



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

01-PRO-570

AUG 01 2001

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

Dear Mr. Thomson:

CONTRACT NO. DE-AC06-96RL13200 -- EXECUTION OF CONTRACT MODIFICATION
M132

Enclosed for your files is one fully executed original of contract modification M132,
including one duplicate original of FY 2001-2006 Performance Incentive FHI-M1, SNF
K-Basin Deactivation. 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

Enclosure

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

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE
PAGE OF PAGES
1 9

2. AMENDMENT/MODIFICATION NO. M132
3. EFFECTIVE DATE July 31, 2001
4. REQUISITION/PURCHASE REQ. NO.
5. PROJECT NO. (If applicable)

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

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).
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X 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 multi year Performance Incentive FHI-M1 and incorporate the change 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]
(Signature of person authorized to sign)
15C. DATE SIGNED
6/18/01
16B. UNITED STATES OF AMERICA
[Signature]
(Signature of Contracting Officer)
16C. DATE SIGNED
31 Jul 01

**DUPLICATE
ORIGINAL**

FY 2001-2006 PERFORMANCE INCENTIVE: K-Basins Deactivation

**SECTION 1
GENERAL INFORMATION**

Performance Incentive Number: FHI-M1
 Performance Incentive Short Title: **SNF K-Basin Deactivation**
 Revision Number & Date: Rev. 1, 06/04/01
 Maximum Available Incentive Fee: 24.8% 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 EXPECTATIONS(S)**

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

Performance Objective: Move Fuel Away from the River PBS RS03 (WM01)

Measure 1: Transfer K-Basin Facility to River Corridor Contractor

- Base:** Remove spent fuel by 07/31/04, sludge by 08/31/04, canisters and racks from the basins by 01/31/05, and water from the basins by 08/31/06.
- Stretch:** Complete water removal by 04/30/06, and transfer to River Corridor contractor by 09/30/06.
- Superstretch:** Complete all fuel, sludge, water, and debris removal and transfer the K-Basins to the River Corridor contractor by 9/30/05.

Base:

- *Expectation 1:** Complete removal of spent fuel from K-Basins by 07/31/04. (*M-34-18A, *M-34-18-B, *M-34-17, *M-34-29, and *M-34-28)
- Expectation 2:** Consolidate site wide non-production reactor fuel in 200 Area dry storage by 02/28/05.
- *Expectation 3:** Complete removal or capture of sludge from K-Basins. Removed sludge shall be placed into T-Plant by 08/31/04. (*M34-10 and *M-34-08)
- *Expectation 4:** Complete water removal from the K-Basins and transfer it to the 200 Area Liquid Effluent Retention Facility (LERF) by 08/31/06. (*M-34-24, *M-34-22, and *M-34-23)
- Expectation 5:** Remove racks and canisters from K-Basins by 01/31/05. (M-34-09-T01)
- Expectation 6:** Complete Transition Activities for CVD and other Facilities by 9/30/06.

FY 2001-2006 PERFORMANCE INCENTIVE: K-Basins Deactivation

Stretch:

Expectation 7: Complete fuel, sludge, water, and debris removal and transfer K-Basins to the River Corridor Contractor by 09/30/06, per the SNF Transition Functions and Requirements document SNF-4961

Expectation 8: Accelerate Expectation No. 4 - Complete water removal from K-Basins by 04/30/06.

Superstretch:

Expectation 9: Accelerate Expectation No. 7 - Complete fuel, sludge, water, and debris removal and transfer the K-Basins to the River Corridor contractor by 9/30/05.

**SECTION 4
FEE SCHEDULE**

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

Base = 75% of the fee available for this Performance Incentive
Stretch = 25% of the fee available for this Performance Incentive

Measure 1: Transfer K-Basin Facility to River Corridor Contractor

PBS RS03 (WM01)

Expectation 1: Complete removal of spent fuel from K-Basins by 7/31/04.
(*M-34-18A, *M-34-18-B, *M-34-17, *M-34-29, and *M-34-28)

Base:

- 4 % of the fee allocated to this Performance Incentive shall be earned as progress payment if the first MCO of SNF is moved from KW Basin and transported to the CVDF for processing by 12/07/2000 (TPA M34-16)
- Up to 24.335% of the fee allocated to this Performance Incentive shall be earned as progress payment in increments of 25 MTHM as follows:
 - Increments 1 through 5 – 2.2% each,
 - Increments 6 through 11 – 0.925% each;
 - Increments 12 through 34 – 5.035% in 23 increments of approximately 0.2189% each,
 - All remaining increments - 0.055%
- 4.0% of the fee allocated to this Performance Incentive shall be earned as progress payment upon completion of removal of an equivalent amount of SNF (~957MTHMs) from KW Basin by 12/31/02, (linearly decreasing per day to 0% on 1/31/03). (*TPA M-34-18A)
- 1.25% of the fee allocated to this Performance Incentive shall be earned as provisional payment upon commencement of fuel transfer from KE to KW Basin by 11/30/02, (linearly decreasing per day to 0% on 12/31/02). (*TPA M-34-17). Provisional fee payment will convert to progress fee upon completion of removal of all spent nuclear fuel from both K Basins and transported to the CVDF for processing by 7/31/04, linearly decreased to 0% on 9/30/04.
- 6.4% of the fee allocated to this Performance Incentive shall be earned as progress payment upon removal of SNF from K-Basins by 07/31/04 (linearly decreasing per day to 0% on 10/31/04).
- 1.515% fee allocated to this Performance Incentive shall be earned as progress payment upon final shipment of MCO's received at the CSB by 8/30/04 (linearly decreased per day to 0% on 12/31/04).

FY 2001-2006 PERFORMANCE INCENTIVE: K-Basins Deactivation

Expectation 2: Consolidate site wide non-production reactor fuel in 200 Area dry storage by 02/28/05.

- Base:** 4% of the fee allocated to this Performance Incentive shall be earned as progress payments in increments for each MTHM of site wide non-production reactor spent nuclear fuel (excludes Shippingport fuel) placed into storage at the 200 Area ISA as follows:
- Increments 1 through 13 - 0.2% each.
 - 1.4% of the fee allocated to this Performance Incentive will be earned as a progress payment, upon consolidation of remaining site wide non-production reactor fuel in 200 Area dry storage by 02/28/05 (linearly decreasing per day to 0% on 05/31/05).

Expectation 3: Complete removal or capture of sludge from K-Basins. Removed sludge shall be placed into T-Plant by 08/31/04.

- Base:**
- 15.75% of the fee allocated to this Performance Incentive shall be earned as progress payments in increments of cubic meters of sludge as follows;
 - increments 1 through 45 cubic meters of sludge - 0.35% each
 - 1.75% of the fee allocated to this Performance Incentive shall be earned as progress payments upon removal of sludge by 08/31/04 (linearly decreasing to 0% on 12/31/04).

Expectation 4: Complete all water removal from K-Basins and transfer it to the 200 Area Liquid Effluent Retention Facility (LERF) by 8/31/06.

- Base:**
- Up to 4% of the fee allocated to this Performance Incentive shall be earned as progress payments at the rate of 0.02% per 10,000-gallon increments of basin water transferred to the 200 Area Liquid Effluent Retention Facility (LERF).
 - 2% of the fee allocated to this Performance Incentive shall be earned as a progress payment upon completion of water removal from K-Basins and transfer to the 200 Area LERF by 8/31/06 (linearly decreasing per day to 0% on 9/30/06).

Expectation 5: Remove racks and canisters from K-Basins by 01/31/05

- Base:**
- 3.7 % of the fee allocated to this Performance Incentive shall be earned as progress payments in increments of 200 canisters as follows:
 - Increments 1 through 37 = 0.1%
 - 0.3% of the fee allocated to this Performance Incentive shall be earned as progress payment upon completion of rack and canister removal from K-Basins by 01/31/05 (linearly decreasing to 0% on 04/30/05).

Expectation 6: Complete Transition Activities for CVD and other Facilities by 9/30/06
2.0% of fee allocated to this Performance Incentive shall be earned as progress payments for each facility, in increments as follows:

- 1.1% for completion of transition activities for CVD
- 0.1% each for completion of transition activities for 1706KE, 1706 KEL, 1706KER, 1713KE, 1713KW, 1714KE, 1714KW, 1717K, and 1724K.

Expectation 7: Complete fuel, sludge, water and debris removal and transfer K-Basins to the River Corridor Contractor by 09/30/06 per the SNF Transfer Functions and Requirements document SNF-4961.

- Stretch:** 15% of the fee allocated to this Performance Incentive shall be earned as a progress payment upon removal of fuel, sludge, debris, and water from K-Basins and transfer of K-Basins to the River Corridor Contractor by 09/30/06.

FY 2001-2006 PERFORMANCE INCENTIVE: K-Basins Deactivation

Expectation 8: Accelerate Expectation No. 4 -Complete water removal from K-Basins by 04/30/06.
Stretch: 10% of the fee allocated to this Performance Incentive shall be earned as a progress payment upon completion of removal of K-Basin water by 04/30/06 (linearly decreasing per day to 0% on 08/31/06).

Expectation 9:
Superstretch: Accelerate Expectation No. 7 - Complete fuel, sludge, water, and debris removal and transfer the K-Basins to the River Corridor contractor by 9/30/05.

\$6.0M in super stretch fee is available per this expectation and will be earned as a progress payment based on the acceleration of the transfer of the K-Basins to the River Corridor contractor from the stretch date of 9/30/06 to 9/30/05. The maximum \$6.0M fee will be earned on 9/30/05 decreasing linearly per day to \$0 on 9/30/06.

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 (*) milestone is met and the Contracting Officer determines that no adverse impacts, fines, or penalties 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

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 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). Status will be discussed during monthly project reviews by the responsible RL performance monitor facilitating a synergistic FHI/DOE relationship for deciding appropriate corrective action should conditions warrant.

Measure 1: Transfer K-Basin Facility to River Corridor Contractor

Base:

Expectation 1:

Complete removal of spent fuel from K-Basins.

When K-Basins fuel has been removed from KE and KW Basins this expectation will be considered complete.

M-34-17 - Initiate removal of spent nuclear fuel from the K East Basin and transport to the K West Basin by 11/30/02. Also, initiate collection and containerization of K East Basin sludge from canisters, floor, and weasel pit.

M-34-18B - Complete Removal of all K Basin Spent Nuclear Fuel - This interim milestone will be complete when all spent nuclear fuel has been removed from both the K West and the K East Basins and has been transported to the Cold Vacuum Drying Facility by 07/31/04. It is understood that additional fuel fragments may be discovered during the removal of sludge; however, this will not adversely impact the agreed-upon definition of completion of this expectation.

FY 2001-2006 PERFORMANCE INCENTIVE: K-Basins Deactivation

M-34-29 (NEW) – Complete K East Basin and K West Basin facility modifications for Alternative Fuel Transfer Strategy cask transportation systems, by 03/31/02. This interim milestone shall be complete when all modifications to support transfer of spent fuel from K East to K West Basin are complete. All modifications shall be constructed and installed and all construction acceptance tests (CATs) shall be completed. The Construction Completion Document Section IB shall be signed with either no exceptions or with only minor exceptions, which do not affect the functionality of the system. (NOTE: This enforceable TPA interim milestone is subject to the TPA/DNFSB Standard Penalty Statement as stipulated in Section 4 of this PI; however, failure to meet the milestone will not be a basis for determining whether Expectation 1 of this PI has been met, and will not result in forfeiture of fee earned for accomplishment of end point milestone.

M-34-18A - Complete Removal of an equivalent (~957 MTHMs) of Spent Nuclear Fuel from the K West Basin by 12/31/02. This interim milestone will be complete when 190 multi-canister overpacks of spent nuclear fuel has been removed from the K West Basin and transported to the Cold Vacuum Drying Facility. 957 MTHMs equate to approximately 190 MCOs.

M-34-28 (NEW) – Complete Removal of approximately 1,566 MTHMs (311 Multi-Canister Overpacks) of Spent Nuclear Fuel from the K West Basin: A cumulative total of 311 multi-canister overpacks of spent nuclear fuel must have been transported from the K West Basin to the Cold Vacuum Drying Facility by 12/31/03. (Note: This enforceable TPA interim milestone is subject to the TPA/DNFSB Standard Penalty Statement as stipulated in Section 4 of this PI; however, failure to meet the milestone will not be a basis for determining whether Expectation 1 of this PI has been met, and will not result in forfeiture of fee earned for accomplishment of end point milestone.

Expectation 2: Consolidate site-wide non-production reactor fuel in 200 Area dry storage.

Complete Site-wide SNF Consolidation: Transfer, transport and management of non-K Basin Hanford SNF from custodian facilities as identified in formal agreements with current fuel custodians. FFTF fuel and TRIGA fuel in dry storage casks in the 400 Area ISA and LWR fuel assemblies in the 324 Building will be transferred to the 200 Area ISA. Site-wide SNF consolidation is considered complete when the FFTF, LWR SNF, and NRF TRIGA fuel transfer to the 200 Area ISA have been completed. It is acknowledged that Shippingport fuel is non-production reactor fuel. However, it is excluded from this expectation because movement of Shippingport fuel to the CSB is incentivized in FHI-M7, expectation 4.

Expectation 3: Complete removal of sludge from K-Basins. Removed sludge shall be place into T-Plant.

Initiate and Complete K Basin Sludge Removal—M-34-08 and M-34-10: Sludge from the K Basins floors and, pits, will be collected, pumped to a loadout system and transport containers, trucked to 200 W Area for off-loading and interim storage at the T-Plant Facility. The characteristics of K Basin sludge shall meet the waste acceptance criteria for T-Plant. Prior to initiation of sludge removal, the following systems and equipment shall be designed, acquired, fabricated, installed, tested and proven operable:

- Floor sludge retrieval system
- Sludge loadout system
- Sludge handling and transport system
- T-Plant off-loading equipment

Expectation 4: Complete water removal from K-Basins and transfer it to the LERF for treatment.

When the water (~ 1,000,000 gallons per basin) has been removed from KE and KW basins and transferred to the 200 Area LERF, this expectation will be considered complete.

M-34-22 and M-34-24 - Complete KW and KE Basin Water Removal. . M-34-21-T01—Initiate full scale K West water removal. M-34-23—Initiate full scale K East Basin water removal. Water from K Basins or CVD, after treatment through existing ion-exchangers, shall be pumped to tanker trucks for shipment to the 200 Area LERF. The water from K Basins or CVD shall meet the acceptance criteria for LERF.

FY 2001-2006 PERFORMANCE INCENTIVE: K-Basins Deactivation

Expectation 5: Remove racks and canisters from K-Basins.

M-34-09-T01 - Complete K Basins rack and canister removal—and M-34-06-T01—Initiate K West spent nuclear fuel canister cleaning operations—Canister cleaning operations consist of removal of the contents from each canister and processing of the canisters through the radioactive decontamination apparatus. Racks and canisters from K Basins shall be retrieved, volume reduced [as necessary], pressure-washed, packaged in burial boxes, and transported to near 200 W Area for disposal at the Environmental Restoration Disposal Facility (ERDF). Most of the racks and canisters will meet the waste acceptance criteria for ERDF; alternatively, certain racks and canisters may have to be disposed at the Solid Waste Disposal Facility. Prior to rack and canister removal campaign, the following systems and equipment shall be designed, acquired, fabricated, installed, tested and proven operable:

- Retrieval equipment
- Pressure-washing equipment/station
- Lifting apparatus

Expectation 6: Complete Transition Activities for CVD and Ancillary Facilities.

- Complete transition activities for CVD, 1706KE, 1706KEL, 1706KER, 1713KE, 1713KW, 1714KE, 1714KW, 1717K, 1724K.

Stabilization of systems and equipment include: draining, de-energizing, material removal (hazardous, asbestos, characterization, radiological source reduction, downgrading, etc.). Systems and equipment include tanks, vessels, drums, elevators, crane, water systems, electrical systems, fire protection systems.

Stabilization of facilities includes deactivation of structural components and physical structures as required to minimize environmental, public and personnel hazards. Activities include characterization, radiological source reduction of walls and floors, access regulation, effluent isolation, rodent control, final surveys, and repairs.

Stretch:

Expectation 7: Complete fuel, sludge, water and debris removal and transfer K-Basins to the River Corridor Contractor.

Complete 100 Area Deactivation –Other ancillary facilities in the 100K Area shall be deactivated to meet final end point criteria. Other activities required will be as delineated in the final facility End-Point Criteria document.

- Transfer of K Basins to the River Corridor contractor includes stabilization of systems and equipment and stabilization of facilities.

Stabilization of systems and equipment include: draining, de-energizing, material removal (hazardous, asbestos, characterization, radiological source reduction, downgrading, etc.). Systems and equipment include tanks, vessels, drums, elevators, crane, water systems, electrical systems, fire protection systems.

Stabilization of facilities includes deactivation of structural components and physical structures as required to minimize environmental, public and personnel hazards. Activities include characterization, radiological source reduction of walls and floors, access regulation, effluent isolation, rodent control, final surveys, and repairs.

Expectation 8: Complete water removal from K-Basins.

When all of the water (~ 1,000,000 gallons per basin) has been removed from KE and KW basins and transferred to the 200 Area LERF for treatment, this expectation will be considered complete.

M-34-22 and M-34-24 - Complete KW and KE Basin Water Removal. M-34-21-T01—Initiate full scale K West water removal. M-34-23—Initiate full scale K East Basin water removal. Water from K Basins or CVD, after treatment through existing ion-exchangers, shall be pumped to tanker trucks for shipment to the 200 E Area LERF. The water from K Basins or CVD shall meet the acceptance criteria for the LERF.

FY 2001-2006 PERFORMANCE INCENTIVE: K-Basins Deactivation

Superstretch:

Expectation 9: Transfer K-Basins to the River Corridor Contractor.

Complete CVDF Deactivation -- The CVD Facility and other ancillary facilities in the 100K Area shall be decontaminated to allow ERC access during long-term Surveillance & Maintenance. All ancillary facilities will be deactivated to meet final end point criteria. Other activities required will be as delineated in the final facility End-Point Criteria document.

DEFINITIONS: *(define terms)*

CVDF	Cold Vacuum Drying Facility
DOE	Department of Energy
ERC	Environmental Restoration Contractor
ERDF	Environmental Restoration Disposal Facility
FFTF	Fast Flux Test Facility
FHI	Fluor Hanford, Inc.
ISA	Interim Storage Area
KE	K East
KW	K West
LERF	Liquid Effluent Retention Facility
pCi/L	Pico Curies per Liter
LWR	Light Water Reactor
PWR	Pressurized Water Reactor
RL	Richland Operations Office
SNF	Spent Nuclear Fuel
TPA	Tri-Party Agreement

Non-Production Reactor Fuel- Spent fuel that comes from a reactor other than the nine production reactors at Hanford.

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).*

Documents to be submitted include, but are not limited to the following:

- Copy of the Nuclear Material Item Transfer form documenting the amount of heavy metal transferred from the K-Basins.
- Letters from the contractor to DOE-RL certifying completion of TPA milestones.
- Acceptance documentation with current Hanford SNF custodians via 741 Form—Nuclear Material Transactions
- Letters from the contractor to DOE-RL certifying completion of Site-wide SNF Consolidation activities.
- Letters from the contractor to DOE-RL certifying completion of K-Basin and CVDF Deactivation 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 renegotiations).*

Completion of Expectation #2 is predicated on a pending DOE decision that would deactivate FFTF and that DOE would provide resources necessary to complete fuel offloading from FFTF into Interim Storage Casks by December 31, 2004. If this assumption is not valid, Expectation #2 should be considered 100% satisfied when all 324 Building LWR SNF, NRF TRIGA SNF, and all FFTF SNF in storage at the 400 Area ISA by December 31, 2004 have been consolidated at the CSB or 200 Area ISA. The scope of this expectation assumes that DOE Headquarters will establish an off site disposition path for sodium bonded FFTF fuel. This fuel is outside the scope of this expectation.

DUPLICATE
ORIGINAL

Contract Number DE-AC06-RL 13200
Modification M132
Page 9 of 9

FY 2001-2006 PERFORMANCE INCENTIVE: K-Basins Deactivation

Sludge volume is based on nominal sludge volume of 50 cubic meters, which is made up of 47 cubic meters of floor & pit sludge and 3 cubic meters of fuel wash sludge. Sludge volumes associated with Expectation #3 may need to be renegotiated based on actual sludge quantities encountered during fuel movement and cleanup operations. Sludge will be measured by volume in shipping cask. It is expected that each shipment will include ~50% sludge, 40% water and 10% air by volume. In the event that the total sludge volume requires renegotiation the available fee and end dates will remain unchanged.

100 Area end point criteria have not been established or approved. Final end point criteria shall be consistent with the SNF baseline.

**SECTION 6
SIGNATURES**



D.B. Van Leuven, Chief Operating Officer
Fluor Hanford, Inc.

6/18/01

Date



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

6/18/01

Date

Reviewed

Approved

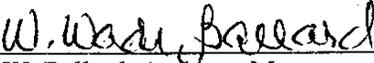
LEGAL



~~S. J. Veitenheimer, Director~~ M.H. Schlender, Deputy MGR
~~Office of Spent Nuclear Fuels~~ for Site Transition

7/25/01

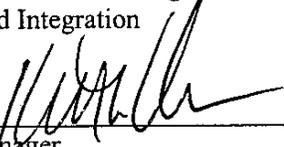
Date



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

7/25/01

Date



K. A. Klein, Manager
Richland Operations Office

7/27/01

Date



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

AUG 01 2001

01-PRO-570

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

Dear Mr. Thomson:

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 M132

Enclosed for your files is one fully executed original of contract modification M132,
 including one duplicate original of FY 2001-2006 Performance Incentive FHI-M1, SNF
 K-Basin Deactivation. If you have any questions regarding this matter, please contact me at
 (509) 376-3166.

Sincerely,
ORIGINAL SIGNED BY:
 David E. Stromberg
 Administrative Contracting Officer

PRO:DES

Enclosure

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

bcc w/encls:
 PRO Off File
 PRO Rdg File
 CCC Rdg File
 D. E. Stromberg, PRO
Record Note: None
 H:\Phmc\Mods\M132\Mod M132 Execution Ltr

RECEIVED
 AUG 02 2001
 DOE-RL/RLCC

Office >	PRO	PRO	PRO			
Surname >	STROMBERG	SIERACKI	STROMBERG			
Date >	8/1/01	1 Aug 01	8/1/01			