AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT	1. CONTRACT ID CODE	PAGE 1 OF 17 PAGES

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. *(If applicable)*
M148	December 20, 2001		

6. ISSUED BY CODE

U.S. Department of Energy
Richland Operations Office
825 Jadwin Avenue; MSIN A7-80
Richland WA 99352

7. ADMINISTERED BY *(If other than Item 6)* CODE

8. NAME AND ADDRESS OF CONTRACTOR *(No., street, city, county, state and zip code)*

Fluor Hanford, Inc.
2420 Stevens Drive
P.O. Box 1000
Richland WA 99352

CODE FACILITY CODE

(X)	
	9A. AMENDMENT OF SOLICITATION NO.
	9B. DATED *(SEE ITEM 11)*
X	10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC06-96RL13200
	10B. DATED *(SEE ITEM 13)* 08/06/96

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

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

12. ACCOUNTING AND APPROPRIATION DATA *(If required)*

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

(X)	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.33: Performance Objectives, Measures, Expectations, and Fee Dist.
	D. OTHER *(Specify type of modification and authority)*

E. IMPORTANT: Contractor ☐ is not, ☒ is required to sign this document and return 2 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 revise Performance Incentive FHI-Comprehensive-1, add FHI-Comprehensive-3A and FHI-Comprehensive-4, and incorporate the changes into Part III, Section J, Appendix D of the contract.

Reviewed 12/11 Approved

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

15A. NAME AND TITLE OF SIGNER *(Type or print)*		16A. NAME AND TITLE OF CONTRACTING OFFICER *(Type or print)*	
E. Keith Thomson President and Chief Executive Officer		Sally A. Sieracki	
15B. CONTRACTOR/OFFEROR *(Signature of person authorized to sign)*	15C. DATE SIGNED 12-19-01	16B. UNITED STATES OF AMERICA *(Signature of Contracting Officer)*	16C. DATE SIGNED 26 Dec 01

FY01-FY06 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive-1

SECTION 1
GENERAL INFORMATION

Performance Incentive Number:	FHI – Comprehensive-1
Performance Incentive Title:	**Comprehensive Performance**
Revision Number & Date:	Rev. 1, 12/19/01
Maximum Available Incentive Fee:	Up to 17.6% of the fee available in Contract Clause B.4.
Performance Incentive Type: *(Check appropriate box)*	☑ Regular ☐ Stretch ☐ Superstretch

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) MEASURE (S) & EXPECTATION (S)

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

Performance Objective/Measure 1 - Safety: Protect worker safety and health, public safety and health, and the environment.

Performance Objective/Measure 2 - Project and Operational Management: Provide project and operational management necessary to achieve project results.

Performance Objective/Measure 3 - Stewardship: Provide stewardship of Hanford assets and resources; and acquire goods and services fairly, cost effectively, and competitively.

Performance Objective/Measure 4 - Effective Leadership: Provide leadership to ensure management responsiveness.

Performance Objective/Measure 5 - Effective Interface with and Support of other Site Contractors: Provide efficient and cost effective site services equitably to other site contractors; collaborate and participate proactively with other site contractors to meet Hanford missions and key outcomes.

FY01-FY06 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive-1

SECTION 4
FEE SCHEDULE

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

Performance Objective/Measure 1 - Safety: Negative fee only up to 30.0% of fee allocated to this Performance Incentive.

Performance Objective/Measure 2 - Project and Operational Management: Incentive fee of approximately 35.0% of fee allocated to this Performance Incentive.

Performance Objective/Measure 3 - Stewardship: Incentive fee of approximately 15% of fee allocated to this Performance Incentive.

Performance Objective/Measure 4 - Effective Leadership: Incentive fee of approximately 25% of fee allocated to this Performance Incentive.

Performance Objective/Measure 5 - Effective Interface with and Support of other Site Contractors: Incentive fee of approximately 25% of fee allocated to this Performance Incentive.

Fee allocated to this Performance Incentive shall be allocated by fiscal year as follows:

FY01	FY02	FY03	FY04	FY05	FY06	Total
18.9%	18.9%	18.9%	15.5%	13.8%	13.8%	~100%

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

None

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.

FY01-FY06 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive-1

SECTION 5
PERFORMANCE REQUIREMENTS

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 - Safety: The Contractor shall protect worker safety and health, public safety and health, and the environment.

Performance Expectations:

- Maintain a current Integrated Safety Management (ISM) System Description and ensure all activities are conducted in accordance with the approved ISM System Description.
- Self-identify ISM System weaknesses and self-disclose regulatory non-compliance. Enact timely and effective correction of self-disclosed and self-identified items.
- In accordance with DEAR Clause I.99 and reference to DOE Policy 450.5, review, update, and submit no later than June 30st of each fiscal year, for DOE-RL approval, safety performance objectives, performance measures, and commitments.

Determination of Fee:
Up to 30.0% of fee available for this Performance Incentive will be forfeited if the Contractor fails to satisfactorily meet the expectations 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 generally, but not exclusively, on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by Direct Reports to the RL Manager.

Determination of non-compliance with the approved ISMS System Description and/or applicable regulatory requirements will be determined by DOE-RL and may be based on input from, but not limited to the following sources: (1) written enforcement actions from regulatory agencies, (2) findings of DOE-RL staff, 3) effectiveness of corrective actions and 4) input from DNFSB members and staff. Determination shall in part be based on potential or real impact to protection of the workers, the public and the environment. Consideration will be given to such factors as severity, seriousness, and number of violations, toxicity, volume, persistence and/or duration of the violation.

Performance Objective/Measure 2 - Project and Operational Management: Provide project and operational management necessary to achieve project results and address areas for improvement.

2A. Project Management/Control: Provide project management and control based on Fluor, industry, and contract requirements that provides effective Baseline Management:

Performance Expectations:

- Maintain a high quality, integrated life-cycle baseline (scope, schedule & cost) for assigned scope. Baseline estimates should be activity based consistent with FHI tiered approach, and be consistently generated across all projects. Baseline estimates must be independently validated. Baseline products shall adhere to Baseline Update Guidance.
  - Good definitive technical work scope to support activity-based scheduling.
  - Traceability of work scope and basis of estimate through all levels of the WBS structure.
  - Defensible life-cycle cost estimates, ensuring FHI's Central Plateau baseline is consistent with, supports, and is integrated with the River Corridor and River Protection baselines
  - Ensure life-cycle planning adequately supports infrastructure requirements to a level sufficient to meet programmatic needs.
- Demonstrate consistent execution of the Fluor corporate approach to project management across all projects.

FY01-FY06 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive-1

- Maintain an effective Baseline Change Request (BCR) process that is efficient, timely and effective.
  - Prepare quality BCRs (ensure all necessary information is succinctly provided and/or appropriate references clearly noted) to facilitate timely decision-making.
  - Provide decision making information tool (similar to BHI Big Sheet), which emphasizes scope trend and strict funds management discipline against Contract "budgetary funding" profile.
  - Streamline internal FHI process to support the RL Baseline Change Control process.
- Enhance configuration control of baseline data to activity level.
  - Incorporate changes into baseline source systems (e.g. HSTD, etc.) within 10 working days from date of approval.
  - Update the Site Summary Level Schedule (SSL) on quarterly basis
- Partner with DOE-RL to identify and remove low value requirements and other barriers in order to accelerate projects and/or reduce costs.
- Propose changes to Life-Cycle baseline that reduces Life-Cycle cost.
- Provide DOE-RL with monthly reports to include cost and schedule performance data (earned value) at one level below the PBS level of the FY 2001 WBS. Include the status of technical scope via accomplishments, issues, and critical performance measures and effectively communicate spending forecast and estimated cost at completion for all projects.
- Maintain an earned value management system that conforms to the ANSI/EAI Standard 748, Earned Value Management System (EVMS).
  - Reduce the use of level of effort (LOE) earned value, as appropriate; to provide an objective indication that the planned work was accomplished.
- Provide high quality specifications that result in high quality engineering designs, procurements and construction with the appropriate level of safety margin. Eliminate unnecessary added cost due to over design or rework.

2B. Effective Financial Management: The Contractor shall fulfill its contractual obligation in a fiscally sound and responsible manner by:

Performance Expectations:

- Performing periodic assessments and taking corrective actions to achieve cost plus commitments at each funds control point (1) that do not exceed FY Budget Authority (BA) and the beginning prior year uncosted obligations, (2) that are for DOE authorized work scope, and (3) are within the time limitation established by the Appropriation.
- Notifying DOE-RL promptly, in writing, when there is a reason to believe any funds control points(s) will be exceeded, along with a proposed corrective action plan.
- Notifying DOE-RL promptly when there is a reason to believe that funds control point(s) will be substantially under-run.
- Report the financial results (actual & forecast) at least one level below the PBS for CFO and project briefings and for reports listed in Section F of the Contract. Provide financial information no later than 10 working days after the close of the accounting month.

FY01-FY06 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive-1

2C Operational Management: The Contractor shall provide Operational Management necessary to achieve project results by:

Performance Expectations:

- Establish/maintain work control systems that ensure procedures, resources, and material are ready for craft to do their job so that worker efficiency is continuously improved toward best-in-class performance for similar industry.
- Demonstrate an operational management process that focuses on management presence in the field observing work activities, root cause analysis, tracking/trending, lessons learned reporting, corrective action management, feedback and continuous improvement.
- Demonstrate the effectiveness of the Office of Safety & Mission Assurance approach to independent performance assessment, building an integrated improvement agenda and evaluation of progress.

2D. Science and Technology Innovation: The Contractor shall effectively plan and deploy technical innovations to reduce technical risk, reduce cost or improve clean up results and enhance the Hanford Site's ability to achieve its missions.

Performance Expectations:

- Conduct science and technology reviews to proactively 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 Data. Technology insertion shall be included within the appropriate baseline and adequately executed to achieve project success.

Determination of Fee:
The fee determination shall be made by the DOE-RL Manager, or his designee, based generally, but not exclusively, on satisfactory accomplishment of the performance expectations and criteria above, and giving consideration to input provided by Direct Reports to the RL Manager.

Performance Objective/Measure 3 - Stewardship: Provide stewardship of Hanford assets and resources; and acquire goods and services fairly, cost effectively, and competitively.

3A. Achieve Effective Small Business Advocacy Program: The Contractor shall demonstrate their purchasing system includes an effective small business advocacy program to support DOE's responsibility to award a fair proportion of DOE appropriated dollars to small business concerns.

Performance Expectation:

- Provide an annual plan, based on executable baselines, to meet small business contracting goals; and completely execute the plan.
- Seek to unbundle contracts and increase the portion of subcontracting dollars issued for managed tasks versus staff augmentation tasks for maximum small business opportunity.
- Provide documentation that demonstrates how established goals were met or exceeded.
- Validate maximum practicable utilization of small business by utilizing the tools available to DOE contractors as established in Acquistion Letter 2002-02 with an emphasis in Part II, items B, C, E and F.
- Educate the small business community on a quarterly basis in doing business with the Hanford Site and adequately notify them of upcoming procurements (e.g. post on the internet on a 90-day rolling average).
- Participate in quarterly meetings with local small business owners, for the purpose of expanding small business opportunity.

FY01-FY06 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive-1

3B. Pollution Prevention and Waste Minimization:

Performance Expectation:

- Establish/maintain a Pollution Prevention and Waste Minimization program that consistently meets or exceeds DOE goals and successfully proposes and executes Return-on-Investment projects.

Determination of Fee:
The fee determination shall be made by the DOE-RL Manager, or his designee, based generally, but not exclusively, on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by Direct Reports to the RL Manager and a sampling of small business owners.

Performance Objective/Measure 4 - Effective Leadership: Provide leadership to ensure management effectiveness, meet customer needs and respond to areas for improvement.

Effective and responsible leadership is expected to guide and direct activities and work to achieve desired outcomes for all contract activities, including those activities for which there are no specific performance incentives.

4A. Customer/Stakeholder/Employee Interfaces: Provide a culture that results in:

Performance Expectation:

- Constructive cooperation and openness with regulators and stakeholders.
- Cooperative interface with other site entities for site-wide planning of work.
- Being responsive to customer direction and requirements of the CO and/or COR.
- Open communication with employees
- Resolution of employee concerns.
  - Keep DOE-RL promptly informed of the status of potentially high profile concerns.
  - Adequately and effectively respond to assertions of retaliation, hostile work environment and "chilling effect". Adequately and effectively respond to violations of the DOE Zero Tolerance Policy.
- Utilize hands on employee training through facilities like HAMMER, as appropriate based on applicability, schedule, and cost.

Determination of Fee:
The fee determination shall be made by the DOE-RL Manager, or his designee, based generally, but not exclusively, on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by Direct Reports to the RL Manager, and input from EPA, Department of Health and Department of Ecology regulators as well as a random sampling of stakeholders.

Performance Objective/Measure 5 - Effective interface with and support of other site contractors: Provide efficient and cost effective site services equitably to other site contractors; collaborate and participate proactively with other site contractors to meet Hanford missions and key outcomes.

5A. Provide support to other Site Contractors: FHI shall ensure efficient and effective site infrastructure and support services (e.g., emergency preparedness, fire system maintenance, sanitary waste, utilities, etc) are provided to other site contractors (e.g. CHG, BHI, Battelle) commensurate with site mission needs. Services shall be performed with fairness and equal treatment to all site prime contractors. The contractor shall be responsive to site service customers.

FY01-FY06 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive-1

Performance Expectations:

Note: FHI shall establish performance metrics associated with the specific expectations cited below where applicable and as agreed to by DOE-RL. The metrics shall be agreed upon and placed into affect within 30 days of this incentive being signed.

- Provide the required infrastructure and support services as efficiently and effectively as possible, within constraints such as funding and labor agreements.
- Match infrastructure and service requirements in concert with mission requirements (i.e., alignment with Site Critical Outcomes).
- Provide infrastructure services to all site prime and sub-contractors in an equitable manner.
- Work with DOE-RL, ORP and other Site Prime Contractors to implement the City Manager Concept to maximize efficiency of site services, provide outstanding customer service and implement best practices from Fluor Corporate Signature Services.
- Implement the Account Manager concept as proposed to RL.
- Seek feedback from customers, track service metrics, and adjust service accordingly.
- Support Site Services Board decisions that designate mandatory use of a site-wide service based on critical evaluation as to what would be in the best interest of the government/taxpayer.
- Right size and refurbish infrastructure to reduce energy and maintenance costs
- Effect consolidation/centralization of facility maintenance and implement central maintenance.
- Evaluate and pursue outsourcing opportunities through implementation of make-buy plan.

Determination of Fee:

The fee determination shall be made by the DOE-RL Manager, or his designee, based generally, but not exclusively, on satisfactory accomplishment of the performance expectations above, and giving consideration to input provided by Direct Reports to the RL Manager and the DOE-ORP Manager. Emphasis will be placed on integration of site services and customer satisfaction. DOE-RL will evaluate the contractor's feedback mechanism on customer service, independently observe the metrics, and obtain feedback from site service customers (e.g. CHG, BHI, Battelle, etc) during its fee determination. DOE-RL will independently observe and/or verify the metrics associated with the applicable expectations above.

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 31 of each year. This is in addition to self-assessments specifically identified within the Performance Objective(s)/Measure(s).

RL-CO DR Date 12/19/01

FY01-FY06 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive-1

SECTION 6
SIGNATURES

Reviewed 12/19 Approved
LEGAL

/FOR — 12-19-01
E. Keith Thomson, President & Chief Executive Officer — Date
Fluor Hanford, Inc.

W. Wade Ballard — 12/20/01
W.W. Ballard, Assistant Manager — Date
For Planning & Integration

R. M. Rosselli, Deputy Manager — M. H. Schlender, Deputy Manager for Site Transition — 12/20/01 — 12/20/01
Business Services — Date

K.A. Klein, Manager — 12/20/01
Richland Operations Office — Date

RL-CO DL Date 12/19/01

FY 2002 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive-3A

SECTION 1
GENERAL INFORMATION

Performance Incentive Number:	FHI – Comprehensive - 3A
Performance Incentive Title:	**Areas of Improvement/Emphasis**
Revision Number & Date:	Rev. 0, 12/19/01
Maximum Available Incentive Fee:	Up to 0.4% of the fee available in Contract Clause B.4
Performance Incentive Type: *(Check appropriate box)*	☑ Regular ☐ Stretch ☐ Superstretch

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) MEASURE (S) & EXPECTATION (S)

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

Performance Objective/Measure 1 - Transition Activities: Plan for and aggressively support a seamless transition of work scope from Bechtel Hanford, Inc. (BHI) to FHI and from FHI to the new River Corridor Contractor.

Performance Objective/Measure 2 - Work for Other Site Contractors: Effectively plan for and manage work for other Site Prime Contractors.

SECTION 4
FEE SCHEDULE

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

Performance Objective/Measure 1 & 2 - Incentive fee up to 100% of fee allocated to this Performance Incentive.

PL CO. [illegible] Date 12/19/01

FY 2002 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive-3A

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 Incentive. The requirements listed below are the gateway only requirements for this Performance Incentive.*

NONE

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.

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 - <u>Transition Activities</u>: Plan for and aggressively support a seamless transition of transferred work scope.

Performance Expectations:

- Develop a Contract Transition Plan and submit for DOE-RL approval, in accordance with the letter of direction issued by the Contracting Officer.
  - Provide a Contract Transition Plan to RL by 3/29/02. Execute transition plan and ensure smooth (seamless) transition to work scope transferring from Bechtel Hanford, Inc. by 7/01/02, in accordance with the letter of direction issued by the Contracting Officer.
  - Provide a Contract Transition Plan to RL by 4/25/02, assuming transition of FHI work to River Corridor contractor by 10/01/02. Execute transition plan and ensure smooth (seamless) transition to work scope transferring to the River Corridor contractor, in accordance with the letter of direction issued by the Contracting Officer.

Performance Objective/Measure 2 - <u>Work for Other Site Prime Contractors</u>: Effectively plan for and manage work for other Site Prime Contractors.

Performance Expectations:

- Work with other Site Prime Contractors to develop a proposal by 6/30/02, for RL approval, which establishes a process for work performed by FHI, integrated with other Site Prime Contractors, applying a graded approach consistent with the level of associated risk and existing contractual requirements. The proposal shall cover the objectives for this initiative laid out in the letter of direction issued by the RL Contracting Officer. When approved by RL, FHI will also apply the approach to work performed between FHI and other Prime Contractors within the DOE-complex.

Determination of Fee:
The fee determination shall be made by the DOE-RL Manager, or his designee, based generally, but not exclusively on satisfactory accomplishment of the performance expectation above, and giving consideration to input provided by Direct Reports to the RL Manager.

FY 2002 CONTRACT PERFORMANCE INCENTIVE: FHI Comprehensive-3A

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.*

- Contract Transition Plans
- Proposal for Managing Work for other Site Prime Contractors
- The Contractor shall provide a self-assessment addressing each performance expectation under this Performance Incentive by October 31, 2002. This is in addition to self-assessments which may be specifically identified within the Performance Objective(s)/Measure(s).

SECTION 6
SIGNATURES

Reviewed
12/19
Approved
LEGAL

E. Keith Thomson, President & Chief Executive Officer Fluor Hanford, Inc.	12-19-01 Date
W.W. Ballard, Assistant Manager For Planning & Integration	12/20/01 Date
M.H. Schlender, Deputy Manager For Site Transition	12/20/01 Date
R. M. Rosselli, Deputy Manager Business Services	12/20/01 Date
K.A. Klein, Manager Richland Operations Office	12/20/01 Date

RL CO Date 12/19/01

FY 2001-2006 PERFORMANCE INCENTIVE: Comprehensive - 4

SECTION 1
GENERAL INF ORMATION

Performance Incentive Number:	FHI- Comprehensive-4
Performance Incentive Short Title:	**IRM and DOE Asset Transition**
Revision Number & Date:	Rev. 0, 12/19/01
Maximum Available Incentive Fee:	4.2% of fee available in contract clause B.4
Performance Incentive Type: *(check appropriate box)*	☑ Base ☐ Stretch ☐ Superstretch

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(S)

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

Performance Objective 1 - Information Technology: Provide required Information Technology and Information Management effectively and efficiently in support of mission accomplishment by improving site-wide integration of Information Resource Management (IRM) requirements and systems.

Measure 1: Maintain strategic and long-range planning.

Expectation 1: Achieve goals and objectives defined in the RL IT objectives and FHI contract deliverables (markers), IRM Strategic Plan HNF-8710 (as amended or replaced with RL approval) and IRM Long Range Operating Plan as approved by RL.

Performance Objective 2 - Put DOE Assets to Work for the Future: Dispose excess personal property and equipment to make room for necessary warehousing space and reduce material management cost.

Measure 1: Dispose excess personal property and equipment.

Expectation 1: Dispose excess personal property by processing 100,000 items through the excess process by September 30, 2006.

Expectation 2: Transfer at least 200 items to Tri-Cities Asset Reinvestment Company (TARC) facility or identified community development project location.

Measure 2: Develop and implement an Integrated Materials Management function that involves purchasing, warehousing and materials disposition functions to improve existing materials/equipment reuse and disposition.

Expectation 1: Prepare an Integrated Materials Management plan, including appropriate metrics, by 06/01/02 for RL to approve and use as the basis for multi-year performance measurement. Execute the approved Integrated Material Management Plan.

FY 2001-2006 PERFORMANCE INCENTIVE: Comprehensive - 4

SECTION 4
FEE SCHEDULE

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

Performance Objective 1 - Information Technology.

Measure 1: Maintain strategic and long-range planning.

Expectation 1: Achieve goals and objectives defined in the RL IT objectives and FHI contract deliverables (markers), IRM Strategic Plan HNF-8710 (as amended or replaced with RL approval) and IRM Long Range Operating Plan as approved by RL.

Determination of Fee:
The fee determination shall be made by the DOE-RL Manager, or his designee, based generally, but not exclusively on satisfactory accomplishment of the performance expectation above, and giving consideration to input provided by Direct Reports to the RL Manager. Up to 71.4% of fee allocated to this Performance Incentive may be earned at the rate of ~14.3% per fiscal year (for fiscal years FY02 through FY06) for Performance Objective1 /Measure 1/ Expectation 1 above.

Performance Objective 2 - Put DOE Assets to Work for the Future: Dispose excess personal property and equipment to make room for necessary warehousing space and reduce material management cost.

Measure 1: Dispose excess personal property and equipment

Expectation 1: Dispose excess personal property: 7.6% of fee allocated to this PI shall be earned as progress payments as follows:

- 6.3% of fee available for this PI can be earned for 98,000 items dispositioned payable in 7 increments of 14,000 items.
- 1.3% of fee available for this PI upon disposition of all 100, 000 items by 9/30/06.

Expectation 2: Transfer items to TARC facility or identified community development project location: 5.2% of fee allocated to this PI shall be earned as progress payment as follows:

- 4.2% of fee available for this PI can be earned for 200 items payable in 50 item increments.
- 1.0% of fee available for this PI upon transfer of all 200 items by 9/30/06.

Measure 2: Develop and implement an Integrated Materials Management function that involves purchasing, warehousing and materials disposition functions to improve existing materials/equipment reuse and disposition.

Expectation 1: Prepare an Integrated Material Management plan, including appropriate metrics, by 06/01/02 for RL to approve and use as the basis for multi-year performance measurement. Execute the approved Integrated Materials Management Plan.

Determination of Fee:
The fee determination shall be made by the DOE-RL Manager, or his designee, based generally, but not exclusively on satisfactory accomplishment of the performance expectation above, and giving consideration to input provided by Direct Reports to the RL Manager. Up to 15.8% of fee allocated to this Performance Incentive may be earned at the rate of 3.16% per fiscal year (for fiscal years FY02 through FY06) for Performance Objective 2/Measure 2/ Expectation 1 above.

FY 2001-2006 PERFORMANCE INCENTIVE: Comprehensive - 4

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*

NONE

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 percentage [((BCWP-ACWP)/BCWP) x 100] greater than 5.0 percent cumulatively from 10/01/02, measured at the end of each performance expectation, at the Project Baseline Summary level for PBS identified in Section 4, Fee Schedule.

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: Information Technology: Provide required Information Technology and Information Management effectively and efficiently in support of mission accomplishment by improving site-wide integration of Information Resource Management (IRM) requirements and systems.

Measure 1: Maintain strategic and long-range planning.

Expectation 1: Achieve goals and objectives defined in the RL IT objectives and FHI contract deliverables (markers), IRM Strategic Plan HNF-8710 (as amended or replaced with RL approval) and IRM Long Range Operating Plan as approved by RL.

Performance Objective 2 - Put DOE Assets to Work for the Future: Dispose excess personal property and equipment to make room for necessary warehousing space and reduce material management cost.

Measure 1: Dispose excess personal property and equipment.

Expectation 1: Dispose excess personal property and equipment.

- Disposition excess personal property by processing 100,000 items through the excess process by September 30, 2006. Disposition of property must be documented as required by Federal Property Management Regulations.

Expectation 2: Transfer equipment to TARC facility or identified community development project location.

- Identify and transfer (i.e., dismantle, remove, transport to either TARC facility or identified community development project location) items identified in the Personal Property Availability Package (PPAP) or other high use value assets for economic or community development projects.
- Transfer of equipment must be documented as required by Federal Property Management Regulations.

Measure 2: Develop and implement an Integrated Materials Management function that involves purchasing, warehousing and materials disposition functions to improve existing materials/equipment reuse and disposition.

Expectation 1: Prepare an Integrated Materials Management plan, including appropriate metrics, by 06/01/02 for RL to approve and use as the basis for multi-year performance incentive. Execute the approved Integrated Materials Management Plan.

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DEFINTIONS: *(define terms)*

Performance Objective 2

Measure 2:

Expectation 1:

- Items is defined as a line of personal property item(s) identified on the Declaration of Excess Form received from the excessing organization and/or a single item of property transferred using a title transfer document.

Expectation 2:

- High Reuse Value asset is defined as an asset whose market value exceeds the cost of removal for the asset(s) or has the potential to create commercial opportunities either for business growth, increased jobs or expanded lines or capabilities.

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 31 of each year. This is in addition to self-assessments specifically identified within the Performance Objective(s)/Measures/Expectations.

Performance Objective 2:

Measure 1:

Expectations 1 & 2:

- Declaration of Excess Form(s)
- Title transfer documents signed by an authorized RL Contracting Officer

Measure 2:

Expectation 1:

- Integrated Materials Management Plan

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).*

NONE

RL CO [illegible] Date 12/19/01

FY 2001-2006 PERFORMANCE INCENTIVE: Comprehensive - 4

SECTION 6
SIGNATURES

Reviewed
Approved
LEGAL

/FOR — 12-19-01
Date

E. Keith Thomson, President & Chief Executive Officer
Fluor Hanford, Inc.

W. Wade Ballard — 12/20/01
Date

W. W. Ballard, Assistant Manager
For Planning and Integration

R. M. Rossell, Deputy Manager
For Business Services

M.H. Schlender, Deputy Manager
for Site Transition

12/20/01 — 12/20/01
Date

K. A. Klein, Manager
Richland Operations Office

12/20/01
Date

BL CO Date 12/19/01