

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE		PAGE OF PAGES 1   26	
2. AMENDMENT/MODIFICATION NO. M090		3. EFF. DATE	4. REQUISITION/PURCHASE REQ.		5. PROJECT NO. (If applicable)	
6. ISSUED BY U.S. Department of Energy Richland Operations Office 825 Jadwin Avenue MSIN A7-80 Richland WA 99352			7. ADMINISTERED BY (If other than Item 6) CODE			
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State & ZIP Code) Fluor Daniel Hanford, Inc.  2420 Stevens Center P.O. Box 1000 Richland WA 99352				9A. AMENDMENT OF SOLICITATION NO.		
				9B. DATED (SEE ITEM 11)		
				10A. MODIFICATION OF CONTRACT/ORDER NO. X DE-AC06-96RL13200		
CODE		FACILITY CODE		10B. DATED (SEE ITEM 13)		08/06/1996

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

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

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

12. ACCOUNTING AND APPROPRIATION DATA (If required)

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

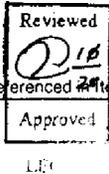
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.	
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (Such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43 103 (b).	
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Clause H.41: Performance Objectives, Measures, Expectations
D. OTHER (Specify type of modification and authority)	

E. IMPORTANT: Contractor  is not  is required to sign this document and return 1 copies to issuing office.

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

The purpose of this modification is to incorporate the attached Fiscal Year (FY) 2000 Comprehensive Performance Incentive (PI) and four (4) FY 2000 Superstretch PIs into Part III, Section J, Appendix D of the contract.

The FY 2000 Comprehensive and Superstretch PIs are listed on page 2 of this contract modification.



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

15A. NAME AND TITLE OF SIGNER (Type or print) Ron D. Hanson, President and Chief Executive Officer		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Keith A. Klein, Manager	
15B. CONTRACTOR/OFFEROR <i>R. Hanson</i> (Signature of person authorized to sign)		15C. DATE SIGNED 10/28/99	16B. UNITED STATES OF AMERICA BY <i>[Signature]</i> (Signature of Contracting Officer)
			16C. DATE SIGNED 10/28/99

This modification incorporates the following performance incentives into the contract:

- |                      |                                  |
|----------------------|----------------------------------|
| 1. FDH-Comprehensive | Comprehensive Performance        |
| 2. FDH-RC-1SS        | Accelerate SNF Movement          |
| 3. FDH-RC-2SS        | Continue Acceleration of 324/327 |
| 4. FDH-RC-3SS        | Disposition U                    |
| 5. FDH-CP-2SS        | Stabilize Additional Pu          |

**FY 2000 PERFORMANCE INCENTIVE: PHMC – COMPREHENSIVE**

**SECTION 1  
 GENERAL INFORMATION**

**DUPLICATE  
 ORIGINAL**

Performance Incentive Number: FDH - Comprehensive  
 Performance Incentive Short Title: **Comprehensive Performance**  
 Revision Number & Date: Rev. 0, 10/28/99  
 Maximum Available Incentive Fee: Up to \$3M  
 Performance Incentive Type:  Regular  Stretch  Superstretch  
*(check appropriate box)*

**SECTION 2  
 PERFORMANCE OUTCOMES**

*Check appropriate box:*

- Outcome #1: Restore the River Corridor for multiple uses
- Outcome #2: Transition Central Plateau to support long-term waste management
- Outcome #3: Put DOE Assets to work for the future

**SECTION 3  
 PERFORMANCE OBJECTIVE(S), MEASURES AND EXPECTATIONS**

Performance Objective/Measure 1 - Protection of worker safety and health, public safety and health, and the environment  
 Performance Objective/Measure 2 - Leadership & management effectiveness (Operations Management)  
 Performance Objective/Measure 3 - Management responsiveness to customer (Customer Service)  
 Performance Objective/Measure 4 - Quality and responsive communications with external and internal Hanford customers  
 Performance Objective/Measure 5 - Partnering with other site prime contractors

**SECTION 4  
 FEE SCHEDULE**

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

Performance Objective/Measure 1 - Negative fee up to \$2M.  
 Performance Objective/Measure 2 - Incentive fee up to \$2.5M, negative incentive up to \$1.95M  
 Performance Objective/Measure 3 - Incentive fee up to \$0.5M, negative incentive up to \$0.5M  
 Performance Objective/Measure 4 - Negative fee up to \$0.5M.  
 Performance Objective/Measure 5 - Negative fee up to \$1.0M

**SECTION 5  
 PERFORMANCE REQUIREMENTS**

**PREVIOUS YEAR'S GATEWAY:** *Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure. (N/A in FY 2000)*

**GENERAL REQUIREMENTS:** In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Fully comply with all terms and conditions of the Contract. Nothing in this Performance Incentive shall relieve the Contractor from complying with any terms and conditions of the Contract, and
2. Meet the specific completion criteria and expectations set forth in this Performance Incentive.

**FY 2000 PERFORMANCE INCENTIVE: PHMC – COMPREHENSIVE**

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

Performance Objective/Measure 1 - Protection of worker safety and health, public safety and health, and the environment

- A. Maintain environmental compliance: The Contractor shall manage and conduct activities in accordance with all applicable environmental requirements, including: federal, state, and local laws; federal, state, and local regulations; and DOE requirements.

**Performance Expectation:**

The Contractor shall:

- Maintain compliance with all applicable federal, state, and local environmental statutes and regulations.
- Self-disclose non-compliance and enact self-correction of the situation in a timely manner.
- Perform timely and effective corrective actions for deficiencies identified by DOE or other regulatory entities.

**Determination of Fee:** Up to \$1.0M in fee will be forfeited if the Contractor fails to satisfactorily meet 1A, above. The determination as to the overall effectiveness of the Contractor's performance against this Performance Objective/Measure shall be made by the DOE-RL Manager, or his designee, based on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by DOE-RL staff.

Determination of non-compliance against environmental requirements may be based on input from the following sources: (1) written enforcement actions from regulatory agencies; and (2) findings of DOE-RL staff. Determination shall also be made giving consideration to such factors as impact on health, environment, and/or severity [toxicity, persistence, volume, duration, and/or number of violation(s)].

- B. Implement Integrated Safety Management System (ISMS): The Contractor shall have an implemented and verified ISMS in place by September 30, 2000, in accordance with the Memorandum to All Department and Contractor Employees from Secretary of Energy, Bill Richardson, Subject: Safety – Accountability and Performance, dated March 3, 1999.

**Performance Expectation:**

- Successfully complete DOE Phase II verifications for facilities as agreed with DOE-RL.
- Deliver systems description, which include a successful DOE verification, as described in DOE-HDBK-3027-99, *Integrated Safety Management Systems (ISMS) Verification Team Leaders Handbook*, June 1999.
- Obtain authorization agreement approvals for all category 2 nuclear facilities, prior to Phase II Verifications.
- Ensure all operations are conducted in accordance with ISMS requirements noted above
- Utilize DOE Policy 450.5, *Line Environment, Safety and Health Oversight*, as a guide to effectively implement:
  - a) Self-assessment program,
  - b) Functional corrective action tracking and resolution process,
  - c) Lessons-learned program, and
  - d) Overall feed-back program leading towards continuous improvement
- Have a functional process in place to maintain its ISMS which utilizes DOE G 450.4-1, *Integrated Safety Management System Guide for use with DOE P 450.4, Safety Management System-Policy, and DEAR Safety Management System Contract Clauses*, 11-26-97, Volumes 1 and 2., as guidelines.

**FY 2000 PERFORMANCE INCENTIVE: PHMC – COMPREHENSIVE**

**Determination of Fee:**

Up to \$1.0M in fee will be forfeited if the Contractor fails to satisfactorily meet B, above. The determination as to the overall effectiveness of the Contractor's performance against this Performance Objective/Measure shall be made by the DOE-RL Manager, or his designee, based on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by DOE-RL staff.

**Performance Objective/Measure 2 - Leadership & Management Effectiveness**

- A. Implement new organization & management systems: The Contractor shall institute organizational and management system improvements for significantly increasing management effectiveness and control of its contractual work activities.

**Performance Expectation:**

- Increase productivity
- Develop management system description
- Improve project control and discipline
- Have integrated performance measures in place to measure progress against the Site Critical Outcomes and management effectiveness
- Implement a contractor self assessment process to measure contractual and managerial effectiveness for continuous improvement

**Determination of Fee:**

Up to \$0.5M in fee will be forfeited if the Contractor fails to satisfactorily meet A above. The determination as to the overall effectiveness of the Contractor's accomplishment of Performance Objective/Measure 2A shall be made by the DOE-RL Manager, or his designee, giving consideration to input provided by DOE-RL staff.

- B. Provide efficient & effective Site infrastructure and support services: The Contractor shall provide efficient and effective site infrastructure and support services (e.g., utilities, maintenance, general purpose facilities and information management) commensurate with site mission needs.

**Performance Expectation:**

- Provide the required infrastructure and supports services as efficiently and effectively as possible, within the constraints such as funding and labor agreements.
- Match infrastructure and service requirements in concert with mission requirements (i.e. alignment with Site Critical Outcomes).

**Determination of Fee:**

Up to \$0.5M in fee will be forfeited if the Contractor fails to satisfactorily meet 2B above. The determination as to the overall effectiveness of the Contractor's accomplishment of Performance Objective/Measure 2B shall be made by the DOE-RL Manager or his designee, giving consideration to input provided by DOE-RL staff.

- C. Provide Effective Science & Technology (S&T) Integration and Application: The contractor shall contribute to the Hanford cleanup mission by deploying science and technology to reduce technical risk, accelerate schedule, and satisfy Hanford Site technology needs.

**FY 2000 PERFORMANCE INCENTIVE: PHMC – COMPREHENSIVE**

**Performance Expectation:**

- Conduct science and technology assessments to identify and quantify areas of high technical risk/uncertainty, and develop near and long-term mitigation plans (e.g., S&T plans, technology roadmaps). These plans will include Technology Insertion Points (TIPs) and S&T Needs, and will identify the necessary S&T workscope within the appropriate MYWP baseline.
  - Provide a list of S&T assessments by 12/23/99
  - Submit S&T Plans/Roadmaps by 4/17/00.
- Deploy technologies that provide solutions to areas of need identified by the S&T assessments.
- Contribute to the Contractor's portion of the S&T-related EM Corporate Performance as documented in the FY00 EM Management Commitment.
- Document the benefit derived from the deployment of each technology using the Return on Investment models similar to the approach/format used by the Pollution Prevention (P2) Program.
- Complete all TIP milestones and provide documentation supporting the TIP decision.

**Determination of Fee:**

Up to \$1.5M in fee may be earned for Performance Objective/Measure 2C. The fee determination shall be made by the DOE-RL Manager, or his designee, based on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by DOE-RL staff.

- D. Achieve Pollution Prevention: Executive Order (EO) 13101 requires the diversion of sanitary waste from landfills, and increased purchases of Environmental Protection Agency (EPA) designated recycled-content products. Accordingly the Contractor shall facilitate compliance with this Order.

**Performance Expectation:**

- Implement the Contractor's portion of the Hanford Site Waste Minimization and Pollution Prevention Awareness Program Plan, dated August 1998, as amended.

**Determination of Fee:**

Up to \$1.0M in fee may be earned for Performance Objective/Measure 2D. The fee determination shall be made by the DOE-RL Manager, or his designee, based on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by DOE-RL staff.

- E. Achieve Effective Energy Management: The Contractor shall cost effectively comply with all applicable laws, Executive Orders and Federal regulations for energy efficiency, use of renewable energy and water conservation at Federal facilities.

**Performance Expectation:**

- Meet Expectations for all sections of the DOE-RL's FY 2000 Energy Management Performance Agreement (PA) with HQ-EE-90.

**Determination of Fee:**

Up to \$0.45M in fee will be forfeited if the Contractor fails to satisfactorily meet 2E above. The determination as to the overall effectiveness of the Contractor's accomplishment of Performance Objective/Measure 2E shall be made by the DOE-RL Manager or designee, giving consideration to input provided by DOE-RL staff.

- F. Achieve acceptable baseline performance

**Performance Expectation:**

- Achieve the technical content of the work in accordance with specified requirements (*Hanford Site Environmental Management Specification*); and

**FY 2000 PERFORMANCE INCENTIVE: PHMC – COMPREHENSIVE**

- Perform within baseline cost and schedule targets, as established in all authorized MYWPs and AWP's.
- Implement best business practice guidelines provided in industry standards, such as ANSI/EIA Standard-748, Earned Value Management System (EVMS), as cited in Contract Clause H.10, by March 30, 2000.

**Determination of Fee:**

Up to \$0.5M in fee will be forfeited if the Contractor fails to satisfactorily meet the expectation 2F above. The determination as to the overall effectiveness of the Contractor's performance against Performance Objective/Measure 2F shall be made by the DOE-RL Manager, or his designee, based on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by DOE-RL staff.

Determination of satisfactory performance will also be based on demonstrated conformity with the EVMS Standard through an integrated baseline review scheduled by the Contracting Officer (to occur in the last six months of the fiscal year), including demonstration that baseline information is accurate, consistent and reported in a timely manner. The following four sections from the EVMS Standard will be emphasized:

- 2.1c "Provide for the integration of the company's planning, scheduling, budgeting, work authorization, and cost accumulation processes with each other, and as appropriate, the program work breakdown structure and the program organizational structure."
- 2.2a "Schedule the authorized work in a manner, which describes the sequence of work and identifies significant task interdependencies required to meet the requirements of the program."
- 2.4f "Develop revised estimates of cost at completion based on performance to date, commitment values for material, and estimates of future conditions. Compare this information with the performance measurement baseline to identify variances at completion important to company management and any applicable customer reporting requirements including statements of funding requirements."
- 2.5a "Incorporate authorized changes in a timely manner, recording the effects of such changes in budgets and schedules. In the directed effort prior to negotiation of a change, base such revisions on the amount estimated and budgeted to the program organizations".

Performance Objective/Measure 3 - Management responsiveness to customer (Customer Service)

- A. Respond to customer requests: The Contractor shall be responsive to the Contracting Officer or Contracting Officer's Representative direction and requests.

**Performance Expectation:**

- Address responses from a corporate perspective, in the best interest of the Hanford Site.
- Provide quality responses in a timely manner.
- Be consistent with Critical Outcomes.

- B. Management responsiveness to employee concerns resolution: The Contractor shall be responsive to employee concerns and bring resolution to issues of safety, health, environment, and workplace harmony.

**Performance Expectation:**

- Resolve employee concerns issues in-house, in a timely manner appropriate to each situation.
- Keep DOE-RL informed of employee concerns;
- Annually determine the effectiveness of the Contractor employee concerns program.

**FY 2000 PERFORMANCE INCENTIVE: PHMC – COMPREHENSIVE**

**Determination of Fee:**

Up to \$0.5M in fee will be forfeited if the Contractor fails to satisfactorily meet 3A or 3B above. The determination as to the overall effectiveness of the Contractor's accomplishment of Performance Objective/Measure 3 shall be made by the DOE-RL Manager or his designee, giving consideration to input provided by DOE-RL staff.

- C. National Facility Deactivation Initiative (NFDI): This program is aimed at establishing a core of deactivation expertise Complex-wide. This will be accomplished by strengthening deactivation project management and developing long-term deactivation site strategies, resulting in acceleration of the site deactivation program.

**Performance Expectation:**

The Contractor participates as the site representative to the NFDI Committee, and as such, is expected to leverage expertise gained to:

- Strengthen Site deactivation project management.
- Accelerate Site deactivation program.
- Develop long-term site deactivation strategies.
- Carry out activities of the NFDI Committee, as directed by DOE-RL.

**Determination of Fee:**

Up to \$0.5M in fee may be earned for Performance Objective/Measure 3C. The fee determination shall be made by the DOE-RL Manager, or his designee, based on satisfactory accomplishment of the expectations above; and giving consideration to progress reports regarding interfaces with other sites, feedback from the NFDI Committee, and input provided by DOE-RL staff.

Performance Objective/Measure 4 - Quality and responsive communications products with external and internal Hanford customers

- A. Provide employee, HQ, the general public, stakeholders, regulators, and Tribal Nations with timely and accurate information:

**Performance Expectation:**

- Provide timely and accurate information about Hanford to reflect the Departmental requirements to both internal and external customers, as delineated in Section C.4E, External/Internal Communications of the Contract.
- Align communication and progress reporting with Site Critical Outcomes.

- B. Responsiveness to Congressional Interaction: The Contractor shall be responsive to support Congressional interactions.

**Performance Expectation:**

- Interact and communicate with DOE-RL Office of External Affairs (OEA) consistently on any U.S. Congressional inquiries
- Coordinate any U.S. Congressional inquiries with OEA prior to the Contractor's providing any response to Congressional members or staff.

**Determination of Fee:**

- Up to \$0.5M in fee will be forfeited if the Contractor fails to satisfactorily meet 4A or 4B above. The determination as to the overall effectiveness of the Contractor's accomplishment of Performance Objective/Measure 4 shall be made by the DOE-RL Manager or his designee, giving consideration to input provided by DOE-RL staff.

**FY 2000 PERFORMANCE INCENTIVE: PHMC – COMPREHENSIVE**

**DUPLICATE  
ORIGINAL**

**Performance Objective/Measure 5 - Partnering with other site entities**

The Contractor team shall work cooperatively with other site entities, (Bechtel Hanford Inc. (BHI), Pacific Northwest National Laboratory (PNNL), Hanford Environmental Hanford Foundation (HEHF), and Lockheed Martin Hanford (LMH)) to improve the overall Hanford Site effectiveness.

**Performance Expectation:**

- A. Interface with other site entities for site-wide planning of work.
- B. Work cooperatively with other site entities to establish a defensible model for making decisions on Hanford programs' (FDH, BHI, LMH, and PNNL) mid- and long-term use of core analytical competencies and resources, both on-site and commercial. The model shall address overall cost to DOE and the quality, sufficiency, efficiency and timeliness of the services to meet program specific needs. The model shall ensure consistent cost comparison.
- C. Provide other site entities appropriate information in a timely, accurate, complete, professional manner.
- D. Manage its communication efforts so those items affecting or involving other site entities are coordinated in order to ensure consistency of information.
- E. Partner, team, coordinate, and communicate with LMH and PNNL in the creation of non-Hanford jobs. The number and quality of contacts with local economic development organizations and an overall evaluation by those organizations shall be used as the basis for evaluation.
- F. Provide responsive and timely support services to LMH, BHI and PNNL.

**Determination of Fee:**

Up to \$1.0M in fee will be forfeited if the Contractor fails to satisfactorily meet the expectations of the Performance Objective/Measure 5 above. The determination as to the overall effectiveness of the Contractor's accomplishment of Performance Objective/Measure 5 shall be made by the DOE-RL Manager or his designee, giving consideration to input provided by DOE-RL staff.

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

- The Contractor shall provide a self-assessment addressing each performance expectation under this Performance Incentive by October 20, 2000. This is in addition to the self-assessment addressed in Performance Measure/Objective 2, Leadership and Management Effectiveness.

**ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS:** *(For reasonably foreseeable impacts to performance which are not covered under the Contract. If the assumption or condition proves false the remedy is renegotiation unless stated otherwise).*

Upon request from the Contractor, RL will issue appropriate direction to other site entities where such direction is necessary to facilitate performance under Performance Measure/Objective 5, Partnering with other site entities.

FY 2000 PERFORMANCE INCENTIVE: PHMC - COMPREHENSIVE

SECTION 6  
SIGNATURES

*R.D. Hanson*

E.W. Penn, Vice President  
Project Control

*10/28/99*

Date

*R.D. Hanson*

R.D. Hanson, President & CEO  
Fluor Daniel Hanford Inc.

*10/28/99*

Date

*R.M. Rosselli*

R.M. Rosselli, Deputy Manager  
Business Services

*10/29/99*

Date

*K.A. Klein*

K.A. Klein, Manager  
Richland Operations Office

*10/29/99*

Date

**FY 2000/2001 PERFORMANCE INCENTIVE: Move K-Basin SNF and Sludge**

**SECTION 1  
 GENERAL INFORMATION**

**DUPLICATE  
 ORIGINAL**

Performance Incentive Number: FDH-RC-1SS  
 Performance Incentive Short Title: Accelerate SNF Movement  
 Revision Number & Date: Rev. 0, 10/27/99  
 Maximum Available Incentive Fee: Up to \$3M  
 Performance Incentive Type:  Regular  Stretch  Superstretch  
*(check appropriate box)*

**SECTION 2  
 PERFORMANCE OUTCOMES**

*Check appropriate box:*

- Outcome #1: Restore the River Corridor for multiple uses
- Outcome #2: Transition Central Plateau to support long-term waste management
- Outcome #3: Put DOE Assets to work for the future

**SECTION 3  
 PERFORMANCE OBJECTIVE (S), MEASURES AND EXPECTATION (S)**

*List associated performance objectives, measures, and performance expectations for FY00. Identify associated PBS # for each performance objective and/or measures as appropriate.*

**Performance Objective:** Move K-Basin SNF and Sludge

PBS RL -- WM01

Measure1: Amount of fuel removed

Accelerated commencement and completion of K Basins Fuel Removal

**Expectation(s)**

**Superstretch**

FY00 & FY01

1. Accelerate Start of Fuel Movement by two months—move the first MCO from K west Basin to CVDF by 9/30/00. Maintain at least a two month advance schedule progress until 9/30/01.

FY00

2. Complete FRS/IWTS System testing using SNF (hot testing phases III and IV of the PSI) and complete the Construction Completion Documentation (CCD2) for the FRS/IWTS by 8/15/00.

**FY 2000/2001 PERFORMANCE INCENTIVE: Move K-Basin SNF and Sludge**

**SECTION 4  
 FEE SCHEDULE**

**DUPLICATE  
 ORIGINAL**

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

Superstretch = Up to \$3M

**Superstretch**

**FY00**

1. Up to \$2.18M fee is available for Expectation 1 of this Performance Incentive

- a. If fuel is moved by 09/30/00, the contractor will earn \$2.18M
- b. If fuel is moved by 10/15/00, the contractor will earn \$1.635M
- c. If fuel is moved by 10/31/00, the contractor will earn \$1.09M
- d. If fuel is moved by 11/15/00, the contractor will earn \$0.545M

Any fee earned after 9/30/00 under this PI shall be considered earned from the FY01 superstretch incentive fee pool.

If the schedule acceleration achieved is not maintained, Contractor shall refund all or part of the fee earned as follows:

i. If fee is paid pursuant to 1.b above, the following rate of fee refunded to RL will apply:

<u>Schedule acceleration as measured on 09/30/01 (days)</u>	<u>Fee retained or refunded</u>
59-45	All fee retained
44-31	\$0.545M fee refunded
30-15	\$1.09M fee refunded
less than 15	All fee refunded

ii. If fee is paid pursuant to 1.c. above, the following rate of fee refunded to RL will apply:

<u>Schedule acceleration as measured on 09/30/01 (days)</u>	<u>Fee retained or refunded</u>
44-31	All fee retained
30-15	\$0.545M fee refunded
less than 15	All fee refunded

iii. If fee is paid pursuant to 1.d. above, the following rate of fee refunded to RL will apply:

<u>Schedule acceleration as measured on 09/30/01 (days)</u>	<u>Fee retained or refunded</u>
30-15	All fee retained
Less than 15	All fee refunded

2. \$0.82M fee is available for Expectation 2 of this Performance Incentive

**FY 2000/2001 PERFORMANCE INCENTIVE: Move K-Basin SNF and Sludge**

**SECTION 5  
PERFORMANCE REQUIREMENTS**

**DUPLICATE  
ORIGINAL**

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

**GENERAL REQUIREMENTS:** In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Meet the specific completion criteria and expectations set forth in this Performance Incentive; and
2. Not incur any unfavorable cost variance [(BCWP-ACWP)/BCWP] greater than 5.0 percent, or incur any unfavorable schedule variance [(BCWP-BCWS)/BCWS] greater than 7.5 percent, measured at the Project Baseline Summary level at the end of FY 2000.

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

Expectation 1:

1. Commence fuel removal from K West Basin and move to the CVDF by 9/30/00, and continue fuel removal at a rate that maintains a two-month schedule progress advancement through 9/30/01. If the two month advance in fuel removal schedule progress in K West is not maintained through 9/30/01, the contractor will reimburse RL 1/60 (\$36,333) of the previously awarded fee under Fee Schedule 1.a. for each day of lost schedule acceleration until the entire fee earned under Fee Schedule 1.a. has been returned. The K-East cost and schedule variances shall be maintained within 5% and 7.5% thresholds respectively for the K East WBS elements (\*listed below), including modifications per RL-approved baseline change requests, or all fee associated with Expectation 1 shall be returned to RL. The Contractor shall reimburse such overpayment to the Government upon demand, payable with interest in accordance with contract clause I-61, entitled "Interest".
2. If the advance in fuel removal schedule acceleration in K West is completed after 9/30/00, but on or before 11/15/00, the schedule acceleration rate must be maintained at the same rate through 9/30/01. If an equal K West schedule acceleration is not maintained through 9/30/01, the contractor will reimburse RL previously awarded fee under Fee Schedule at the rate specified in Section 4. The K-East cost and schedule variances shall be maintained within 5% and 7.5% thresholds respectively for the K East WBS elements (\*listed below) or as added or subtracted through RL-approved baseline change requests, including modifications per RL-approved baseline change requests, or all fee associated with Fee Schedule shall be returned to RL. The Contractor shall reimburse such overpayment to the Government upon demand, payable with interest in accordance with the contract I-61 clause entitled "Interest".

*1.3.1.2.20.14.15.10	1.3.1.2.50.20.10.10.10
1.3.1.2.20.14.15.20	1.3.1.2.50.20.20.10.10
1.3.1.2.20.14.15.30	1.3.1.2.50.20.20.20.10
1.3.1.2.20.14.15.40	1.3.1.2.10.20.40.10.10
1.3.1.2.20.14.15.50	1.3.1.2.10..20.40.15
1.3.1.2.20.15.15.10	1.3.1.2.10.20.40.50
1.3.1.2.20.15.15.20	

Expectation 2

1. Phased Startup Initiative: Satisfactory completion of Phases III & IV and CCD 2 for the FRS/IWTS, in accordance with the RL approved baseline change request SNF 1999-085, Phase Start-up Initiative, by 8/15/00. The Contractor shall verify satisfactory completion by submitting a completion letter to DOE by 8/15/00.

**DEFINITIONS:** (define terms)

**FY 2000/2001 PERFORMANCE INCENTIVE: Move K-Basin SNF and Sludge**

CCD2	Construction Completion Documentation
CVDF	Cold Vacuum Drying Facility
FRS	Fuel Retrieval System
MCO	Multi Canister Overpack
MYWP	Multi-Year Work Plan
PSI	Phased Startup Initiative.

**DUPLICATE  
ORIGINAL**

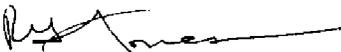
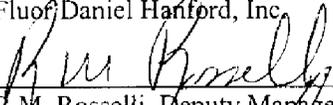
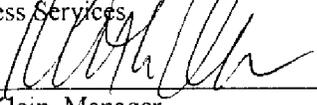
**COMPLETION DOCUMENTS LIST:** *(In addition to the Completion Notice the document(s) that should be submitted/data that should be available/actions to be taken by evaluator, to determine actual performance to the requirements stated above).*

1. Contractor shall submit a letter to DOE verifying that the first Multi-Canister Over Pack of Spent Nuclear Fuel has been loaded and transported to the CVDF for processing on September 30, 2000.
2. Contractor shall submit completion letter with appropriate documentation verifying that Phases III, IV and CCD2 have been satisfactorily completed.

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

None

**SECTION 6  
SIGNATURES**

 R.G. Jones, Vice President Spent Nuclear Fuel Project	<u>09 28, 1999</u> Date
 R.D. Hanson, President CEO Fluor Daniel Hanford, Inc.	<u>10/28/99</u> Date
 R.M. Rosselli, Deputy Manager Business Services	<u>10/29/99</u> Date
 K.A. Klein, Manager Richland Operations Office	<u>10/29/99</u> Date

**FY 2000 PERFORMANCE INCENTIVE: Disposition Surplus Buildings**

**SECTION 1  
 GENERAL INFORMATION**

**DUPLICATE  
 ORIGINAL**

Performance Incentive Number: FDH-RC-2SS  
 Performance Incentive Short Title: **Continue Acceleration of 324/327 Deactivation**  
 Revision Number & Date: Rev. 0, 10/27/99  
 Maximum Available Incentive Fee: *Up to \$0.8M*  
 Performance Incentive Type:  Regular  Stretch  Superstretch  
*(check appropriate box)*

**SECTION 2  
 PERFORMANCE OUTCOMES**

*Check appropriate box:*

- Outcome #1: Restore the River Corridor for multiple uses
- Outcome #2: Transition Central Plateau to support long-term waste management
- Outcome #3: Put DOE Assets to work for the Future

**SECTION 3  
 PERFORMANCE OBJECTIVE (S), MEASURES AND EXPECTATION(S)**

*List associated performance objectives, measures, and performance expectations for FY00.  
 Identify associated PBS # for each performance objective and/or measures as appropriate.*

**Performance Objective:** Disposition Surplus Buildings

PBS RL TP-08

Measure 1 - # of buildings dispositioned

1.a. # of key buildings deactivated (324/327)

Expectation(s)  
 FY00

Superstretch  
 See Below

This superstretch objective is to accelerate deactivation of 327 building consistent with the 327 end point criteria by September 30<sup>th</sup>, 2003. This is to be achieved by starting deactivation activities early utilizing budgeted funds within the existing site funding profile for the PHMC contractor. This acceleration is accomplished through progress (defined in sections 4 and 5) on the two major project elements listed below:

Disposition Legacy Waste/Material; Stabilization, packaging, and shipment of all remaining legacy waste [including legacy waste buckets] in 327 building; retrieve, stabilize as appropriate, package, and ship all items remaining in the Dry Storage Rack (carousel) and other 327 building inventory of radiometallurgical sample mounts to the burial grounds or other appropriate storage location, removal of all excess waste and equipment from the 327 Hot-Cells; and transfer all remaining irradiated fuel pin segments in 327 building to the burial grounds or other appropriate storage location.

Deactivation and CleanOut; Complete sufficient building stabilization and deactivation activities to demonstrate, by the end of FY2000, that project critical path to complete 327 deactivation has been reduced to September 30<sup>th</sup> 2003.

**FY 2000 PERFORMANCE INCENTIVE: Disposition Surplus Buildings**

**DUPLICATE ORIGINAL**

**SECTION 4  
 FEE SCHEDULE**

All "Regular" expectations of the Regular PI must be accomplished before eligible to earn fee for any of the Superstretch expectations.

Superstretch = Up to \$0.8M

**Scope to be Performed**

**Fee Metric**

- |   |   |
|---|---|
| 1. Disposition Legacy Waste Buckets                                   | \$X per 25 Buckets Shipped  |
| 2. Disposition Legacy Waste Containers                                | \$X upon completion of all identified containers  |
| 3. Disposition of Sample Mounts<br>(432 Grams estimated in inventory) | \$X per 108 Grams Shipped   |
| 4. Interim Cleanout of Facility Hotcells                              | \$X per Hot-Cell  |
| 5. Disposition Fuel Pin Segments                                      | \$X upon Shipment   |
| 6. Disposition of Deactivation LLW/MLLW/TRU                           | \$X per 10 m <sup>3</sup> Shipped   |
| 7. Accelerate Overall Deactivation Schedule in FY2000 to meet 9/2003* | 20% of the value of accelerated deactivation (non-1K7M) scope (BCWS) less fee earned from items 1 thru 6 SS fee earned for this SS initiative |

X= 15% of BCWS for each item 1 thru 6 as established in HNF-1289, Rev. 2 (or current revision)

Total fee on this superstretch will not exceed \$0.8M

\* In order to achieve this scope element and earn the higher 20% of the value of the accelerated deactivation, sufficient work scope will have to have been accomplished by the end of FY2000 to allow the development of a deactivation schedule that shows a critical path to completion of 327 Deactivation no later than September 2003, and as discussed further in section 5.

In no event shall schedule acceleration credited under RC-2 up to 0.5% for 327 Building deactivation be included in determining schedule acceleration under this superstretch PI. To preclude any double payment of fee between RC-2 and RC-2SS, a threshold schedule variance of equal to or greater than 0.5% for 327 Building lifecycle BCWS must be achieved and the critical path for the 327 building deactivation must be maintained at greater than 60 days before fee can be earned.

**SECTION 5  
 PERFORMANCE REQUIREMENTS**

**PREVIOUS YEAR'S GATEWAY:** Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure. (N/A in FY 2000)

**GENERAL REQUIREMENTS:** In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Meet the specific completion criteria and expectations set forth in this Performance Incentive; and
2. Not incur any unfavorable life cycle variance [(BCWP-ACWP)/BCWP] greater than 1.2 percent, or incur any unfavorable life cycle schedule variance [(BCWP- BCWS)/BCWS] greater than 1.5 percent, measured at the Project Baseline Summary level at the end of FY 2000, greater than 60 days and Life-cycle project critical path float is maintained for this performance measure with zero or positive float as measured at the end of FY-2000.

**FY 2000 PERFORMANCE INCENTIVE: Disposition Surplus Buildings**

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

Completion of the FY 2000 workscope involves progress (as specified in Section 4) towards:

1. Removal of all of the PNNL legacy and BWHC generated waste buckets still in the 327 facility at the conclusion of FY-1999 (currently estimated at approximately 130); Completion will be demonstrated through providing RL documentation per bullet "1" under "Completed Documentation List".
2. Removal of all of the Legacy Waste still in the 327 facility at the conclusion of FY-1999 (currently identified PNNL Legacy Waste Items [non-waste buckets]; Completion will be demonstrated through providing RL documentation per bullet "1" under "Completed Documentation List".
3. Retrieval, packaging, and shipment to an appropriate location of all items currently stored in the 327 Dry Storage Rack (Carousel) and all other radiometallurgical sample mounts located elsewhere in the 327 facility; completion will be demonstrated through providing RL documentation per bullet "1" under "Completed Documentation List".
4. Removal of all excess waste and equipment from the 327 Hot-Cells (similar to work conducted in G cell in FY99); completion will be demonstrated through providing RL documentation per bullet "1" and "3" under "Completed Documentation List".
5. Removal and shipment of all remaining irradiated fuel pin segments currently in hot cell storage. Completion will be demonstrated through providing RL documentation per bullet "1" and "2" under "Completed Documentation List".
6. Removal of LLW/MLLW/TRU from the facility as required to meet deactivation end-points. Completion will be demonstrated through providing RL documentation per bullet "1" under "Completed Documentation List".
7. Completion of other work scope to accelerate the project schedule is generic at this time as the contractor will have to determine what activities need to be undertaken to allow completion of 327 facility deactivation by 2003. The contractor will clearly have to achieve substantial progress in inventory reduction and hazards elimination to be able to demonstrate credible schedule reduction. A deliverable in 9/30/2000 will be revised critical path schedule (with critical path having greater than 60 days positive float) with backup supporting documentation to demonstrate that completion of deactivation by FY2003 is possible with similar staffing profiles (1K7) (no greater than 20% increase) used in the preceding year. Completion will be demonstrated through providing RL documentation per bullet "2", "4", and "5" under "Completed Documentation List".

The life-cycle project baseline for deactivation of the 324 and 327 Buildings is described by HNF-IP-1289, Rev 2, (or most current revision) "324/327 Buildings Stabilization/Deactivation Project Management Plan" and as implemented by the approved Multi-Year Work Plan and Baseline Change Requests. Successful completion of the life-cycle project baseline will require meeting each of the associated end points (as defined in HNF-2119, Rev A and HNF-2118, Rev A, for 324 and 327 buildings respectively) and placing the buildings into a low cost state for long term surveillance and maintenance pending final decommissioning. Deactivation of the 324 Building is currently scheduled to be completed by January 2, 2007, and deactivation of the 327 Building is currently scheduled to be completed by September 7, 2007.

The Referenced Baseline Document, HNF-1289, "324/327 Buildings Stabilization/Deactivation Project Management Plan", is intended to be modified (Revision 3) to incorporate the following changes:

**FY 2000 PERFORMANCE INCENTIVE: Disposition Surplus Buildings**

- Carryover Workscope from FY99
- Incorporation of re-baselined elements based on completion of engineering and technical study/analysis
- Any other funding changes or modifications

DUPLICATE  
ORIGINAL

**DEFINITIONS:** *(define terms)*

BCWP	Budgeted Cost of Work Performed
ACWP	Actual Cost of Work Performed
BCWS	Budgeted Cost of Work Scheduled
BAC	Budget At Completion
Cost Variance	[(BCWP-ACWP)]
Schedule Variance	[(BCWP-BCWS)]

The life-cycle project baseline for deactivation of the 324 and 327 Buildings is described by HNF-IP-1289, Rev 2, "324/327 Buildings Stabilization/Deactivation Project Management Plan" and as implemented by the approved Multi-Year Work Plan and Baseline Change Requests.

Critical Path for any project is defined as the longest time path through a network from the initial project activity to the final project completion milestone. It is the chain of activities that controls the overall project completion time. It is by definition the series of activities in a logic network with the least amount of total float.

End points are defined in HNF-2119, Rev A and HNF-2118 Rev A, for 324 and 327 buildings respectively or as modified by the change control process. Completion of the FY-2000 work scope involves progress (as specified in section 4) towards;

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

In addition to the monthly performance reports identified in the Regular/Stretch performance expectation, the following shall be provided for this Superstretch measure:

At the end of FY2000, the contractor shall submit the following:

1. A report identifying an inventory of all material that was shipped out of the 327 Building by drum or box or other appropriate configuration to meet this performance expectation, indicating when it was accepted by the burial grounds or other waste handling facility. (For items 1 through 6 in section 4)
2. An inventory of remaining nuclear material and packaged waste items that remain in the building at the end of FY2000. (For items 5 and 7 in section 4)
3. Before and after photos of cleaned out hot-cells (For item 4 in section 4)
4. Revised planning basis Critical Path Schedule (For Item 7 in section 4)
5. At the end of FY2000, the contractor shall submit a current Basis of Estimate for remaining work to achieve 327 deactivation by the end of FY2003, a project critical path schedule showing the logic and work scope required to be completed to achieve project completion by FY2003. (For item 7 in section 4)

**ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED:** *(For reasonably foreseeable impacts to performance which are not covered under the Contract. If the assumption or condition proves*

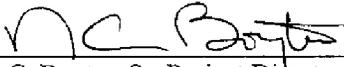
**FY 2000 PERFORMANCE INCENTIVE: Disposition Surplus Buildings**

*false the remedy shall be in effect. If remedy is not possible the next step is renegotiation).*

None

**DUPLICATE  
ORIGINAL**

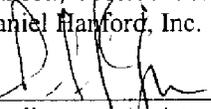
**SECTION 6  
SIGNATURES**

  
\_\_\_\_\_  
N. C. Boyter, Sr. Project Director  
River Corridor

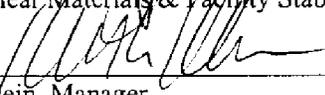
10.28.99  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
R. D. Hanson, President & CEO  
Fluor Daniel Hanford, Inc.

10/28/99  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
P. M. Knollmeyer, Assistant Manager  
For Nuclear Materials & Facility Stabilization

10/29/99  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
K. A. Klein, Manager  
Richland Operations Office

10/29/99  
\_\_\_\_\_  
Date

**FY 2000 PERFORMANCE INCENTIVE: Uranium Disposition**

**SECTION 1  
GENERAL INFORMATION**

**DUPLICATE  
ORIGINAL**

Performance Incentive Number: FDH-RC-3SS  
 Performance Incentive Short Title: **Disposition Uranium**  
 Revision Number & Date: Rev. 0, 10/27/99  
 Maximum Available Incentive Fee: *Up to \$1.8M*  
 Performance Incentive Type:  Regular  Stretch  Superstretch  
*(check appropriate box)*

**SECTION 2  
PERFORMANCE OUTCOMES**

*Check appropriate box:*

- Outcome #1: Restore the River Corridor for multiple uses
- Outcome #2: Transition Central Plateau to support long-term waste management
- Outcome #3: Put DOE Assets to work for the future

**SECTION 3  
PERFORMANCE OBJECTIVE(S), MEASURES AND EXPECTATION(S)**

*List associated performance objectives, measures, and performance expectations for FY00. Identify associated PBS # for each performance objective and/or measures as appropriate.*

**Performance Objective:** Disposition Pu, U, & Cr/Sr Capsules PBS RL TP-04

Measure 1 - Uranium Dispositioned (MTU)

**Expectation(s)**

**Superstretch**

FY00

Disposition 100% of the Hanford excess uranium inventory in the forms listed below (~1865 MTU Total)

- Uranium Trioxide (UO3) ~669.1 MTU
- Metal Billets ~234.6 MTU
- Unfinished & Finished Fuel ~957.3 MTU
  - surface contaminated (<1% U235) includes ~135 MTU
  - surface contaminated (>1% U235) includes ~39.2 MTU
- Uranium Dioxide (UO2) ~3.5 MTU

**SECTION 4  
FEE SCHEDULE**

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

\$0.36M of fee upon disposition of all Uranium Trioxide  
 \$0.18M of fee upon disposition of all Metal Billets  
 \$0.18M of fee upon disposition of all <1% U235 surface contaminated Fuel  
 \$1.08M of fee upon disposition of all inventory less the three items above

**FY 2000 PERFORMANCE INCENTIVE: Uranium Disposition**

**SECTION 5  
PERFORMANCE REQUIREMENTS**

**DUPLICATE  
ORIGINAL**

**PREVIOUS YEAR'S GATEWAY:** *Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure. (N/A in FY 2000)*

**GENERAL REQUIREMENTS:** In order to earn incentive fee under this Performance Agreement, the Contractor shall:

1. meet the specific completion criteria and expectations set forth in this Performance Agreement ; and
2. Not incur any unfavorable cost variance [(BCWP-ACWP)/BCWP] greater than 5.0 percent, or incur any unfavorable schedule variance [(BCWP-BCWS/BCWS] greater than 7.5 percent, measured at the Project Baseline Summary level at the end of FY 2000.

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

Successful completion requires disposition of all forms of uranium totaling ~ 1865 MTU, or in a lesser amount per the fee schedule in Section 4 by September 30, 2000. Note that the < 1% U235 surface contaminated fuel is a sub category of the Unfinished & Finished Fuel.

- 669.1 MTU Uranium Trioxide (UO3)
- 234.6 MTU Metal Billets
- 957.3 MTU Unfinished & Finished Fuel
  - Includes 135 MTU surface contaminated (< 1% U235)
  - Includes 39.2 MTU surface contaminated (> 1% U235)
- 3.5 MTU Uranium Dioxide (UO2)

Disposition or Transfer of Uranium Trioxide, Metal Billets, Unfinished/Finished Fuel, and Uranium Dioxide is completed when the inventory has been received and the Material Control & Accountability (MC&A) transfer documents have been reconciled per DOE Order 474.1.

**DEFINITIONS:** *(define terms)*

UO <sub>3</sub>	All uranium stored in T-hopper including associated empty T-hoppers located in the 200 Area
Billets	All metal billets stored in the 30 Area Fuel Fabrication Storage Complex. Metallic forms of uranium that have been mechanically formed into cylindrical shapes.
Unfinished & Finished Fuel	All finished and unfinished metal fuel stored in the 300 Area Fuel Fabrication Storage Complex, including Green Fuel, or material that has not been subjected to irradiation in a reactor and fuel that has surface contamination. Fuel includes fuel greater than and less than 1% U235 enrichment.
UO <sub>2</sub>	All uranium dioxide stored in the 300 Area 303-K Facility (legacy Nuclear Energy powder)

**FY 2000 PERFORMANCE INCENTIVE: Uranium Disposition**

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

**DUPLICATE  
ORIGINAL**

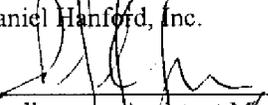
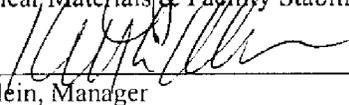
Reconciled MC&A Documentation (DOE/NRC 741 Forms) , Referenced DOE Order 474.1

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

Conclusions of the Environmental Assessment (EA) support the following:  
Dispositioning of the <1% U235 surface contaminated fuel to the 200 Area and the remaining balance of uranium inventory shipped to an Oak Ridge managed Site (Portsmouth, Ohio).

Disposition can include DOE approval of a sales agreement.

**SECTION 6  
SIGNATURES**

 _____ N.C. Boyter, Sr. Project Director River Corridor	_____ 10.28.99 Date
 _____ R. D. Hanson, President & CEO Fluor Daniel Hanford, Inc.	_____ 10/28/99 Date
 _____ P. M. Knollmeyer, Assistant Manager For Nuclear Materials & Facility Stabilization	_____ 10/29/99 Date
 _____ K. A. Klein, Manager Richland Operations Office	_____ 10/28/99 Date

**FY 2000 PERFORMANCE INCENTIVE: : Disposition Pu, U, & Cs/Sr Capsules**

**SECTION 1  
 GENERAL INFORMATION**

**DUPLICATE  
 ORIGINAL**

Performance Incentive Number: FDH-CP-2SS  
 Performance Incentive Short Title: **Stabilize Additional Pu**  
 Revision Number & Date: Rev. 0, 10/27/99  
 Maximum Available Incentive Fee: *Up to \$1.0M*  
 Performance Incentive Type:  Regular  Stretch  Superstretch  
*(check appropriate box)*

**SECTION 2  
 PERFORMANCE OUTCOMES**

*Check appropriate box:*

- Outcome #1 : Restore the River Corridor for multiple uses
- Outcome #2: Transition Central Plateau to support long-term waste management
- Outcome #3: Put DOE Assets to work in the future

**SECTION 3  
 PERFORMANCE OBJECTIVE(S), MEASURES AND EXPECTATIONN(S)**

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

**Performance Objective:** Disposition Pu, U, & Cs/Sr Capsules, PBS RL TP-05

Measure 1 – Pu metal/oxides/other type dispositioned

<u>Expectation(s)</u>	<u>Superstretch *</u>
FY00	1.a. Disposition Pu metal/oxide/polycubes stabilized (items), or 1.b. Pu Solutions stabilized (liters), or 1.c. Pu Residues stabilized (Kg bulk) in any combination of 10 unit (item, or liter, or Kg bulk) increments

**SECTION 4  
 FEE SCHEDULE**

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

Contractor shall earn \$10,000 for each 10 unit increment above the maximum stretch quantity for items 1.a., or 1.b, or 1.c., identified in Performance Incentive PHMC-CP-2, Section 3, not to exceed \$1M.

The Contractor shall present one invoice for payment of fee under this PI, upon completion of all work.

\* At least 100 items must be processed under 1.a. and 80 liters must be processed via MgOH under 1.b. and 7 Kg bulk residue must be processed under 1.c. before the contractor is eligible to earn fee for any of the stretch expectations.

**FY 2000 PERFORMANCE INCENTIVE: : Disposition Pu, U, & Cs/Sr Capsules**

**SECTION 5  
PERFORMANCE REQUIREMENTS**

DUPLICATE  
ORIGINAL

**PREVIOUS YEAR'S GATEWAY:** *Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure. (N/A in FY 2000)*

**GENERAL REQUIREMENTS:** In order to earn incentive fee under this Performance Incentive, the Contractor shall:

- 1) meet the specific completion criteria and expectations set forth in this Performance Incentive; and
- 2) not incur any unfavorable cost variance [(BCWP-ACWP)/BCWP] greater than 5.0 percent, or incur any unfavorable schedule variance [(BCWP-BCWS)/BCWS] greater than 7.5 percent, measured at the Project Baseline Summary level at the end of FY 2000.

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

The plutonium materials stabilization is considered complete when:

- 1.a. Plutonium oxides are considered stabilized when they have met the DOE-STD-3013 stabilization criteria (thermally stabilized at 950 degrees C for two hours, have a measured LOI of less than 0.5%), and are packaged and placed in vault storage.

Plutonium metal is considered stabilized when it has been brushed to remove surface oxide and have been packaged in a BTS container and placed in vault storage. The brushed oxide must be treated as described above except for the one item required to meet the stretch performance measure 1.d.

Polycubes are considered stabilized when they have been treated to eliminate the organic constituents, the residue of that process has been thermally stabilized to meet the DOE-STD-3013 stabilization criteria (950 degrees C for two hours, an LOI of less than 0.5% has been measured), and the stabilized material is packaged and placed in vault storage.

- 1.b. Plutonium solution is considered stabilized when the plutonium has been separated from the solution, the plutonium residue has been thermally stabilized to meet the DOE-STD-3013 stabilization criteria (950 degrees C for two hours, an LOI of less than 0.5% has been measured), and the stabilized material is packaged and placed in vault storage.
- 1.c. Plutonium residues are considered stabilized when they are treated (if required) and placed in a drum/pipe, and meet the Hanford Site Waste Acceptance Program criteria which incorporates the current WIPP Waste Acceptance Criteria (WAC) requirements.

Plutonium oxides, metal, alloys, solutions and residues are also considered stabilized when they have been sent to another site for treatment or disposition. Plutonium materials (Pu, Pu + U) removed from the Hanford DNFSB 94-1 inventories through other means (e.g., sent to tank farms) shall also be considered stabilized.

All packaging shall be in DOE-STD-3013 compliant container except as follows:

HCC or facility approved (e.g., food pack) container may be used as package containers until the BTS/3013 is available (in full operations).

Metal shall be packaged in the BTS inner can.

Residues shall be packaged as appropriate to meet Hanford Site Waste Program and WIPP WAC requirements.

**FY 2000 PERFORMANCE INCENTIVE: : Disposition Pu, U, & Cs/Sr Capsules**

**DEFINITIONS:** *(define terms)*

DUPLICATE  
ORIGINAL

HCC -	Hanford Convenience Can
LOI-	Loss On Ignition (or approved substitute) -- a test to determine product moisture content
WIPP --	Waste Isolation Pilot Plant
Liters --	For purposes of calculating liters processed, it is assumed that each solution bottle contains the full volume of solutions (e.g. A 10 liter bottle contains 10 liters of solution).
Items --	For purposes of calculating oxides/metal/polycubes, an item is assumed to be foodpack cans. One foodpack can of Polycubes is counted as two items toward completion of the measure, however this shall not change the method of reporting MYWP and EM performance metrics.
Routine Packaging	Consecutive containers are processed/welded and moved to, or staged for, the next processing step. Minor adjustments and maintenance is allowed. Excessive delay (greater than 7 days) due to ATP/OTP oversights for the bagless transfer equipment and directly supporting facility systems will invalidate initiation of routine packaging.

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

The documents listed below may be classified; the document record number will be referenced in the Completion Package.

The documentation to be provided, listed below, must be readily available; or, for those documents not readily available, a crosswalk document must be provided to demonstrate completion of this Performance Incentive:

- 1.a. For plutonium oxides (PU, PU+U), a table providing each original container number, the run number it was processed in, the LOI sample results for that run (including sample number), and current vault storage container number shall be provided.

For plutonium metal, a table providing the original container number for each metal piece dispositioned, the amount of oxide removed, the new metal weight, the current vault storage container number, the run number for calculation of the brushed oxide, LOI data for that run, and current vault storage container number.

For polycubes, a table providing each original container number, the run number(s) it was processed in, the LOI sample results for those runs (including sample number), and current vault storage container number shall be provided.

- 1.b. For plutonium solutions, the bottle numbers associated with each batch, the furnace run numbers for the resulting precipitate treatment (or prototype calciner or other labs run number), LOI data for those runs, and current vault storage container numbers. Note: It is recognized that there will likely be some mixing of solution between runs as the result of heels. It is not expected that this be accounted for in the data provided for this Performance Incentive.

DUPLICATE  
ORIGINAL!

Contract Number DE-AC06-RL13200  
Modification M090  
Page 26 of 26

**FY 2000 PERFORMANCE INCENTIVE: : Disposition Pu, U, & Cs/Sr Capsules**

1.c. For plutonium residues, a table providing each original container number and its bulk weight, the treatment/repackaging run number, the can number of the material after treatment/repackaging, and the WIPP drum or pipe number it was placed in and the approved Waste Profile Sheets for each container.

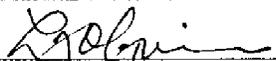
Records shall be available that can be used to verify the data in the table provided. The evaluator shall verify the data using a sampling technique.

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

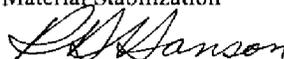
WIPP waste acceptance requirements (WAC) currently being used to develop the Hanford Site Solid Waste Acceptance Program are used to develop the Plutonium residues disposition path forward at PFP. If changes to the WIPP WAC and Hanford certification place additional requirements on PFP, this PI will be revisited.

LOI will remain an acceptable method for measuring moisture content of the material covered by this PI to demonstrate meeting the DOE-STD-3013 stabilization standard. If the standard is updated requiring a different method to be performed this PI will be revisited.

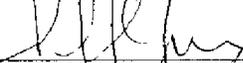
**SECTION 6  
SIGNATURES**

  
\_\_\_\_\_  
L. J. Olguin, Sr. Project Director  
Nuclear Material Stabilization

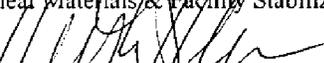
\_\_\_\_\_  
10-28-99  
Date

  
\_\_\_\_\_  
R. D. Hanson, President & CEO  
Fluor Daniel (Hanford), Inc.

\_\_\_\_\_  
10/28/99  
Date

  
\_\_\_\_\_  
P. M. Knollmeyer, Assistant Manager  
For Nuclear Materials & Facility Stabilization

\_\_\_\_\_  
10/29/99  
Date

  
\_\_\_\_\_  
K. A. Klein, Manager  
Richland Operations Office

\_\_\_\_\_  
10/29/99  
Date



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

NOV 01 1999

00-PRO-049

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

Dear Mr. Hanson:

CONTRACT NO. DE-AC06-96RL13200 – EXECUTION OF CONTRACT  
 MODIFICATIONS M088 AND M090

Enclosed for your files are one fully executed original of contract modifications M088 and M090, including one duplicate original set of Fiscal Year 2000 performance incentives. If you have any questions regarding this matter, please contact me at (509) 373-1259.

Sincerely,

**ORIGINAL SIGNED BY:**

George F. Champlain  
 Contracting Officer

PRO:GFC

Enclosures

cc w/encl:  
 J. L. Jacobsen, FDH

bcc w/encl:  
 PRO Off File  
 PRO Rdg File  
 CCC Rdg File  
Record Note:  
 E:\George\Mods\ModsM088andM090TransmittalLtr

**RECEIVED**

NOV 01 1999  
**DOE RL/CCC**

Office >	PRO <i>GC</i>	OCC <i>PR</i>	PRO <i>GC</i>		
Surname >	CHAMPLAIN	DAVIS <i>PR</i>	CHAMPLAIN		
Date >	11/01/99	11/1/99	11/1/99		

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

Document No. 15817