



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

JAN 12 1999

99-PRO-223

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

Dear Mr. Hanson:

CONTRACT NO. DE-AC06-96RL13200 – CONTRACT MODIFICATION M062,
LANGUAGE REGARDING SPENT NUCLEAR FUELS (SNF) PROJECT FEE

Enclosed for your file is fully executed Modification Number M062. This modification incorporates language that stipulates the conditions under which FDH may retain SNF earned project fee related to the start of the SNF movement for Fiscal Years (FY) 1999, 2000, and 2001. It also states that the aggregate of all negative deductions actually invoked in FY 1999 for performance agreements (excluding the Performance Expectation Plan) shall not exceed 20% of total available fee. Should you have any questions, please contact me at (509) 376-8948, or Alan Hopko of my staff at (509) 376-2031.

Sincerely,


Sally A. Stieracki
Contracting Officer

PRO:AEH

Enclosure

2. AMENDMENT/MODIFICATION NO. M062 3. EFF. DATE 10/01/98 4. REQUISITION/PURCHASE REQ. NO. N/A 5. PROJECT NO. (if applicable)

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

8. NAME AND ADDRESS OF CONTRACTOR (No., street, 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

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.

A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
 B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (Such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103 (b).
 X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
 H.46, Determination of Incentive Fee
 D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not is required to sign this document and return 3 copies to issuing office.

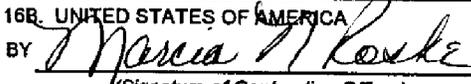
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The purpose of this modification is to incorporate contract clause language that stipulates the conditions under which the Contractor may retain Spent Nuclear Fuels Project fee earned related to the start of spent nuclear fuel movement for Fiscal Years 1999, 2000, and 2001; and stipulate that the aggregate of all negative deductions actually invoked in FY 1999 for performance agreements (excluding the Performance Expectation Plan) shall not exceed 20% of total available fee.

Reviewed

 Approved

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

15A. NAME AND TITLE OF SIGNER (Type or print) Ron D. Hanson
 President and Chief Executive Officer 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Marcia N Roske
 Contracting Officer 15B. CONTRACTING OFFEROR 
 (Signature of person authorized to sign) 15C. DATE SIGNED 12/16/98 16B. UNITED STATES OF AMERICA BY 
 (Signature of Contracting Officer) 16C. DATE SIGNED 12/17/98

A. Incorporate new clause H.60, Spent Nuclear Fuels Contingent Fee as follows:

H.60 SPENT NUCLEAR FUELS CONTINGENT FEE

A. Start of Fuel Removal

FDH agrees that its retention of any fee paid in excess of \$1 million for fiscal year (FY) 1999 Spent Nuclear Fuel Performance Agreements and any fee paid in excess of \$1 million for FY 2000 Spent Nuclear Fuels Performance Agreements will be contingent upon the successful start of fuel removal from the K Basins by November 30, 2000. In addition, if fuel removal is not successfully started by November 30, 2000, then any fee allocated, in FY 2001, for the start of fuel removal cannot be earned.

As set forth in the Tri-Party Agreement (TPA) Milestone P-34-16 (as of December 2, 1998) and for purposes of this clause, the start of spent nuclear fuel removal is defined as "The Cold Vacuum Drying (CVD) Facility and Canister Storage Building (CSB) shall be ready to receive spent nuclear fuel. The spent nuclear fuel transport system shall be operable. The K West Basin spent nuclear fuel retrieval system shall begin retrieving, cleaning, and packaging spent nuclear fuel, and the First Multi-Canister Over Pack of spent nuclear fuel will be loaded and transported to the Cold Vacuum Drying Facility for processing."

If FDH fails to achieve a successful start of fuel removal from the K Basins by November 30, 2000, and therefore FDH fails the condition subsequent to retain the contingent portion of fee paid on Spent Nuclear Fuels Performance Agreements in FY 1999 and FY 2000, then the contingent fee paid will be offset against any FDH fee earned in FY 2001 in accordance with the Schedule below. Furthermore, notwithstanding any other provision in this Contract, including but not limited to Clause H. 41, "Performance, Objectives, Measures, Expectations and Fee Distribution," if FDH's total earned fee in FY 2001 is insufficient to offset all of the Spent Nuclear Fuel contingent fee paid in FY 1999 and FY 2000, FDH shall reimburse any remaining amount to RL.

OFFSET SCHEDULE

Date start of fuel removal is achieved	Offset
On or Before November 30, 2000	None
After November 30, 2000 and On or Before January 31, 2001	33% of the contingent fee paid for FY 1999 and FY 2000 Spent Nuclear Fuels Performance Agreements
After January 31, 2001	100% of the contingent fee paid for FY 1999 and FY2000 Spent Nuclear Fuels Performance Agreements

B. Changes, and Termination

1. Identification of Budget and/or Schedule Impacts

FDH shall treat any DOE direction or action that causes an increase or decrease to the Spent Nuclear Fuel Project budget and/or schedule in accordance with Clause I.74, "Changes—Cost Reimbursement."

2. Termination

In the event FDH is terminated for default, any fee that is contingent at that time shall be forfeited.

B. Add the following sentence to the end of paragraph 5 of Subsection H.41:

Furthermore, for FY 1999, the aggregate of all negative deductions actually invoked shall not exceed 20% of the total available fee for all Performance Agreements, excluding the FY 1999 fee for the Performance Expectation Plan.



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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\ExecutedModM062 #223.8836

Office >	PRO	PRO				
Surname >	HOPKO	SIERACKI				
Date >	Jan 11/99	12 JAN 99				

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

Document No. 8836