



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

02-PRO-0945

JUL 02 2002

Mr. E. K. Thomson, President
Fluor Hanford, Inc.
Richland, Washington 99352

Dear Mr. Thomson:

CONTRACT NO. DE-AC06-96RL13200 – EXECUTION OF CONTRACT MODIFICATION
M157

Enclosed for your files is one fully executed original of the subject contract Modification, including one duplicate original of FY 2001-2006 Performance Incentives FHI-M2, Pu Stabilization/PFP Deactivation (Revision 2), FHI-M3, 200 Area Facility Disposition (Revision 1), and FHI-M8, 300 Area Cleanup (Revision 1). If you have any questions regarding this matter, please contact me at (509) 376-3166.

Sincerely,

A handwritten signature in cursive script that reads "David E. Stromberg".

David E. Stromberg
Administrative Contracting Officer

PRO:DES

Enclosures

cc w/encls:
S. W. Bork, FHI
J. L. Jacobsen, FHI

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES 1 19
2. AMENDMENT/MODIFICATION NO. M157	3. EFFECTIVE DATE June 27, 2002	4. REQUISITION/PURCHASE REQ. NO.	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)		
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		(X)	9A. AMENDMENT OF SOLICITATION NO.	
CODE			9B. DATED (SEE ITEM 11)	
FACILITY CODE		X	10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC06-96RL13200	
			10B. DATED (SEE ITEM 13) 08/06/96	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

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

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

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

12. ACCOUNTING AND APPROPRIATION DATA (If required)

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

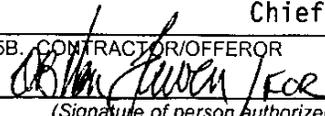
(X)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET 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 Incentives PHI-M2, PHI-M3 and PHI-M8, and incorporate the changes into Part III, Section J, Appendix D of the contract.

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) E. Keith Thomson, President and Chief Executive Officer		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Sally A. Sieracki	
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED 6/12/02	16B. UNITED STATES OF AMERICA  (Signature of Contracting Officer)	16C. DATE SIGNED 27 Jun 02

FY 2001-06 PERFORMANCE INCENTIVE: Pu Stabilization/PFP Deactivation

**SECTION 1
GENERAL INFORMATION**

Performance Incentive Number: FHI-M2
Performance Incentive Short Title: **Pu Stabilization/PFP Deactivation**
Revision Number & Date: Rev. 2, 06/05/02
Maximum Available Incentive Fee: 18.8% of the fee available in Contract Clause B.4.
Performance Incentive Type: Base 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. Identify associated PBS # for each performance objective and/or measures as appropriated.

Performance Objective: Disposition Pu, & U PBS CP03 (TP-05)

Measure 1: Pu metal/oxides/other types dispositioned

Expectation 1: All Plutonium bearing materials stabilization and packaging will be completed in accordance with DNFSB Milestones identified in the current DOE Implementation Plan for the DNFSB Recommendation 94-1/2000-1

<u>Base</u> By 05/31/04 (* Final DNFSB 2000-1 due date)	<u>Stretch</u> By 02/18/04
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Measure 2: PFP Deactivation

Expectation 1: Reduce the PFP Protected Area to 2736-Z/ZB and yard storage.

Base: Complete 75% of legacy Pu holdup removal and disposition by 09/30/06

Stretch: Complete 100% of legacy Pu holdup removal and D&D 232Z and PPSL Annex to slab on grade and transfer all SNM required to reduce the Protected Area (PA) to 2736-Z/ZB or other RL approved location by 9/30/06.

Super Stretch: Complete 236-Z (PRF) Safe Shutdown

FY 2001-06 PERFORMANCE INCENTIVE: Pu Stabilization/PFP Deactivation

**SECTION 4
FEE SCHEDULE**

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

Base = (69%) of the fee available for this Performance Incentive
Stretch = (31%) of the fee available for this Performance Incentive

Measure 1: Pu metal/oxides/other types dispositioned

PBS CP03 (TP05)

Expectation 1: Stabilize Pu

Base: 47% of available fee for this Performance Incentive shall be earned as progress payment as follows:

- Stabilize Pu metal/oxide/polycubes – 10% of fee available for this PI can be earned payable in 15 item increments for the balance of the inventory (~5731)
- Stabilize Pu solutions – 10% of fee available for this PI can be earned for 4260 liters payable in 40 liter increments
- Stabilize Residues - 10% of fee available for this PI can be earned for 3380 bulk kg payable in 30 kg increments
- 6% of available fee for this Performance Incentive can be earned as provisional payment upon hot startup of the 2736-ZB Stabilization and Packaging System on or before 11/27/01. Provisional payment is forfeited if all Pu stabilization and packaging is not completed by 05/31/04.
- 5% upon completion of all Pu stabilization and packaging by 5/31/04 (linearly decreasing per day to 0% on 8/31/04).
- 3% upon completion of Pu metal stabilization and packaging, as a provisional payment. Provisional payment is forfeited if all Pu stabilization and packaging is not completed by 05/31/04.
- 3% upon completion of Pu solutions stabilization and packaging, as a provisional payment. Provisional payment is forfeited if all Pu stabilization and packaging is not completed by 05/31/04.

Stretch: 10% upon completion of all Pu Stabilization and packaging by 02/18/04 (linearly decreasing per day to 0% on 05/31/04).

Measure 2: PFP Deactivation

PBS CP03 (TP05)

Expectation 1: Reduce the PFP Protected Area to 2736-Z/ZB and yard storage

Base: Complete 75% of legacy Pu holdup removal and disposition by 09/30/06.
22% of available fee for this Performance Incentive shall be earned as progress payment as follows:

- 1% of fee available for this PI can be earned per 5% of Pu Holdup removed and dispositioned, up to 15% fee (75% holdup)
- 7% of fee available for this PI can be earned if 75% of Pu Holdup dispositioned by 09/30/06

Stretch: Complete 100% of legacy Pu Holdup removal and disposition to reduce Protected Area to 2736-Z/ZB, D&D 232Z and PPSL Annex to slab-on-grade.
21% of available fee for this PI shall be earned as progress payment as follows:

- 7% of fee available for this PI can be earned for removal and disposition of remaining 25% of Pu Holdup.
- 2% of fee available for this PI can be earned if all SNM required to reduce the Protected Area (PA) is transferred to 2736-Z/ZB (or RL approved location).
- 5% of fee available for this PI can be earned for 232-Z and PPSL Annex demolished to slab-on-grade by 9/30/06

FY 2001-06 PERFORMANCE INCENTIVE: Pu Stabilization/PFP Deactivation

- 7% of fee available for this PI can be earned if the Protected Area is reduced to 2736-Z/ZB and yard storage.

Super Stretch: Complete 236-Z (PRF) Safe Shutdown.

TPA/DNFSB STANDARD PENALTY STATEMENT: A provisional penalty of up to \$10K/week may be imposed for any missed TPA or DNFSB milestone that is considered interim to a final incentivized milestone designated with an asterisk (*). Provisional penalties may be waived by the Contracting Officer if the final (*) contractual milestone is met and/or the Contracting Officer determines that no fines, penalties, or significant adverse impacts, will result from the missed interim milestone.

For purposes of this PI, it is assumed that the 53 alloy items referred to as "Group 2 Alloys" – that is, those alloy items that are less than 30 wt % Pu+U and which require pretreatment to meet discard criteria – will be governed by the residues milestone TRP-03-500 (IP-116), "Complete Packaging/Stabilization of Residues", due April 30, 2004.

**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 $[(BCWP-ACWP)/BCWP] \times 100$ greater than 5.0 percent cumulatively from 10/01/00, measured at the end of the last expectation date of each performance-measure, at the Project Baseline Summary level 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).*

Measure 1:

The plutonium materials stabilization is considered complete when they have met the DOE-STD-3013 standard and are packaged and placed into vault storage.

Plutonium residues are considered stabilized when they are treated (if required) and placed in a drum/pipe, and meet the Hanford Site Waste Acceptance Criteria which incorporates the current WIPP Waste Acceptance Criteria (WAC) requirements. Residues shall be packaged as appropriate to meet Hanford Site Solid Waste Acceptance Criteria (HNF-0063) and WIPP WAC requirements.

Pu materials 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 94-1/2000-1 inventories through other DOE approved means (e.g., sent to the Hanford Tank Farms) shall also be considered stabilized.

Completion of the DNFSB milestone is considered met when all material of a category identified in the DOE Implementation Plan for Recommendation from 94-1/2000-1 has been stabilized and/or dispositioned in accordance with the DNFSB 2000-1 Implementation Plan.

FY 2001-06 PERFORMANCE INCENTIVE: Pu Stabilization/PFP Deactivation

Measure 2:

Pu holdup disposition is considered complete when material has been removed, treated (if required) and packaged to meet Hanford Site Waste Acceptance Criteria which incorporates the current WIPP Waste Acceptance Criteria (WAC) requirements, packaged to DOE-STD-3013 Standard requirements and stored in the vaults, or removed from the Material Control Accountability (MC&A) records.

Ductwork, filter box, and glovebox disposition in 232-Z is considered complete when equipment has been cleaned, disassembled (if required) and packaged to meet Hanford Site Waste Acceptance Criteria. Size reduction and/or decontamination technologies shall be used to minimize waste volumes.

Super Stretch: Placeholder for 236-Z (PRF) Safe Shutdown activities related to facility deactivation and dismantlement.

DEFINITIONS: *(define terms)*

- Vault Storage: DOE-STD-3013 compliant container placed into one of the following vaults for storage, 2736-ZB, 2736Z or an RL approved alternate storage.
- Holdup Material – Any plutonium-bearing residue remaining in pipe systems, gloveboxes, tanks, etc as identified in the Material, Control and Accountability records.
- Protected Area – That area so designated by DOE Orders which requires special access requirements, controls, safeguards and security.
- SNM - Special Nuclear Material required to reduce the Protected Area (PA).

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).*

Measure 1:

Records shall be available that can be used to verify the Pu material stabilization and disposition.

Measure 2:

If material/waste is removed to safely deactivate the system, provide full traceable disposal documentation (e.g. RCRA requirements, waste profile sheet, waste packaging procedure used, waste storage location outside the PFP complex, vault storage location etc.).

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).*

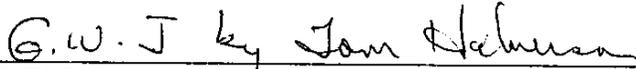
The BCWS associated with the Holdup removal and disposition, reducing protected area to 2736-Z/ZB, and D&D 232Z and PPSL Annex to slab on grade is equivalent to or greater than the BCWS in the baseline as modified by the Schedule Option Study for the Contract Period. This will be reevaluated when the Baseline Change Request to implement the Schedule Option Study is approved.

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FY 2001-06 PERFORMANCE INCENTIVE: Pu Stabilization/PFP Deactivation

SECTION 6
SIGNATURES



G. W. Jackson, Vice President
Nuclear Material Stabilization

6/10/02

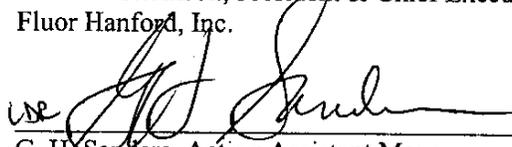
Date



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

6/12/02

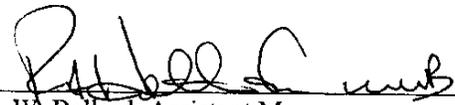
Date



G. H. Sanders, Acting Assistant Manager
For the Central Plateau

6/13/02

Date



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

6/17/02

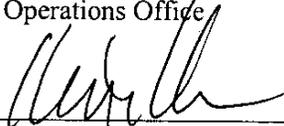
Date



M. H. Schlender, Deputy Manager
Richland Operations Office

6/26/02

Date



K. A. Klein, Manager
Richland Operations Office

6/26/02

Date

**FY 2001-2006 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE:
200 Area Facility Disposition**

**SECTION 1
GENERAL INFORMATION**

Performance Incentive Number: FHI-M3
 Performance Incentive Title: 200 Area Facility Disposition
 Revision Number & Date: Rev. 1, 06/05/2002
 Maximum Available Incentive Fee: 3% of the fee available in Contract Clause B.4.
 Performance Incentive Type: Base 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) 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: Disposition Surplus Buildings and Rolling Stock **PBS # CP01, SS02 (TP01, TP03, TP13)**

Performance Measure: Disposition Surplus Buildings and Rolling Stock

Performance Expectations:	Base	Stretch	Superstretch
1. Decontaminate & Decommission the 233-S and 233-SA Facilities	9/30/2004	6/30/2004	
2. Complete installation of new roofs on PUREX and B Plant	11/30/2002		
3. Disposition contaminated railcars	6/30/2006	8/31/2005	9/30/2003

**SECTION 4
FEE SCHEDULE**

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

Base = 60% Stretch = 40%

Measure 1:

Expectation 1: Decontaminate and Decommission (D&D) 233-S and 233-SA facilities PBS CP01

Base:

- 18% of the fee allocated to this Performance Incentive shall be earned provisionally as follows:
 - 1.8% for each 10% of completed D&D on 233-S and 233-SA facilities. Percent D&D completion shall be determined by earned value. Provisional fee converts to progress fee upon completion of D&D of 233-S and 233-SA. In the event the Contractor fails to complete D&D of 233-S and 233-SA, the provisional fee paid shall be forfeited.
- Up to 20% of the fee allocated to this Performance Incentive shall be earned as progress payment upon completion of Decontamination and Decommissioning (D&D) of 233-S and 233-SA facilities by 9/30/04 as follows:

**FY 2001-2006 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE:
200 Area Facility Disposition**

- Complete D&D by 09/30/04 - 20%
- Complete D&D after 09/30/04, but NLT 10/30/04 - 16%
- Complete D&D after 10/30/04, but NLT 11/30/04 - 12%
- Complete D&D after 11/30/04, but NLT 12/30/04 - 8%
- Complete D&D after 12/30/04, but NLT 01/31/05 - 4%
- Complete D&D after 01/31/05 - 0%

Stretch: 17% of the fee allocated to this Performance Incentive shall be earned as progress payment as follows:

- Complete D&D by 06/30/04 - 17%
- Complete D&D after 06/30/04, but NLT 07/31/04 - 13%
- Complete D&D after 07/31/04, but NLT 08/31/04 - 9%
- Complete D&D after 08/31/04, but NLT 09/29/04 - 5%
- Complete D&D after 9/29/04 - 0%

Expectation 2: Complete installation of new roofs on PUREX and B-Plant by 11/30/02 PBS CP01 (TP01, TP03)

Base: 10% of the fee allocated to this Performance Incentive shall be earned as progress payments as follows:

- Complete installation of roofs by 11/30/02 - 10%
- Complete installation of 202-A, 221-B & 271-B by 11/30/02 and AMU roof by 12/30/02 - 7%
- Complete installation of roofs by 12/30/02 - 5%
- Complete installation of roofs by 1/30/03 - 3%
- Complete installation of roofs after 1/30/03 - 0%

Expectation 3: Disposition contaminated railcars

PBS SS02 (TP13)

Base: 12% of the fee allocated to this Performance Incentive shall be earned as progress payment as follows:

- 0.33% per Landlord Equipment Disposition Project (LEDP) contaminated railcar dispositioned (~21 railcars = 7% max. fee possible)
- 5% upon disposition of all LEDP contaminated railcars as specified in Section 5 "Base" as follows:
 - All LEDP contaminated railcars dispositioned by 6/30/06 - 5%
 - All LEDP contaminated railcars dispositioned after 6/30/06, but NLT 7/31/06 - 3.5%
 - All LEDP contaminated railcars dispositioned after 7/31/06, but NLT 08/31/06 - 2%
 - All LEDP contaminated railcars dispositioned after 08/31/06 - 0%

Stretch: 23% of the fee allocated to this Performance Incentive shall be earned for disposition of the contaminated railcars as defined in Section 5 "Stretch" as progress payment as follows:

- Disposition of all contaminated railcars not located in the PUREX Tunnels, as of 10/01/00 (~12), by 08/31/05 - 23%
- Disposition of all contaminated railcars not located in the PUREX Tunnels, as of 10/01/00 (~12), after 08/31/05, but NLT 09/30/05 - 21%
- Disposition of all contaminated railcars not located in the PUREX Tunnels, as of 10/01/00 (~12), after 09/30/05, but NLT 10/31/05 - 19%
- Disposition of all contaminated railcars not located in the PUREX Tunnels, as of 10/01/00 (~12), after 10/31/05, but NLT 11/30/05 - 17%
- Disposition of all contaminated railcars not located in the PUREX Tunnels, as of 10/01/00 (~12), after 11/30/05, but NLT 12/31/05 - 15%
- Disposition of all contaminated railcars not located in the PUREX Tunnels, as of 10/01/00 (~12), after 12/31/05, but NLT 01/31/06 - 13%
- Disposition of all contaminated railcars not located in the PUREX Tunnels, as of 10/01/00 (~12), after 01/31/06, but NLT 02/28/06 - 11%
- Disposition of all contaminated railcars not located in the PUREX Tunnels, as of 10/01/00 (~12),

**FY 2001-2006 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE:
200 Area Facility Disposition**

after 02/28/06, but NLT 03/31/06 - 9%

- Disposition of all contaminated railcars not located in the PUREX Tunnels, as of 10/01/00 (~12), after 03/31/06, but NLT 04/30/06 - 7%
- Disposition of all contaminated railcars not located in the PUREX Tunnels, as of 10/01/00 (~12), after 04/30/06, but NLT 05/31/06 - 5%
- Disposition of all contaminated railcars not located in the PUREX Tunnels, as of 10/01/00 (~12), after 05/31/06, but NLT 06/29/06 - 3%
- Disposition of all contaminated railcars not located in the PUREX Tunnels, as of 10/01/00 (~12), after 06/29/06 - 0%

Superstretch: \$0.82M of superstretch fee will be earned as progress payment for disposition of the additional contaminated railcars and contaminated heavy equipment listed below by 9/30/2003:

- 2 Railcars located at T-Plant
- 1 Condensor loaded on T-Plant Railcar
- 1 Drag-off burial box located on T-Plant Railcar
- 2 Railcars located in 183-K-W
- 2 Contaminated Ion Exchange Columns loaded on railcars in 183-K-W
- 5 Pieces of regulated heavy equipment currently included in the EDP

**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. Meet the specific completion criteria and expectations set forth in this Performance Incentive; and
2. Not incur any unfavorable cost variance percentage $[(BCWP-ACWP)/BCWP] \times 100$ greater than 5.0 percent cumulatively from 10/01/00, measured at the end of the last expectation date of each performance-measure, at the Project Baseline Summary level 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.*

Expectation 1:

Base: The Contractor shall have completed decontamination and decommissioning of the 233-S and 233-SA facilities through concrete slab, facility footer and trench removal.

Stretch: The Contractor shall have completed decontamination and decommissioning of the 233-S and 233-SA facilities through concrete slab, facility footer and trench removal.

Expectation 2:

Base: The Contractor shall have completed installation of new roofs on PUREX and B Plant by 11/30/02.

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200 Area Facility Disposition**

Expectation 3:

Base:

- The Contractor shall have completed contaminated railcar transfers from DOE-RL ownership as documented by the title transfer (declaration of excess and shipping documents) and/or completed Solid Waste Information and Tracking System (SWITS) document; and
- The contaminated railcars are physically moved from their current location to their final disposition location approved by the DOE-RL COR, either on or off the Hanford Site, that meets all applicable DOE Orders, and federal and state statutes.

Stretch:

- The Contractor shall have completed all contaminated railcar transfers from DOE-RL ownership as documented by the title transfer (declaration of excess and shipping documents) and/or completed Solid Waste Information and Tracking System (SWITS) document; and
- The contaminated railcars are physically moved from their current location to their final disposition location approved by the DOE-RL COR, either on or off the Hanford Site, that meets all applicable DOE Orders, and federal and state statutes.

Superstretch:

- The Contractor shall have completed all contaminated railcar transfers from DOE-RL ownership as documented by the title transfer (declaration of excess and shipping documents) and/or completed Solid Waste Information and Tracking System (SWITS) document; and
- The contaminated railcars are physically moved from their current location to their final disposition location approved by the DOE-RL COR, either on or off the Hanford Site, that meets all applicable DOE Orders, and federal and state statutes.

DEFINITIONS: *(Define terms)*

Transfer Document: An executed, DOE-RL approved, fixed duration arrangement. Approved contractual arrangements can include leases, licenses, permits, removal from the site, or other transfer mechanism as appropriate to the task.

ACRONYMS

BHI	Bechtel Hanford, Inc.
DOE-RL	Department of Energy, Richland Operations Office
ERC	Environmental Restoration Contractor
FH	Fluor Hanford (Inc.)
MOU	Memorandum of Understanding
NLT	Not Later Than
SWITS	Solid Waste Information Tracking System

Base

Listing of Landlord Equipment Dispositioning Project:

The following rail equipment assigned to the Equipment Dispositioning Project remains to be dispositioned as of 10/00. The list does not include the 2 BN flat cars to be decontaminated by TARC nor does it include the metal processing remaining on the well cars sent to GTS in FY99 and FY00. This list also does not include the rail Cars at T-Plant, the two Flat Cars in 183-KW that have ion exchange columns and other waste on them, nor the METS located at FFTE.

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**FY 2001-2006 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE:
200 Area Facility Disposition**

<u>RAIL CAR NUMBER</u>	<u>DESCRIPTION</u>	<u>STATUS</u>
10 A 19601 (PX-17)	Flat Car	212 R
PX-11	Flat Car	212 R
PX-12	Flat Car	212 R
10 B 03636	Well Car	212 R
10 B 03637	Well Car	212 R
10 B 03639	Well Car	212 R
10 B 03640	Well Car	212 R
10 B 03641	Well Car	212 R
10 B 03642	Well Car	212 R
10 B 03643	Well Car	212 R
10 B 03645	Well Car	212 R
10 B 05598	Well Car	212 R
10 B 05599	Well Car	212 R
10 B 19936	Tall Well Car	212 R
10 B 19937	Tall Well Car	212 R
10 B 19944	Tall Well Car	212 R
10 B 19945	Tall Well Car	212 R
10 H 03663	Double Shell Tank Car	212 R
10 H 03712	Tank Car	212 R
39 03729	Locomotive	212 R
39 03731	Locomotive	212 R

Stretch

Listing of PUREX Rail Cars:

The following rail equipment is located in the PUREX rail cut and is a comprehensive list of all the rail cars that constitute the Stretch portion.

<u>ID NUMBER</u>	<u>DESCRIPTION</u>	<u>LOCATION</u>
10 A 03650	Flat Car	PUREX
10 A 03651	Flat Car	PUREX
PX 32	Flat Car	PUREX
10 A 03426	Flat Car	PUREX
10 A 03602	Flat Car	PUREX
10 A 03621	Flat Car	PUREX
10 A 03634	Flat Car	PUREX
10 A 03668	Flat Car	PUREX
10 A 03669	Flat Car	PUREX
Little Toot	Electric Pusher	PUREX
10 A 19307	Flat Car	PUREX
10 A 03653	Flat Car	PUREX

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.*

Expectation 1: The Contractor shall submit a letter report to RL documenting that the 233-S and 233-SA facilities were decontaminated and decommissioned in accordance with the 233-S Authorization Basis Manual and the associated Removal Action Report.

RL-CO DS Date 6/7/02

FY 2001-2006 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE:
200 Area Facility Disposition

Expectation 2: The Contractor shall submit a letter report to RL documenting the installation of the new PUREX and B Plant roofs in accordance with the applicable requirements.

Expectation 3: The Contractor shall submit a letter report to RL documenting the contaminated railcar disposition with the corresponding transfer documents and/or SWITS documentation.

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).*

1. The Expectation 1 Base and Stretch dates are based on the assumption that FY 2001 BHI Performance Incentive ERC-D&D-1 is completed in its entirety by contract transition on 6/30/2002, and any impact of the characterization of the legacy filters has been incorporated in the baseline.
2. For Expectation 2, an MOU should be in place between DOE-RL, BHI, and FH by 2/15/02 to: a) allow procurements and work tasking to FH Standards, Requirements and Work Control procedures, and b) to provide access to the facility(ies) to perform work.

SECTION 6
SIGNATURES

N.C. Boyter, Vice President
River Corridor Project
Fluor Hanford, Inc.

6.11.02
Date

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

6/12/02
Date

G.H. Sanders, Acting Assistant Manager
For Nuclear Materials and Facilities Transition

6/13/02
Date

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

6/17/02
Date

M.H. Schlender, Deputy Manager
Richland Operations Office

6/26/02
Date

K.A. Klein, Manager
Richland Operations Office

6/26/02
Date

RL-CO Date 6/7/02

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Contract Number DE-AC06-RL 13200
Modification M157
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FY 2001-2006 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE: 300 Area Cleanup

**SECTION 1
GENERAL INFORMATION**

Performance Incentive Number: FHI-M8
Performance Incentive Title: **300 Area Cleanup**
Revision Number & Date: Rev. 1, 06/05/02
Maximum Available Incentive Fee: 1.805% of the fee available in Contract clause B.4.
Performance Incentive Type: Base 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) 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: Disposition Surplus Buildings and Excess Hanford Uranium PBS # RC06
(TP04, TP08, TP-14)

Measure 1: Accelerate 300 Area Cleanup

Expectation 1: Deactivate 324/327 buildings

Base: Complete 27.0% (~49.0M) of the remaining 324/327 Building Project life cycle baseline work scope and maintain or accelerate the Deactivation schedule. Work scope performed must include:

- B-Cell cleanout completion
- Ship B-Cell Waste (LLW/TRU) to 200 Area Burial Ground

Stretch: Complete an additional 2.5% of the remaining 324/327 Building Project life cycle baseline work scope.

Expectation 2: Disposition surplus facilities

Base: Disposition 3902A, 3902B, and 303-K by 9/30/01

Expectation 3: Disposition all uranium billets, all remaining uranium dioxide, the surface contaminated fuel and scrap materials located in the 200 and 300 Areas, and the thorium-232 located in the 303-K facility, by 9/30/01

Measure 2: Support River Corridor Project (RCP) Contract Transition

Expectation 1:

Stretch: Support RCP contract transition in accordance with RL Contracting Officer's direction.

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FY 2001-2006 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE: 300 Area Cleanup

**SECTION 4
FEE SCHEDULE**

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

Base = 68% of the fee available for this Performance Incentive.
Stretch = 32% of the fee available for this Performance Incentive.

Measure 1: Accelerate 300 Area Cleanup

PBS RC06 (TP04, TP08, TP14)

Expectation 1: Deactivation of 324/327 Buildings to support accomplishment of the *Hanford Federal Facility Agreement and Consent Order* (Tri-Party Agreement) M-89-02 and M-89-00.

Base: 36.8421% of the fee available for this Performance Incentive shall be earned for completing 27.0% (~49M) of the remaining 324/327 Buildings' Deactivation Project life-cycle baseline work scope by 6/30/2002. Provisional fee payments will be made for each 5% of scope completed determined by earned value (i.e., 1.8421% of fee available for this PI, for each \$2,450K of BCWS completed). Provisional fee payments will convert to progress fee upon completion of all of the 27.0% remaining 324/327 Deactivation Project life-cycle baseline work scope, as measured by earned value.

21.0526% of the fee available for this PI shall be earned as a progress payment, for completion of B-Cell cleanout and shipment of B-Cell waste (LLW/TRU) to 200 Area Burial Ground by 7/31/01.

Stretch: 15.7895% of the fee available for this PI shall be earned as progress payments for completion of additional work scope in excess of 27.0% (~\$49M) of the 324/327 Building Project life-cycle baseline, as follows:

<u>% Complete</u>	<u>Fee Earned</u>
2.5	15.7895%
2.0	12.6316%
1.5	9.4737%
1.0	6.3158%
0.5	3.1579%

Expectation 2: Disposition Surplus Facilities

Base: 5.2632% of the available fee for this Performance Incentive shall be earned as progress payments as follows:

- Demolish two structures, 3902A and 3902B, and one building, 303-K, by 9/30/2001.
- Demolition scope will be removal of the physical structure or building to a slab-on-grade or equivalent condition.
- No soil remediation will be considered in the scope of this Performance Expectation.

Expectation 3: Disposition all uranium billets, all remaining uranium dioxide, the surface contaminated fuel and scrap materials located in the 200 and 300 Areas, and the thorium-232 located in the 303-K facility, by 9/30/01.

Base: 5.2632% of the available fee for this Performance Incentive shall be earned as a progress payment upon completion of this Expectation, in accordance with the criteria set forth in Section 5.

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FY 2001-2006 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE: 300 Area Cleanup

Measure 2: Support RCP Contract Transition

Expectation 1: Support RCP contract transition.

Stretch: 15.7895% of the available fee for this Performance Incentive shall be earned as a progress payment for supporting the RCP Contract Transition, in accordance with the RL/Contractor Transition Plan.

TPA/DNFSB STANDARD PENALTY STATEMENT: A provisional penalty of up to \$10K/week may be imposed for any missed TPA or DNFSB milestone that is considered interim to a final incentivized milestone designated with an asterisk (*). Provisional penalties may be waived by the Contracting Officer if the final (*) contractual milestone is met and/or the Contracting Officer determines that no fines, penalties, or significant adverse impacts, will result from the missed interim milestone.

**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. Meet the specific completion criteria and expectations set forth in this Performance Incentive; and
2. Not incur any unfavorable cost variance percentage $(((BCWP-ACWP)/BCWP) \times 100)$ greater than 5.0 percent cumulatively from 10/01/00, measured at the end of the last expectation date of each performance-measure, at the Project Baseline Summary level 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.

Measure 1: Accelerate 300 Area Cleanup

Expectation 1:

Base: The Contractor shall complete 27.0% (~\$49M) of the remaining 324/327 Building Project life-cycle baseline work scope. The remaining 324/327 Building Project life-cycle BCWS (i.e., remaining FY02 and beyond) cannot be more than 80% of BCWS for FY01 - FY06 as established on 9/30/01, and the 324 and 327 Building deactivations will still be scheduled for completion no later than 9/29/06 and 9/7/07 respectively.

The work scope to be completed shall include among others:

- B-Cell cleanout by 7/31/01, as defined by the definition of completion of TRP-99-901 as identified in the FY01 Multi-Year Work Plan (MYWP) for Project Baseline Summary (PBS) number TP-08.
- Shipment of B-Cell waste (LLW/TRU) from B-Cell cleanout, to the 200 Area by 7/31/01 as defined by the definition of completion of TRP-01-903 as identified in the FY01 MYWP for TP-08.

The 324 Building life-cycle project critical path float is maintained with zero or positive float from the established baseline as established at the start of FY01, as measured at 6/30/02 (i.e., ground can't be lost during FY01 in achieving 324 Building total project completion, from the status at the start of FY01 as measured at 6/30/02).

FY 2001-2006 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE: 300 Area Cleanup

Stretch: The Contractor shall complete an additional 2.5% of remaining 324/327 Building Project life-cycle baseline work scope.

Expectation 2: Disposition Surplus Facilities

Base: Demolish and remove two structures, 3902A and 3902B, and one facility, 303K, in the 300 Area. This Expectation will be complete upon accomplishment of the foregoing and the approval of the Construction Completion Document by the Cognizant FH River Corridor Project Director and the Construction Completion Document is issued to the Assistant Manager for Nuclear Materials and Facility Stabilization or his designee.

Expectation 3: Disposition all uranium billets, all remaining uranium dioxide, the surface contaminated fuel and scrap materials located in the 200 and 300 Areas, and the thorium-232 located in the 303-K facility.

Base: Successful completion requires disposition of all identified forms of uranium to defined disposition pathway endpoints as defined in EA-1319 of June 2000.

- Complete the removal and property transfer of all uranium billets (approx. 235 MTU), and all remaining uranium dioxide (approx. 4.47 MTU) to the DOE Portsmouth Site in Ohio as agreed to in the Transfer of Nuclear Materials from the Hanford Site to the Oak Ridge Operations/Portsmouth Site Shipper/Receiving Plan of June 2000, as documented in DOE/NRC F 741 "US Department of Energy and US Nuclear Regulatory Commission Nuclear Material Transaction Report" forms.
- Execute the plan to remove and relocate approx. 140 MTU of surface contaminated fuel, and scrap material.
- Prepare and execute a plan to disposition thorium materials located in the 303K facility away from the 300 Area to the 200 Areas.

Measure 2: Support RCP Contract Transition

Expectation:

Stretch: Submit the 300 Area RCP Transition Plan to DOE-RL by 0425/02. Submit documentation of completion of 300 Area RCP Transition Plan activities in accordance with RL Contracting Officer's direction.

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FY 2001-2006 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE: 300 Area Cleanup

DEFINITIONS: *(Define terms)*

As defined in EA-1319 of June 2000 (except thorium):

- Billets - Metallic forms of uranium mechanically formed into cylindrical shapes (billets) stored in the 300 Area FSS facilities
- Thorium - Thorium-232 materials stored in the 300 Area (303K) FSS facilities

ACWP Actual Cost of Work Performed
BCWP Budgeted Cost of Work Performed
BCWS Budgeted Cost of Work Scheduled
BAC Budget At Completion

Critical Path 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 and has the least amount of total float.

EAC Estimate At Completion

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.*

Measure 1: Accelerate 300 Area Cleanup

Expectation 1: The Contractor shall submit a letter report to RL documenting the following:

- Base:** Letter Report: The contractor shall submit a letter report to RL by 07/30/02, which documents:
- Percent of the 324/327 Building life cycle work scope complete and associated BCWP, BCWS, and ACWP
 - What work scope was completed
 - The 324/327 building life cycle baseline BCWS as of 06/30/02

- Stretch:** Letter Report: The contractor shall submit a letter report to RL by 07/30/02, which documents:
- Percent of 324/327 Building life cycle work scope in excess of 27.0% (~49M) completed and associated BCWP, BCWS, and ACWP
 - What workscope was completed

Baseline Change Request: The contractor shall submit a baseline change request reflecting the acceleration in life cycle baseline schedule.

Expectation 2: The Contractor shall submit a letter report to RL which includes:

- Base:**
- Construction Completion Document for demolition of two structures 3902A and 3902B
 - Construction Completion Document for demolition of 303K
 - Before and after photos of each facility location,
 - An inventory of the material and equipment removed with a listing of the storage or disposal facility(ies) to which the inventory was transferred.

Expectation 3: The Contractor shall submit a letter report to RL which includes:

- Reconciled MC&A documentation (DOE/NRC F 741 Forms) referenced in DOE Order 474.1.

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FY 2001-2006 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE: 300 Area Cleanup

Measure 2: Support RCP Contract Transition

Expectation: The Contractor shall submit a letter report to RL which includes:

- Submission of 300 Area RCP Transition Plan
- Documentation of completion of 300 Area RCP Transition Plan activities

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).*

Assumption 1: Buildings and structures to be demolished are not historically significant and will not be required to remain in place or be relocated.

Assumption 2: Certificate of Compliance (COC) for the SARP, HNF-SD-TP-SARP-019, revision 0 (already submitted to RL) for the transport of 5 billet boxes per trailer to Portsmouth, Ohio, will be issued by January 31, 2001.

Assumption 3: SARP, HNF-SD-NR-SARP-0001, revision 2, for the transport of fuel boxes to 200 Area, will be submitted to RL by February 15, 2001, for RL's approval by March 31, 2001.

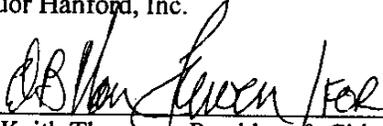
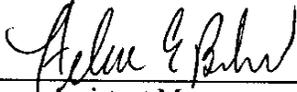
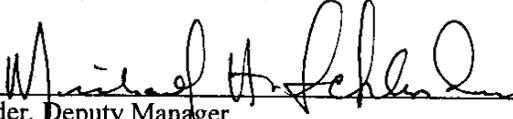
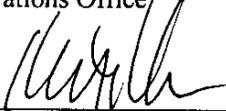
Assumption 4: DOE-Oak Ridge will authorize the transfer of uranium billets and uranium dioxide to Portsmouth, Ohio, by January 19, 2001.

Assumption 5: Approval for shipment of the B-Cell waste containers (solid waste disposal boxes) that are greater than 1 R/hr to Central Waste Complex will be received not later than January 24, 2001, subject to receipt of satisfactory documentation from FHI by January 19, 2001.

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FY 2001-2006 CONTRACT MULTI-YEAR PERFORMANCE INCENTIVE: 300 Area Cleanup

SECTION 6
SIGNATURES

 N.C. Boyter, Vice President River Corridor Project Fluor Hanford, Inc.	<u>6/11/02</u> Date
 E. Keith Thomson, President & Chief Executive Officer Fluor Hanford, Inc.	<u>6/12/02</u> Date
 H.E. Bilson, Assistant Manager For the River Corridor	<u>6/14/02</u> Date
 W.W. Ballard, Assistant Manager For Planning & Integration	<u>6/17/02</u> Date
 M.H. Schlender, Deputy Manager Richland Operations Office	<u>6/24/02</u> Date
 K.A. Klein, Manager Richland Operations Office	<u>6/24/02</u> Date