

**FY2001 – 2006 MULTI-YEAR PERFORMANCE INCENTIVE:
Treat and Dispose Mixed Low-Level Waste**

**SECTION 1
GENERAL INFORMATION**

Performance Incentive Number: FHI-M5
Performance Incentive Short Title: **Treat and Dispose Mixed Low-Level Waste**
Revision Number & Date: Rev. 1, 03/09/01
Maximum Available Incentive Fee: 4.6% of 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 for FY 01 through FY 06.
Identify associated PBS # for each performance objective and/or measures as appropriated.*

Performance Objective: Treat and dispose Mixed Low-Level Waste
PBS CP02 (WM03, WM04, WM05 and TP-02)

Measure: Treat and/or dispose 11,430¹ cubic meters of Mixed Low-Level Waste

Base:

- Expectation 1:** Treat and/or dispose 7,795 m³ of MLLW by 06/30/06
- *Expectation 2:** Thermally treat 600 m³ of MLLW by 12/31/05 (TPA M-91-12).

Stretch:

- Expectation 1:** Treat and/or dispose an additional 2,025 m³ of MLLW by 06/30/06

Super Stretch:

- Expectation 1:** Treat and/or dispose an additional 1,610 m³ of MLLW by 06/30/06

¹Pretreated volume.

**SECTION 4
FEE SCHEDULE**

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

Base = 70%
Stretch = 30%

Measure: **PBS CP02 (WM04)**
Base:
Expectation 1: 50% of the fee allocated to this PI shall be earned as progress payment for 7,795 m³ MLLW treated and/or disposed, in increments of 10 m³.

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15 % of the fee allocated to this PI shall be earned as progress payment upon completion of all 7795 m³ by 06/30/06. The fee shall be decreased linearly daily to 0% on 09/30/06.

***Expectation 2:** 5% of the fee allocated to this PI shall be earned as progress payment upon completion of the thermal treatment of 600 m³ MLLW by 12/31/05 (TPA M-91-12). This amount will decrease linearly daily to 0% on 2/28/06.

Stretch:

Expectation 1: 30% of the fee allocated to this PI shall be earned as progress payment for an additional 2,025 m³ MLLW treated and/or disposed, in increments of 10 m³.

Super Stretch:

Expectation 1: \$2.5M in fee for an additional 1,610 m³ of MLLW treated and/or disposed, earned in increments of 10 m³.

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

Not Applicable

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:

Expectation 1 (Base, Stretch, Super Stretch):

The contractor shall have treated the (pre-treatment) volume of MLLW as stated in Section 3 to a condition such that the waste is compliant for disposal and meets the RCRA Land Disposal Restrictions (LDR) or shall exit regulatory requirements (e.g., status of RCRA characteristic waste after treatment). The expectation is complete upon disposal of the treated MLLW (or LLW if exiting RCRA regulatory requirements).

Mixed Low-Level Waste that does not require treatment to meet RCRA Land Disposal Restrictions, or has been treated by the generator, may be directly disposed and counted towards the required volumes of this Performance Incentive. The expectation is complete upon disposal of the MLLW.

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Decommissioned Naval Reactor Compartments may not be counted towards the required volumes of this Performance Incentive.

For all Mixed Low-Level Waste that is shipped to an offsite commercial treatment facility during Fiscal Year 2001 only, completion is defined as the receipt (acceptance by the treatment facility) of the Mixed Low-Level Waste at the offsite commercial treatment facility.

Measure:

Base:

Expectation 2:

The contractor shall have thermally treated at least 600 m³ (pre-treatment) volume of MLLW by 12/31/05. The waste must be treated to a condition such that the waste is compliant for disposal and meets the RCRA Land Disposal Restrictions (LDR) or shall exit regulatory requirements (e.g., status of RCRA characteristic waste after treatment).

DEFINITIONS: *(define terms)*

CWC – Central Waste Complex
LDR – Land Disposal Restrictions
LLW – Low-Level Waste
MLLW – Mixed Low Level Waste
RCRA – Resource Conservation and Recovery Act

Disposal is defined as the placement of compliant waste into the appropriate waste trench based on the waste acceptance and permit criteria.

The measurement of waste volumes to be counted toward the PI objectives shall be defined as follows:

1. For MLLW requiring treatment prior to disposal, the waste volume shall be based on the pre-treatment waste volume as recorded in the Operational Record for each waste package and/or shipment (bulk waste loads).
2. For MLLW that does not require treatment after generation or has been treated by the generator to meet LDR's, the waste volume shall be based on the disposed waste volume as recorded in the Operational Record for each waste package and/or shipment (bulk waste loads).

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:

Expectation 1 (Base, Stretch, Super Stretch):

Periodic: Upon submittal of a request for payment of fee, the Contractor shall submit a letter report to RL which documents the quantity of MLLW disposed during the performance period. The report shall include inventories (total volume of waste treated and/or disposed) and the type of treatment utilized.

Annually: The contractor shall annually submit a letter report to RL by October 31, which documents the quantity of MLLW disposed during the previous fiscal year. The report shall include inventories (total volume of waste disposed), processing dates, associated Package Identification Numbers (PIN's), and the type of treatment utilized.

Note: The Periodic submittal will be utilized for progress payment of fee. The Annual report will be utilized to fully validate Contractor performance per this Performance Incentive. Failure of a satisfactory validation, may result in forfeiture of progress fee payment from the previous fiscal year.

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Completion of any of the “balloon” deliverable as listed in Section 4 shall be documented in a letter report to RL. The report shall include inventories (total volume of waste disposed), processing dates, associated Package Identification Numbers (PIN’s), and the type of treatment utilized. Previous submittals may be referenced to avoid re-submission of information previously provided.

Measure:

Base:

Expectation 2:

The contractor shall submit a letter report to RL documenting the thermal treatment of the 600 m3 of MLLW. The report shall include inventories (total volume of waste treated), treatment dates, associated Package Identification Numbers (PIN’s), and a description of the type of treatment utilized.

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).*

This PI is contingent upon the availability of sufficient Offsite (i.e., commercial and/or DOE Complex) MLLW treatment capacity. If Offsite treatment capacity is limited, the PI treatment volumes may be renegotiated.

**SECTION 6
SIGNATURES**

E.S. Aromi, Jr., Vice President
Waste Management Project

Date

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

Date

H.E. Bilson, Assistant Manager
For Environmental Restoration and Waste Management

Date

W. W. Ballard, Assistant Manager
For Planning Integration

Date

K.A. Klein, Manager
Richland Operations Office

Date