer and construction services to permit continuous advancement through the preliminary, conceptual, and execution phases of construction projects.

Deliverables:

- The contractor shall formally report to RL at FY end, the percentage of General Plant Project (GPP) and Line Item construction projects completed on schedule, within budget, and within scope as defined by their approved project baseline at completion, as compared to the total number of GPP and Line Item construction projects completed in FY 1999. This report will also include the percent of ongoing GPP and Line Item construction projects currently within their approved schedule, budget, and scope baselines. The percentage of projects within schedule, budget, and in scope will be at least 90%.
- FDH will review Strategic Systems, Major Projects, Line Items, and GPP funded projects annually to ensure the projects continue to meet site needs. This review will be performed as a part of the annual update to the MYWP. This expectation will be considered complete upon contractor submittal to RL, the annual MYWP update and analysis demonstrating that all ongoing construction projects meet Hanford Mission needs.

B 11.3 Systems Engineering

Expectation: Perform a high-level integrated site systems engineering (SE) process. Establish and maintain a consistent set of cleanup requirements and assumptions, waste and materials forecasts, infrastructure needs, interface control, issues identification/management and cleanup system optimization/analysis. Establish and maintain one controlled database as the source of technical information for key Hanford planning and execution documents such as the MYWP Path to Closure, and Site Disposition Maps.

Measurement Criteria:

- Timely and accurate development of SE products including the Integrated Site Baseline, technical database, systems analysis, Technical Issue Management List (TIML), technical sections of the controlled database, etc.
- The contractor shall ensure an appropriate system engineering approach is developed and implemented in each of the Projects and sub-projects by March 31, 1999.
- Maintenance of the controlled database at a minimum 99% accuracy level.
- Assurance that changes to the technical baseline from approved baseline change requests (BCR) are entered into the controlled database within 10 working days from receipt of the approved BCR.

Deliverables:

- Conduct a requirement analysis of the Defense Nuclear Facilities Safety Board implementation plans for Hanford and verify integration with the site and project baselines by March 31, 1999.
- Complete Infrastructure, Environmental Restoration, and Pacific Northwest National Laboratory systems analysis simulations including approval by owning organizations by March 31, 1999.

- Provide quarterly TIML, technical database accuracy, and BCR performance reports to RL.
- Submit a letter report to RL validating major Project and subproject SE approach by March 31, 1999.

B 11.4 Value Engineering

Expectation: Promote and utilize value engineering (VE) principles using a graded approach at appropriate stages of Hanford projects to assure cost effective solutions are implemented in achieving outcomes/end states.

Measurement Criteria:

- Cost savings as a result of VE efforts that are documented in formal VE studies BCRs and an annual report.
- Number of VE studies that are performed at the appropriate stage of Hanford projects.

Deliverables:

- Submission of an annual VE report to RL by November 30, 1998.
- Transmittal of a list of potential VE studies to be performed in FY 1999 to RL by October 31, 1998.
- Submission of VE studies to RL within 30 days of completion.
- Completion of BCRs implementing VE savings within 30 days of VE study completion, where appropriate.

B 12. Human Resources/Contractor Workforce Programs

Expectation: FDH Human Resources (HR) group will participate in creating a workplace environment which fully utilizes the talents and capabilities of a diverse workforce while transitioning the profile of the workforce to better support the needs of the PHMC mission. In addition, FDH and its subcontractors will work to provide resources that will further enhance employees' value to the PHMC, parent companies, and the community. FDH's approach will integrate culture (learning and growth), internal process, customer/client, and financial perspectives of the 'Balanced Scorecard' in implementing this objective.

Measurement criteria: Deliverables under this objective should include:

- (1) Submitting FDH and RL jointly developed performance expectations, measures, or targets no later than the end of the first quarter of FY 1999. Areas included are diversity, healthcare cost reduction/avoidance, work productivity, and worker transition/staffing;
- (2) FDH participation in the continued development of the Human Asset Management System (HAMS);
- (3) Informal, mid year review no later than the end of the 2nd quarter, FY 1999; and
- (4) Fiscal year-end assessment no later than October 31, 1999.

RL will evaluate the overall effectiveness of FDH HR's performance against criteria agreed to in performance expectations, measures or targets.

B 12.1 Labor Relations

Expectation: FDH Labor Relations (LR) group shall promote a productive and harmonious relationship with the certified collective bargaining agents of the PHMC through implementing labor-management partnership initiatives, as agreed to by the parties.

Measurement criteria: the number of initiatives agreed to shall divide The number of initiatives implemented. Exceeds expectations – Equal to or greater than 90%, Meets expectations – Equal to or greater than 70% but less than 90%, and Does not meet expectations – Less than 70%.

Deliverables: Deliverables under this objective should include: Quarterly status reports, beginning November 30, 1998, of initiatives being considered and their disposition. Fiscal year-end assessment no later than October 31, 1999.

B 13. Technology Management

B 13.1 Expectations

Expectation: Technology Insertion Points and Needs Identification -- The contractor shall design and implement, consistent with DOE guidance, a science and technology needs process that identifies, prioritizes, coordinates, integrates across site contractors and projects, and packages the site science and technology needs into a mutually agreed-upon format (see infrastructure expectation below). The contractor shall work closely with the Science Community in developing site science needs in order to maximize their usefulness. To maximize the overall benefit from this needs process, where appropriate, Technology Insertion Points (TIPs) shall be identified and science and technology needs shall be tied to the projects planning documentation such as the multiyear work plans. Linkages between science and technology needs, TIPs, and other site management documents (Accelerated Cleanup – Paths to Closure (ACPC), MYWP, Waste Disposition Maps, etc.) shall be clearly identified.

Measurement criteria:

- Timely delivery of a quality, complete Hanford Site Science and Technology Needs Document including updated WebPage.
- Consistency of format for site science and technology needs across site contractors and projects.
- Needs identified through the use of TIPs.
- Effective facilitation and coordination of site wide TIP's Process
- Identification of TIP's for incorporation into project MYWPs
- Identify and document linkages between science and technology needs, technology insertion points, and other site management documents (ACPC, MYWP, Waste Disposition Maps, etc.).

Expectation: Technology Deployment Effectiveness -- Efforts of the contractor shall be focused on deploying technologies that reduce life cycle cost, and fully satisfy user-define Hanford Site Technology Coordination Group (STCG) needs. The contractor is encouraged to broaden their support to include all project organizations with the need to accomplish cleanup more effectively, efficiently, and under baseline cost.

- Using the system created in FY 1998, the contractor will determine life cycle cost savings (over the baseline) due to improved technology deployment.
- The contractor will broaden the base of organizations/projects (compared to FY 1998) adopting new and innovative technologies for the purpose of accomplishing their work scope more effectively, ahead of schedule, and under baseline cost.
- The contractor will track, manage, and contribute to the progress of satisfying STCG needs and Technology Insertion Points with new and innovative technologies.

Measurement criteria:

- Cost savings consistently documented using formal baseline change control.
- Observable evidence of organizations and projects (who were not previously so engaged during FY 98) participating in the following activities: science and technology needs process: TIP's (identification and disposition); technology demonstrations; technology deployments; responding to RFPs; dispositioning successful demonstrations, cost, schedule or risk reduction forecasts from previous/current/out-year deployments; and extending the use, effectiveness and application of technologies previously put in place on the Hanford Site. The baseline for comparison will be the FDH Technology Management year-end assessment for FY 1998.
- Quality, completeness, and consistency of TIP milestone status reports, and milestone completion documentation.

Expectation: Infrastructure -- The contractor shall work to create a technology deployment environment that is driven by needs, rewards risk management and fosters market pull. In doing so, the contractor will communicate and cooperate with the appropriate National Technology Development and Deployment teams, provide active and appropriate participation the Site Technology Coordination Group (STCG) Management Council and STCG subgroups meetings and activities, providing information for STCG review in a timely manner (no less than 10

working days in advance), and coordinate with other Hanford prime contractors, the Pacific Northwest National Laboratory, DOE sites, Federal agencies, private industry, and industry outreach organizations. The contractor will provide monthly reports on progress towards all items in this PEP and implement a continuous improvement program including a self-assessment process. The contractor will seek additional funding/support through the submittal of well coordinated quality proposals. The contractor will ensure consistency between Hanford Technology activities and the overall planning documents such as the Accelerating Cleanup - Paths to Closure (ACPC) document.

Measurement criteria:

- Timeliness and quality of proposal submittals.
- Consistency of Hanford Technology Activities within the ACPC and other site documents.

B 14. Economic Transition

Expectation: The FDH Office of Economic Transition will contribute to the diversification of the local economy through pro-active partnering with other organizations, including the Tri-Cities Industrial Development Council (TRIDEC), regional businesses, and other Hanford contractors also working toward this goal.

Measurement criteria: Subjective assessments of the effectiveness of the contractor's partnering/teamwork, coordination, and communications in the creation of non-Hanford jobs. Progress/Issues will be tracked and discussed monthly.

Expectation: The Office of Economic Transition will contribute to the diversification of the local community's economy through innovative re-use of excess or under-utilized Site assets. These assets include real, personal, and intellectual property. The contractor will also leverage the work-scope of the PHMC to attract and create businesses that will locate and operate in the local community

Measurement criteria: To receive an excellent score on this criterion, The FDH Office of Economic Transition will help create at least 50 local, non-Hanford jobs through their activities using unneeded Project Hanford assets (buildings, equipment, technology, workscope, and any other Site assets or operations as appropriate) in FY 1999. If the number of jobs created is less than 50, the score will be reduced subjectively, depending on contractor effort and other factors – which will be discussed at least quarterly.

Expectation: 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 helping create 3,000 new jobs in the Tri-City community by the end of the five-year contract period.

Measurement Criteria: Help create a three-year (FY 1997-FY 1999) cumulative total of 1,000 local non-Hanford jobs toward the five year assistance goal of 3,000, per the criteria established in the *FDH Economic Transition and Outsourcing Plan for Project Hanford* (HNF-MP-006, Rev 0, Effective: 10/1/98), by September 30, 1999.

B 15. Safeguards and Security

Expectation: Complete the Milestones as identified in the FY 1999 AWP for Safeguards and Security.

Measurement criteria: Reference the Milestone Description Sheets in the FY 1999 Annual Work Plan for Safeguards and Security.

Expectation: Complete the mutually agreed upon workscope deliverables as identified in the FY 1999 Annual Work Plan for Safeguards and Security.

Measurement criteria: Identified deliverables will be completed in a quality fashion and within the due dates prescribed in the FY 1999 Annual Work Plan for Safeguards and Security.

Expectation: Day-to-day Safeguards and Security activities will be completed as described in the Activity Description section of the FY 1999 Annual Work Plan for Safeguards and Security.

Measurement criteria: Assessments of the effectiveness of the contractor's performance will be utilized. Progress will be tracked and discussed monthly.

B 16. Technical Training and Qualification

**** Expectation:** Maintain a 100% fully trained and qualified work force.

Measurement criteria: Fully trained personnel as demonstrated by all PHMC and third tier personnel having documented training requirements and being current on all identified requirements.

Expectation: Continuous process improvement of existing training programs.

Measurement criteria:

- Integrated training operations as demonstrated through a single set of Systematic Approach to Training (SAT) procedures and a set of common training administration procedures.
- All AWP work scope and deliverables completed on time and with no more than a 5% negative cost variance.
- ** Training requirements management demonstrated through availability and total use, by January 1, 1999, of a training matrix system capable of determining training requirements, providing cross-cutting reports, and providing accurate training records.
- Improvements in training effectiveness as demonstrated through an effective assessment program.

Expectation: Optimize costs relative to training.

Measurement criteria:

- Endorse technology supported learning as demonstrated through development of a plan due October 31, 1998 recommending a process to convert as much training to WEB transport as practical with a minimum of 10 courses including HGET.
- Core requirements identified for positions commonly subject to "bumping" by March 31, 1998 with core training developed and implemented by September 30, 1999.
- Training attendance optimized as demonstrated through a FY 99 no-show rate no greater than the no shows rate of FY 1998 or 7%, whichever is lower.
- ** Cost of training accurately tracked across PHMC including training funded by Hanford provided for third tiers subcontractors.
- FDH Training will use the Code of Accounts to accurately bound and understand PHMC training costs, then establish an aggressive cost management system.
- Control and management of EXITECH contract demonstrated through optimum use of class size and configuration.

B 17. External Affairs

B 17.1 General Coordination Expectations:

- Ensure that external and internal Hanford communications are aligned and consistent with Departmental Openness initiatives. The contractor shall ensure that stakeholders (including employees) have access to timely

and accurate information and are provided with opportunities to offer meaningful input into the DOE decision-making process.

- Manage Hanford communications efforts to ensure full integration and coordination among all Hanford contractors so that all information products or services maintain consistency and are aligned properly with Openness, Hanford Mission objectives, and the Hanford Strategic Plan.
- Ensure that Hanford communications efforts result in both timely and accurate distribution of information to all stakeholders while maintaining cost effectiveness.
- The contractor shall work in partnership with RL-Office of External Affairs (OEA) to establish priorities and delineate functional responsibilities that are compatible with staffing levels and resources.
- Ensure that Emergency Preparedness communications functions are maintained at an appropriate level of readiness, that they are integrated and coordinated site-wide and with off-site agencies, and that they are continually revised to reflect lessons learned.
- The contractor shall coordinate with the major subcontractors to identify and solicit information that can be placed on the Hanford Home Page to facilitate public access.
- The contractor shall ensure that project interactions with Tribal Nations are open, up-front, and often, and that these interactions are thoroughly coordinated with the RL Indian Nations Program.
- The contractor shall ensure that appropriate information products or materials are provided to the TPA Administrative Record and the Public Information Repositories and the contractor shall respond appropriately to inquiries through the Public Requests Service.
- The contractor shall support Openness at Hanford by working to maintain and enhance the electronic resource center on the Hanford Home Page on the Internet.
- The contractor shall accomplish any specific actions identified in the FY 1998 Project Hanford Management Contract Critical Self-Assessment or subsequent Action Plan.

The contractor is expected meet all deadlines as negotiated with RL-OEA. Unless otherwise specified, coordination with RL-OEA is defined as either **routine**, requiring an initial response in not less than two working days, or **accelerated**, requiring immediate response.

Broad areas of communication coordination shall include media relations, intergovernmental relations, community involvement, public involvement (as directed by the RL-OEA Public Involvement Manager), publications, tours, and briefings.

B 18. Office of Chief Counsel

B 18.1 Litigation Support

General Performance Objectives

Demonstrate effective management of litigation, settlements, and Alternative Dispute Resolution (ADR) by complying with FDH's Litigation Management Plan (LMP) and communicating that management to Office of Chief Counsel (OCC).

Evaluation Criteria

1. Communicate regularly and timely with OCC.
2. Coordinate with other contractors and subcontractors to minimize DOE exposure and costs. Meet regularly with Major Subcontractor/ Enterprise legal counsel to disseminate information.
3. Submit documents and information requested by OCC or required by the LMP in accord with the LMP.
4. Submit invoices in accord with the LMP.
5. Submit quarterly RL Law reports, case summaries, and updates in accord with the LMP.
6. Submit requests for approval of case settlements and recommendations for use of ADR mechanisms in accordance with the LMP.
7. Revise the LMP as necessary to incorporate best practices and lessons learned.

8. Revise the LMP to include FDH's process for evaluating and using ADR by January 15, 1999.

B 18.2 Legal Advice, Review, and Compliance Strategy

General Performance Objectives

Practice preventative law and cooperate in producing reports, documents, arguments, and strategies to support objectives common to RL and FDH.

Evaluation Criteria

1. Practice preventive law to avoid issues that may result in litigation, fines, or penalties.
2. Draft and review or have Major Subcontractor/Enterprise Legal counsel review documents that include regulatory or legal issues. Raise issues, controversies and commonalities with OCC as appropriate. Acknowledge differences openly and in a non-hostile manner.
3. Process documents through OCC for concurrence as appropriate.
4. Submit requested reports, documents, documentary research and factual results to OCC in a timely manner.
5. Facilitate clearance process for documents to eliminate surprise and contract ambiguities with DOE and contractor organizations.
6. Prepare and brief procurement evaluation boards on need for confidentiality and serve as contact for resolution of conflicts of interest.
7. Support contracting efforts at all tiers, including advising procurement evaluation personnel on major procurements.
8. Communicate FDH's significant items, achievements, and performance information through significant items reports by the tenth day of each month.

B 18.3 Business Conduct

General Performance Objectives

Investigate, respond to, and attempt to resolve third party complaints before forums external to the PHMC. Provide preventative guidance, counseling, and training to contractor management. Support DOE Inspector General Inquiries.

Evaluation Criteria

1. Coordinate documentary and witness responses to third party charges, enforcement actions, investigations, etc.
2. Notify OCC when appropriate and when required.
3. Review and reissue policies regarding waste, fraud, and abuse. Also, issue lessons learned when to do so would not violate the *Privacy Act*.
4. Provide education to FDH, Major Subcontractors, and Enterprise managers on employment and ethics issues.
5. Provide DOE Inspector General with information about alleged waste, fraud, and abuse in government procurement matters and support agents in investigations and other inquiries.

B 18.4 Patent Rights, Invention Identification, Disclosures, and Reports

General Performance Objective

Comply with all FDH contract terms regarding patent rights. Review and submit to RL Patent Counsel all Invention Disclosure Reports and Interim Reports. Assure the Government's interest in protecting intellectual property rights arising from PHMC work is protected.

Evaluation Criteria:

1. Submit to OCC by November 2, 1998, FDH's procedures to assure subject inventions are promptly identified and disclosed in accordance with DEAR 952.227-13.
2. Maintain and comply with procedures to assure that subject inventions are promptly identified and disclosed in accordance with DEAR 952.227-13.
3. Submit to OCC by May 1, 1999, FDH's evaluation of the procedures. The report shall include a determination as to the effectiveness of the procedures, FDH's compliance with the procedures, and any recommendations for improvements.
4. Disclose each subject invention to OCC Patent Counsel generally within two months after the inventor discloses it in writing to FDH or pursuant to DEAR 952.227-13(e)(2) and DEAR 952.227-13(h)(5).
5. Submit to OCC an interim report every 12 months listing subject inventions made during that period and submit to OCC an interim report certifying that all subject inventions have been disclosed (or that there are not such inventions) and an interim report with respect to subcontracts containing a Patent Rights clause pursuant to DEAR 952.227-13(e)(3).
6. Draft licenses for contractor technology that commercializes patents and software.

B 18.5 Freedom of Information Act Support

General Performance Objective

Coordinate FDH responses to *Freedom of Information Act* and *Privacy Act* requests in support of RL-OEA in compliance with statutory requirements.

Evaluation Criteria

1. Perform a thorough review for responsive documents.
2. Respond to all requests for information within seven days with either requested documents or a request for an extension. Circumstances justifying an extension include a large volume of documents, the number of documents, and the location of sites to be searched.
3. Review responsive documents for classification.

B 19. Office of the Manager

B 19.1 Reengineering

Expectation: Complete the following PHMC Reengineering activities by September 30, 1999.

- Implement the PFP redesign results for Thermal Stabilization process.
- Complete the TWRS Requirements Reengineering for Work Management and implement the Redesign processes.
- Complete the Business Redesign Plan to right size the infrastructure and services and reduce the cost of providing services.

B 19.2 Direct-Cost Savings

Expectation: Reduce project direct costs by \$21.2 million in FY 1999. Project direct cost savings may come from any of the following projects: Tank Waste Remediation System, Waste Management, Spent Nuclear Fuel, and Facility Stabilization.

Measurement criteria:

- Good performance is a reduction of direct costs by at least \$21.2 million.
- Excellent performance is a reduction of direct costs by at least \$23.85 million.
- Superior performance is a reduction of direct costs by at least \$26.5 million.

Definitions:

- The phrase "project direct cost savings" includes the following: a) [BCWP-ACWP] at the PHBS level; b) new FY 1999 technology development deployments that are documented through formal baseline change control and result in work brought forward to FY 1999 due to the deployment; and c) base operation workscope reductions documented by formal baseline change control that result in FY 1999 efficiency cost savings.
- Workscope deletions shall not count towards completion of this performance expectation, except as in Note 1, above.
- The phrase "base operation workscope reductions" is limited to standby or "hot" standby activities that precede actual cleanup work. This includes "minimum safe operations" and "essential services/activities" except for the specific activities listed below. Any claimed savings for base operations deletions must be supported by a schedule documenting the change request number and specific cost account(s) that were reduced to achieve the saving. Workscope deferrals will not be included as part of base operation workscope reductions.
- Project direct cost savings identified for this performance expectation shall not include any capital-funded Line Item construction projects.

Tracking of project direct cost savings:

Project direct costs are defined as all costs that are charged directly to the project for direct work or project support activities. Project direct costs are expensed directly to the projects and are not distributed through an indirect pool and rate. Projects should track their direct costs by tracking only those resource types that originate within their project (Resource Types 0, 1, 2, 4, and 5). Direct costs are represented in the PHMC financial system by the following cost elements:

Resource Type 0	Labor
Resource Type 1	Materials
Resource Type 2	Subcontracts
Resource Type 4	Other Originated Costs
Resource Type 5	Revenues

Resource Type 7, Fee, will be excluded from indirect and direct cost tracking under this performance expectation.

Activities Specifically Excluded from Minimum Safe Operations and Essential Service/Activities

<u>PHBS</u>	<u>Description</u>	<u>Excluded Activities</u>
1.1	Tank Waste Remediation System	TWRS SST Liquid Pumping TWRS Waste Characterization (SST Stab.) TWRS Flammable Gas Min. Safe Operations TWRS Waste Characterization (Flamm. Gas) TWRS Lighting Protection TWRS BIO Compensatory Measures TWRS Management Support – RL Support TWRS Operations RL Support TWRS Safety RL Support TWRS Disposal RL Support TWRS Organic Min. Safe Operations TWRS Management Support – Fee TWRS Vadose Zone Characterization TWRS Characterization Support to RL

<u>PHBS</u>	<u>Description</u>	<u>Excluded Activities</u>
1.2	Waste Management	Waste Management Assessments, such as patrol cost, steam costs etc. Waste Management Fee W-087/178/259 Essential Services
1.3	Spent Nuclear Fuel Fee	Spent Nuclear Fuel Fee
1.4	Facility Stabilization	Facility Transition Fee IAEA Activities