



**Department of Energy**  
Richland Operations Office  
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Richland, Washington 99352

9950574  
CC RECD: 01/26/99

99-PRO-232

**JAN 25 1999**

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

**RECEIVED**

JAN 23 1999

J.L. JACOBSEN

Dear Mr. Hanson:

CONTRACT NO. DE-AC06-96RL13200 – CONTRACT MODIFICATION M068,  
FISCAL YEAR (FY) 1999 PERFORMANCE EXPECTATION PLAN (PEP), REVISION 1

This letter is in response to the FDH letter, J. L. Jacobsen to S. A. Sieracki, RL, "Comments to FY 1999 Performance Expectation Plan, Revision 1," FDH-9860606, dated December 21, 1998. RL has reviewed FDH's recommendations and comments and has incorporated the following changes into the attached FY 1999 PEP:

- Spent Nuclear Fuels Project, page 17, paragraph B 3: The first Expectation and Measurement Criteria requiring 95% of all project milestones to be met prior to, on, or within ten days following the established milestone date is deleted.
- Office of Chief Financial Officer, Procurement, page 31, paragraph B 10.5.2, second Measurement Criteria: "x percent" is changed to "23 percent" and "y percent" is changed to "33 percent."
- Human Resources, page 34, paragraph B 12, fourth Measurement Criteria: The fiscal yearend assessment date is changed from October 31, 1999, to October 15, 1999. The 15-day period beyond the end of the fiscal year is required to compile the report.
- Labor Relations, page 35, paragraph B 12.1, last deliverable: The fiscal yearend assessment date is changed from October 31, 1999, to October 15, 1999. The 15-day period beyond the end of the fiscal year is required to compile the report.
- Economic Transition, pages 36-37, paragraph B 14: The second Measurement Criteria is changed to read "Subjective assessments of the effectiveness of the Contractor's planning and use of resources (employees, time, funding), partnering/teamwork interactions, coordination, and contract negotiation/preparation, to help create local, non-Hanford jobs using unneeded project Hanford assets (buildings, equipment, technology, workscope, and any other Site assets or operations as appropriate) in FY 1999. Discussions will be conducted at least quarterly to review performance."

Mr. R. D. Hanson  
99-PRO-232

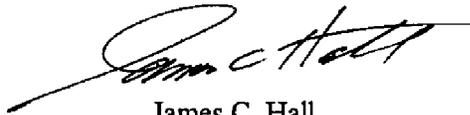
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JAN 25 1999

- FDH's recommendations for Project Management-Value Engineering were considered; however, RL has determined that the original PEP language will remain in effect.

A fully executed contract modification is attached. If you have any questions, please contact me, or your staff may contact Sally Sieracki, Procurement Services Division, on (509) 376-8948.

Sincerely,



James C. Hall  
Acting Manager

PRO:GFC

Attachment

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES
2. AMENDMENT/MODIFICATION NO. M068		3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	1 44
6. ISSUED BY DEPARTMENT OF ENERGY P.O. BOX 550 RICHLAND WA 99352		CODE	7. ADMINISTERED BY (if other than Item 6)	CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, state and zip code) FLUOR DANIEL HANFORD, INC. 2420 STEVENS CENTER P.O. BOX 1000 RICHLAND, BENTON, WA 99352			(X)	9A. AMENDMENT OF SOLICITATION NO.
CODE				9B. DATED (SEE ITEM 11)
FACILITY CODE			X	10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC06-96RL13200
				10B. DATED (SEE ITEM 13) 08/06/96

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended,  is not extended.  
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment, (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (if required)

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

(X)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
X	Clause H.41 of the Contract
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor  is not,  is required to sign this document and return \_\_\_\_\_ copies to the issuing office.

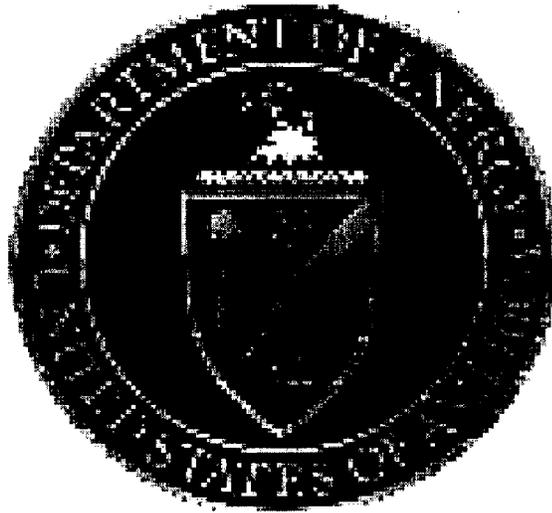
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The purpose of this modification is to replace the original Fiscal Year 1999 Performance Expectation Plan that was incorporated into the contract via M057, with the attached Revision 1.

All other terms and conditions remain unchanged.

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

15A. NAME AND TITLE OF SIGNER (Type or print)	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)
	JAMES C. HALL, Acting Manager
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED
(Signature of person authorized to sign)	16B. UNITED STATES OF AMERICA
	16C. DATE SIGNED
	JAN 25 1999
	(Signature of Contracting Officer)



## **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 December 18, 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 which 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 Management and Total Scope Performance Incentive (Mega Incentive) are established in this plan.

  
James C. Hall  
Acting Manager

1-25-99  
Date

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## **Part A: General Guidelines for Administration of the “Mega” Incentive**

### **A 1. Review and Approval of Contractor’s Earned “Mega” Fee**

#### **A 1.1 Applicability**

This plan provides procedures and policy and assigns responsibilities for determining the level of “Mega” Incentive performance of the FDH Company in performance of Contract No. 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 M068, executed January 25, 1999. 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 Management and Total Scope Performance Incentive (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 across the total scope of the contract.

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

**Fee Administration Board (FAB).** The FAB oversees development of the Performance Expectation Plan (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, ORP, 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 Performance Expectation Plan (PEP), including execution of the Multi-Year Work Plans (MYWPs), Annual Work Plans (AWPs) for service/support areas and adherence to generally accepted standards of practice and standard operating procedures. The FAB will then translate its evaluations into a report for the FDO.

The FAB shall consider the observations of RL staff when preparing the FAB performance analysis. The analysis 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; and
- not associated with specific fee-bearing objective 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 sitewide 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, critical, objective assessments 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 Fee Determining Official 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 yearend 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 which 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 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.

### **Project Crosscutting**

#### **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 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 1. Office of River Protection (ORP)**

##### **B 1.1 Safety and Health Performance**

**\*\* Expectation:** Ensure that all ORP facilities have adequate Authorization Bases. The following ORP 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 ORP Authorization Basis upgrade will conform to the upgrade strategy for each facility as it is described in the Report "Authorization Basis Status Report (Miscellaneous ORP Facilities, Tanks and Components)" HNF-2503.

**Measurement criteria:** The ORP Authorization Basis is upgraded for at least two of the ORP facilities identified in the expectation during FY 1999. The selection of the two facilities shall be based on risk and priority.

**Expectation:** Development of a structural integrity assessment program.

**Measurement criteria:** The contractor will complete actions in support of a structural integrity assessment program. A structural integrity assessment program will be formalized as implementation of an additional requirement of the Technical Safety Requirements. This shall be accomplished by adding a new Program Key Element to Administrative Control 5.24, "Safety Management Programs." Section 5.24.2, "Program Key Elements" shall be amended by adding, "f. Tank Structural Assessment Program." The structural assessment program shall be developed to protect assumptions made during the safety analysis process. These assumptions place dome cracking and dome collapse as low probability events and assume that these accidents are and will remain bounded by the load drop accident analyzed for onsite and offsite consequences.

**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 ORP facilities operated by the Contractor have the capabilities, consistent with the types of operations conducted, to monitor routine and non-routine releases. Ensure the existing Authorization Basis accurately reflects ORP operations and activities. Make current versions of Authorization Basis documentation readily accessible to DOE.

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

**\*\* Expectation:** Complete ORP implementation of the Radiological Control Improvement Program by September 30, 1999.

**Measurement criteria:** The expectation will be met when the FY 1999 Radiological Control Improvement Program (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 fiscal years 1997-1999.

**Expectation:** Implement the ORP Comprehensive Ergonomics Program Plan, HNF-IP-0842, Vol. 9, Section 4.3 by September 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 high risk for musculoskeletal disorders and provide effective ergonomics hazard controls to those jobs that pose a high risk through the Job Hazards Analysis (JHA) process, workplace ergonomic assessments, and lessons learned.
- 3) Expand the ergonomics hazards recognition training to ORP line management, persons-in-charge (PICs) and crafts personnel.
- 4) Display management commitment and support in addressing safety and work-related ergonomics problems by performing management observation program tours or equivalent job walk downs focused on ergonomics.

- 5) Minimize risk factors for musculoskeletal disorders and other ergonomics related work hazards when planning new work processes and operations through design review process.
- 6) Perform management assessment of the program to determine effectiveness and report results in the ORP safety services quarterly reports.

## **B 1.2 Tank Farm Operations**

**Expectation:** Improve the Tank Farm Operations emergency response capability.

**Measurement criteria:** The expectation will be met when the Contractor completes the following:

- 1) Complete 95 percent of the action items in the ORP FY 1999 Emergency Management Project Plan as scheduled.
- 2) Participate in the FY 1999 Hanford Annual Emergency Exercise as the event facility, achieving an FDH-graded satisfactory performance.

**\*\* 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 Ecology.

**\*\* Expectation:** Install, test and place in service 25 new, replacement Continuous Air Monitors in stacks and tank annuluses by September 30, 1999.

**Measurement criteria:** By September 30, 1999, the contractor shall submit a letter to RL stating that they have installed, tested and placed in service 25 new, replacement Continuous Air Monitors in stacks and tank annuluses.

**\*\* Expectation:** Stage waste for the Evaporator. Complete the staging (filling, sampling, and analysis) of tank AW-102 by May 15, 1999, and the filling and sampling of tank AP-107 by August 30, 1999.

**Measurement criteria:** The contractor shall submit a letter to RL by May 15, 1999, confirming that a specific volume of waste has been transferred to tank AW-102 and has been sampled and analyzed and is ready for evaporation. The Contractor shall also submit a letter to RL by August 30, 1999, confirming that a specific volume of waste has been transferred to tank AP-107 and has been sampled and submitted to the lab for analysis. The Contractor shall include the schedule date when AP-107 shall be ready for evaporation.

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

**Measurement criteria:** Complete Conduct of Operations Alarm Panel Initiative. All of the essential and non-essential "locked-in" alarms at all twenty-two (22) ORP alarm locations (by building number, for example AP farm is one location with 11 panels) will be identified, labeled, and controlled in accordance with Tank Farm standard operating procedures by September 30, 1999. Schedule for repairs to essential alarms will be prioritized by safety significance. 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

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

**Measurement criteria:**

- The PHMC team shall provide an updated critical risk list for Phase 1. The list will be provided by August 15, 1999, for those items that have potential technology mitigation (exclusive of risks identified for the O&M Concept which will be included in a separate document issued during FY 1999).
- Contractor will deliver baseline change based on risk list incorporated in Readiness to Proceed deliverable and FY 2000 ORP MYWP for technology-related risks.
- PHMC Team shall incorporate Technology Insertion Points (TIPs) into ORP FY 1999 MYWP and ORP FY 2000 MYWP for funded S&T activities. Data infusion points may be highlighted in lieu of a "technology insertion point." Schedule for this activity will be driven by the delivery date of the MYWP.
- PHMC Team shall update the critical risk list to reflect technology-related risks identified in the Single-Shell Tank Program Plan to support development of the ORP FY 2000 MYWP by August 31, 1999.

#### **Definitions**

*Science and Technology Needs* refers 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 ORP Program. Impact to the ORP 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, which have a competitive advantage over the baseline technology or science.

#### **B 1.4 Nuclear Criticality Safety Program**

**Expectation:** Resolve the ORP Criticality Safety Issue (TPA Milestone M-40-12) by September 30, 1999.

**Measurement criteria:** Completion of the TPA Milestone will require:

- Complete the mapping of requirements (S/RIDS, Authorization Basis, and HNF-PROs) to implement documents for the ORP Nuclear Criticality Safety Program by May 28, 1999.
- Support the ORP-RL Management Assessment of criticality safety program, to be completed by May 28, 1999.
- Submit a request for closure of the ORP Criticality Safety issue by May 28, 1999.

#### **B 1.5 ORP Employee Concerns**

**Expectation:** Close, or assist RL-ORP in closing, all ORP-related employee safety 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 ORP employee safety concern, which 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-ORP. For those ORP employee concerns not fully the responsibility of the Contractor, the Contractor will assist RL-ORP by providing information on a schedule specified in RL-ORP letters of direction to the Contractor.

#### **B 1.6 ORP Crosscutting**

**Expectation:** By December 31, 1998, provide documented evidence that a ORP procedure facilitating accomplishment of reviews per DOE Order 5480.31 and consistent with guidance in DOE Order 425.1 has been submitted to HNF-IP-0842 for incorporation. Hereafter, this procedure is referred to as the "Planning for Operational Readiness and Readiness Assessment Project Reviews" procedure.

**Measurement:** Procedure is to:

1. Help ensure successful accomplishment of the technical reviews described in the ORP Systems Engineering Management Plan (SEMP);
2. Consider the life cycle of the activity, but concentrate on the requirements in DOE O 5480.31 Attachment 2, requirements 4, 10, 15, and 17, and be consistent with guidance in DOE O 425.1 paragraph 4d, requirements 4, 10, 15, and 17. Placeholders for future development of the procedure may be used for other requirements.
3. Include a baseline compliance matrix identifying elements and deliverables, including test and evaluation deliverables, that are addressed by ORP projects and activities; and
4. Describe grading, timing, and justification methods to be used for product and review preparation.

**Expectation:** By August 20, 1999, provide documented evidence that the baseline compliance matrix in a new ORP "Planning for Operational Readiness and Readiness Assessment Project Reviews" procedure has been used to form some plans and produce four deliverables. The four deliverables must be products from more than one ORP project or activity. This procedure facilitates accomplishment of DOE Order 5480.31 and technical reviews per the ORP Systems Engineering Management Plan (SEMP) consistent with guidance in DOE Order 425.1.

**Measurement:** The documented evidence is to show that:

1. The baseline compliance matrix is being applied to issues, projects, and/or activities that materially involve Waste Storage Division and Waste Disposal Division personnel.
2. The plans and deliverables are approved at the appropriate contractor level, typically a Class IV decision made by level 3 managers as defined in Attachment D of HNF-IP-0842, "Decision Management."
3. Appropriate, justified tailoring of procedure requirements was used to form the plans and deliverables.
4. Two of the deliverables supplied must be chosen from the following list. Each must support at least one of two different ORP projects or activities: test or demonstration plans, procedures, and/or results; technical performance measures; timeline analyses; figures of merit; reliability, availability, or maintainability engineering analyses, allocations, data, or metrics; ORP SEMP designated reviews. A total of four deliverables are required.
5. Tentative plans/deliverables include but are not limited to:
  - a. Project W-151 Readiness Assessment Plan
  - b. Project W-211 Test and Evaluation Plan
  - c. Hanford Tanks Initiative Vendor Qualification Test Plans
  - d. Waste Feed Delivery Program Technical Performance Measure Assessment Plan
  - e. Waste Feed Delivery Program Test and Evaluation Plan

## **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/Waste Management Hanford (WMH) company performance in qualitative areas and those not otherwise covered by other incentive agreements. The activities cover all areas of FDH/WMH operation and encompass Environmental, Safety & Health, and Quality (ESH and Q) functions as well as projects. Performance shall be determined based on FDH/WMH'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:** Ensure pollution prevention goals are tracked and progress reported for the Hanford Site. Establish waste generation ceilings for all site contractors, and ensure that progress relative to those ceilings is tracked. Work to minimize and streamline the Waste Minimization Program in order to reduce outyear 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 a letter to RL-WPD by September 30, 1999, documenting the activities and outcomes of EM integration efforts. Specifically, include discussion of benefits to the program of any opportunities identified and implemented as a result of the EM integration process.
- Submit revised Hanford Waste Management Project Strategic Plan to RL-WPD incorporating updated strategies for supporting Site and Project Mission objectives. Submission shall be by March 30, 1999 and shall include RL review prior to issuance.
- Provide timely support to the Environmental Impact Statement (EIS) contractor to allow the EIS contractor to prepare the Solid Waste EIS.
- Maintain an effective Quality Assurance (QA) Program
  - Issue the WMH Quality Assurance Program Plan
  - Schedule QA program implementation assessments through WMH Management Assessment Program
- Provide effective laboratory services, Transportation/Packaging activities, and waste generator services support to on-site and off-site customers.
- Consistent with budget baseline and contractual limitations, support implementation of PHMC upgrades to Emergency Preparedness and Response.
- Improve project-related communications with RL-WPD, FDH, Major Subcontractors, and other site contractors.
- Provide timely response to client needs and evolving conditions consistent with budget baseline and contractual limitations.
- Improve workplace safety through the following:
  - Demonstrate initiatives to promote worker involvement in the occupational safety program
  - Implement use of Automated Job Hazard 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
  - Provide timely response to client needs and evolving conditions
  - Consistent with budget baseline and contractual limitations, implement the WMH Integrated Safety Management System Implementation Plan dated September 1998

- Manage operations of facilities to comply with Federal, State, and Local environmental regulations to protect public health and the environment

**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. To support this expectation effectively, full support of the needs identification process and the Technology Insertion Points process is expected.

**Measurement criteria:**

- The effectiveness of the needs identification for technologies in FY 1999.
- The timeliness of Technology Insertion Points (TIPs).

**B 3. Spent Nuclear Fuels (SNF) Project**

**\*\* 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 Multi-Year Work Plan (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 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 Basis of Estimate data base. 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 should 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 (RMT) Meetings.

**Method of measurement:** Validation of this item will be tracked as part of the RMT 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 RMT 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, which 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 4. Facility Stabilization Project**

##### **B 4.1 General/All Facility Stabilization Sub-projects**

###### **Expectations:**

- Maximize pre-planning and forethought, such that critical or future workscope 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 4.2 Plutonium Finishing Plant (PFP):**

###### **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.
- \*\* 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 September 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 September 30, 1999.

##### **B 4.3 Waste Encapsulation and Storage Facility (WESF)**

**Expectation:** Operate WESF within compliance of Environmental Laws, Department of Transportation (DOT) requirements, and Safety Limits.

**Measurement criteria:** Operate WESF from 10/1/98 through 9/30/99 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 4.4 324/327 Buildings**

**Expectations:** Complete the workscope within the Project Management Plan (PMP) schedule identified in accordance with the approved FY 1999 Multi-Year Program Plan 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 4.5 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 (ART) Program**

**Expectation:** Implement and complete all required aspects of the ART FY 1999 Multi-Year Work Plan (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/RIDs) assessments; customer satisfaction and relations; technical performance; and cost and schedule performance.

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

Important workscope 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 workscope, 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 workscope 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 criterion 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, which 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 yearend self-evaluation report, unless otherwise noted in this PEP.

**B 6.2 Energy Savings Performance Contract (ESPC)**

**Expectation:** The Contractor shall provide support to formal requests with specific deliverables associated with the 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 (AWP) 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 (IRM)**

**Expectations:**

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.

\*\* The Contractor shall complete the Year 2000 (Y2K) computer date change problem remediation for the twenty-three (23) DOE-RL systems by July 31, 1999.

**Expectation (Stretch Goal):** As a stretch goal, over and above the objectives set forth in the FY 1999 Performance Agreement number SID 1.1.1, the Contractor is hereby challenged to complete by March 31, 1999, for each of the identified 194 Compliance Projects, all Y2K Project Phases (i.e. through Compliance Assurance), as defined in the PHMC Year 2000 Project Handbook (HNF-2899), Revision 3, dated July 20, 1998.

**Measurement criteria:** The current (November 18, 1998) project schedule indicates that all but two (FDH Infrastructure and FDH Telephone Switch) Compliance Projects will be implemented by March 31, 1999. The challenge, then, will be to accelerate Compliance Assurance activities so that all phases are done by the March 31,

1999 date, and to accelerate the FDH Infrastructure and FDH Telephone Switch Compliance Projects if possible. The Contractor's performance will be subjectively measured as to the degree to which scheduled activities, as described in the "stoplight chart" dated November 18, 1998, are accelerated to complete on or before 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 6.6 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 (HAMMER)**

**Expectation:** Operate the Volpentest 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 Multi-Year Work Plan 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 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, additions, and emerging issues will be informally discussed with RL early in the decision process.

#### **B 8. Office of Environment, Safety and Health (ESH)**

For FY 1999, achieve the work committed to in the FY 1999 ES&H AWP and in the FY 1999 Environmental Compliance Program (ECP) Multi-Year Work Plan, 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/Self Assessment/Facility Evaluation Board (IA/SA/FEB)]
7. Performance Measurement
8. Corrective Actions

#### **B 8.1 Integrated Environment, Safety and Health Management System (ISMS) - [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 Contract (PHMC) protects 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 Spent Nuclear Fuels (SNF), Tank Waste Remediation System (ORP), Plutonium Finishing Plant (PFP) / Waste Encapsulation and Storage Facility (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.
- Improve integration of the Justification for Continued Operation (JCO) and related Authorization Basis (AB) approval processes, especially in regards to configuration control and integration of AB boundaries between

facilities and contractors.

#### **B 8.2 Radiological Controls Improvement Plan (RCIP) - [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 As Low As Reasonably Achievable (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 Tri-Party Agreement (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.
- Consistent with budget baseline and contractual limitations, 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 the workers, the 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 Tri-Party Agreement Integration organization is in compliance with the Tri-Party Agreement.

#### **B 8.4 Emergency Preparedness Improvement Program (EPIP) – [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.
- Oversight activities will be conducted through established Independent Oversight and Management Self-Assessment processes. Results will be trended, and portrayed in a performance indicator program.
- Oversight activities will be conducted within the tenets of the Integrated Environment, Safety and Health Management System.
- 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 executive summary results of the FY 1999 Fluor Daniel Hanford, Inc. Client Review. Perform comparative analysis against FY 1998 Client Review. Establish improvement objectives for FY 2000. (CPI) September 30, 1999.
- Establish improvement objectives in time to incorporate them into the FY 2000 budget planning process.
- Based on the JMJ Associates recommendation complete the path forward for improved RL/PHMC Alignment (CPI) January 15, 1999.

## **B 8.10 Fire Protection Engineering**

**Expectation:** Develop a report by January 31, 1999 addressing optimization of fire protection engineering at Hanford (e.g. consolidation of fire protection engineering functions, redefine fire protection engineering roles, responsibilities, authorities, use of centers for excellence, etc.) The report will address issues such as those identified in the INEEL CO2 Fatality Accident Investigation report, effective DOE complex-wide as well as commercial industrial practices. The report must consider those requirements and expectations contained in RLID 5480.7 and the Authority, Responsibilities, and Duties of the Hanford Fire Marshall Attachment of the Fire Prevention Program (Hanford Fire Marshall Charter). The report shall present recommendations to RL and obtain RL-QSH concurrence prior to implementation.

## **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
- Assure an employee survey is conducted that includes questions on the Hanford Site safety culture and the effectiveness of the Employee Concerns Program, 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 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-AC06-96RL13200), 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 Fiscal Year 1999 Multi-Year Work Plan for details.)

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

## **B 10.2 Budget**

### **B 10.2.1 Budget Reports and Analysis**

**Expectation:** Ensure Annual Work Plan (AWP) and Multi-Year Work Plan (MYWP) products reflect DOE guidance, are of a quality that do 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 10.2.2 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 10.3 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 three 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.

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 10.4 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 Annual Work Plan, 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 OIG, 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 10.5 Procurement**

##### **B 10.5.1 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 10.5.2 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 23 percent experienced in FY 1998 to 33 percent in FY 1999 (a ten percent increase over FY 1998 will be the objective). FDH shall report progress quarterly.
- FDH shall require all subcontractors to submit to FDH for review and approval any proposed transactions which would extend a contract beyond its original awarded term plus options and any non-competitive action value at greater than \$1,000,000.

### **B 10.5.3 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.
- Quarterly, FDH shall report to the Contracting Officer the percentage of total PHMC dollars obligated to local, regional or Native American businesses.

### **B 10.5.4 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 30, 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 10.5.5 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 Fiscal Year 1999.

#### **B 10.5.6 Subcontract Cost Estimating**

**Expectation:** Unless competitively awarded, FDH will ensure that cost proposals are obtained from subcontractors (other than Major Subcontractors of the PHMC, DYNCORP and/or other Hanford DOE Prime Contractors) with an expected value exceeding \$100,000. The cost proposals will be based on and reflect sufficient analysis of a reasonably well defined scope of work. FDH, or its Major Subcontractors and DYNCORP, will perform an appropriate review of the cost proposals in a timely manner, including appropriate audit and compliance with the *Truth in Negotiations Act*, when applicable, to ensure a fair and reasonable price. The negotiated subcontract value must be reflected in the FDH automatic procurement system. FDH and its Major Subcontractors and DYNCORP will subsequently compare actual subcontractor costs to the negotiated authorized cost level(s) to monitor the subcontractor's current performance and to enhance the quality of the future subcontractor proposed costs.

**Measurement Criteria:** Success will be measured by an independent review of the adequacy of the cost proposals obtained, the cost/price analyses performed, and associated administrative actions with respect to cost control.

#### **B 10.5.7 Subcontract Administration**

**Expectation:** Effectively administer PHMC subcontracts, including the ENCOs.

**Measurement Criteria:** Compliance with PHMC contract provisions and PHMC approved policies and procedures.

### **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 (SSC's) 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 TBD and transmit the results to DOE-RL by TBD. The program review on the PHMC CM Plan area, Configuration Identification, will include the review and evaluation of projects configuration item listings. This portion of the PEP will not be implemented, nor will it be considered in the evaluation of contract performance, until funding is obtained to support the activities needed to produce the deliverables described.

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 3/31/99:

- 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 fiscal yearend, 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, and 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 systems 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.
- 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.

**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, which will further enhance employees' value to the PHMC, parent companies, and the community. FDH 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, midyear review no later than the end of the 2<sup>nd</sup> quarter, FY 1999; and
- (4) Fiscal yearend assessment no later than October 15, 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 implemented shall be divided by the number of initiatives agreed to. "Exceeds expectations – Equal to or greater than 90%; Meets expectations – Equal to or greater than 70% but less than 90%; 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 yearend assessment no later than October 15, 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 Project Baseline Summaries (PBSs). Linkages between science and technology needs, Technology Insertion Points, and other site management documents (Accelerated Cleanup – Paths to Closure [ACPC], MYWP, Waste Disposition Maps, etc.) shall be coordinated.

**Measurement criteria:**

- Timely delivery of a quality, complete Hanford Site Science and Technology Needs Document by August 31, 1999. This includes providing the necessary information for updating of the Webpage.
- Consistency of format for site science and technology needs across site contractors and projects.
- Effective facilitation and coordination of sitewide 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-defined 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 workscope 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 1998) participating as appropriate in the following activities: science and technology needs process; TIP's (identification and disposition); technology demonstrations; technology deployments; responding to RFP's; 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 Site. The baseline for comparison will be the FDH Technology Management yearend assessment for FY 1998.
- Quality, completeness, and consistency of TIP milestone status reports, and milestone completion documentation as consistent with DOE guidance (to be provided).

**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 in the Site Technology Coordination Group (STCG) Management Council and STCG subgroups meetings and activities, provide 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 continue 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 with 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 proactive 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 underutilized site assets. These assets include real, personal, and intellectual property. The Contractor will also leverage the workscope of the PHMC to attract and create businesses that will locate and operate in the local community

**Measurement criteria:** Subjective assessments of the effectiveness of the Contractor's planning and use of

resources (employees, time, funding), partnering/teamwork interactions, coordination, and contract negotiation/preparation, to help create local, non-Hanford jobs using unneeded Project Hanford assets (buildings, equipment, technology, workscope, and any other site assets or operations as appropriate) in FY 1999. Discussions will be conducted at least quarterly to review performance.

**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-Cities community by the end of the five-year contract period.

**Measurement Criteria:** Help create a three-year (FY 1997-FY 1999) cumulative total of 1000 local non-Hanford jobs toward the five-year assistance goal of 3000, per the criteria established in the FDH Economic Transition and Outsourcing Plan for Project Hanford (HNF-MP-006, Rev 0, Effective: October 1, 1998), by September 30, 1999.

#### **B 15. Safeguards and Security**

**Expectation:** Complete the Milestones as identified in the FY 1999 Annual Work Plan 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 Contractors 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 workforce.

**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 workscope 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, 1999 with core training developed and implemented by September 30, 1999.
- Training attendance optimized as demonstrated through a FY 1999 no-show rate no greater than the no-show rate of FY 1998 or 7%, whichever is lower.
- \*\* Cost of training accurately tracked across PHMC including training funded by Hanford provided for third tier 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-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 statewide 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 to 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 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 Company 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 Company legal counsel review documents that include regulatory or legal issues. Raise issues, controversies and commonalties 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. Prepare and brief procurement evaluation boards on need for confidentiality and serve as contact for resolution of conflicts of interest.
6. Support contracting efforts at all tiers, including advising procurement evaluation personnel on major procurements.

7. 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 Office of 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 Company managers on employment and ethics issues.
5. Provide DOE Office of 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. Ensure 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 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: (RE) by September 30, 1999

- Implement the PFP Reengineering results .
- Complete the ORP Requirements Reengineering for Work Management and implement the Redesign processes (Lockheed Martin Hanford).
- Complete the Business Redesign Plan to right size the infrastructure and services, and reduce the cost of providing services (DYNCORP).

### **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:**

- 1) 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.
- 2) Workscope deletions shall not count towards completion of this performance expectation, except as in Note 1, above.
- 3) 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.
- 4) 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, which 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	ORP SST Liquid Pumping ORP Waste Characterization (SST Stab.) ORP Flammable Gas Min. Safe Operations ORP Waste Characterization (Flamm. Gas) ORP Lighting Protection ORP BIO Compensatory Measures ORP Management Support – RL Support ORP Operations RL Support ORP Safety RL Support ORP Disposal RL Support ORP Organic Min. Safe Operations ORP Management Support – Fee ORP Vadose Zone Characterization ORP 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

Mr. R. D. Hanson  
99-PRO-232

-2-

JAN 25 1999

- FDH's recommendations for Project Management-Value Engineering were considered; however, RL has determined that the original PEP language will remain in effect.

A fully executed contract modification is attached. If you have any questions, please contact me, or your staff may contact Sally Sieracki, Procurement Services Division, on (509) 376-8948.

Sincerely,

ORIGINAL SIGNED BY

James C. Hall  
Acting Manager

PRO:GFC

Attachment

bcc: W/PRO Rdg File  
PRO Off File  
CCC Rdg File

**Record Note:** The change to the Spent Nuclear Fuels Expectation and Measurement Criteria was confirmed via a January 7, 1999 fax from Beth Sellers, RL-SFD. FDH's comment pertaining to Baseline Change Requests (BCRs) to cover Beryllium Characterization is noted; RL will evaluate each individual BCR through the change control process. The procurement percentages were negotiated in a November 5, 1998, meeting with FDH. The decision to leave the dates related to Value Engineering unchanged was confirmed in an e-mail message from Steve Wisness, RL-PMD, on January 7, 1999. The change to the Economic Transition Measurement Criteria was confirmed in an e-mail message from Robert Stewart, RL-MET on January 7, 1999. The Human Resources and Labor Relations dates are changed to October 15, 1999; the dates were confirmed in previous discussions with RL-CWP and RL-HRM.

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Date >	15 JAN 99	20 JAN 99	1-21-99	1/25/99	1-25-99

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

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