

TANK OPERATIONS CONTRACT

Contract No. DE-AC27-08RV14800

CONTRACT MANAGEMENT PLAN

Washington River Protection Solutions LLC



U.S. Department of Energy
OFFICE OF RIVER PROTECTION

__Original Signed and in Contract File_____
Joseph C. Poniatowski
Contracting Officer
AMD, 509-376-2760

__10/27/08_____
Date

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LIST OF ACRONYMS AND ABBREVIATIONS

AMD	Acquisition Management Division
ASPC	Analytical Services Production Contract
BOF	balance of plant facilities
CA	contracting activity
CAO	Contract Administration Office
CH	contact-handled
CMP	Contract Management Plan
CPAR	Contractor Performance Assessment Report
CPS	Contractor Performance System
CO	Contracting Officer
COR	Contracting Officer Representatives
DBVS	Demonstration Bulk Vitrification System
DNFSB	Defense Nuclear Facilities Safety Board
DOE	U.S. Department of Energy
DOE-HQ	U.S. Department of Energy Headquarters
DST	double-shell tanks
EFT	Effluent Treatment Facility
EM	environmental management
ES&H	environmental, safety, and health
ESPC	Energy Savings Performance Contract
EVMS	earned-value management system
FAR	Federal Acquisition Regulation
FDO	Fee Determining Official
FPD	Federal Project Directors
FRAM	Functions, Responsibilities, and Authorities Manual
FSO	field site office
GFS/I	government-furnished services/information
HAB	Hanford Advisory Board
HCA	Head of Contracting Activity
IHLW	immobilized high-level waste
IPT	integrated project team
LAB	laboratory
LAW	low-activity waste
LIGO	Laser Interferometer Gravitational Wave Observatory
MSC	Mission Support Contract
NIH	National Institute of Health
OPA	Office of Project Administration
ORP	Office of River Protection
PBI	performance-based incentives
PD	Procurement Director
PEMP	Performance Evaluation and Measurement Plan
PFP	Plutonium Finishing Plant
PNNL	Pacific Northwest National Laboratory
PNSO	Pacific Northwest Site Office
PRC	Plateau Remediation Contract
RCCC	River Corridor Closure Contract
RCW	State of Washington Revised Code

REA	requests for equitable adjustment
RL	Richland Operations Office
SNF	spent nuclear fuel
SOW	statement of work
SST	single-shell tank
TFP	Tank Farm Project
TOC	Tank Operations Contract
TRU	transuranic
WTP	Waste Treatment and Immobilization Plant

CONTRACT MANAGEMENT PLAN FOR THE TANK OPERATIONS CONTRACT

1.0 PURPOSE OF PLAN

The purpose of this Contract Management Plan (CMP) is to provide guidance to Office of River Protection (ORP) employees involved with the management and administration of the contract. Such guidance should be a useful tool to help the Department of Energy (DOE) ensure that Washington River Protection Solutions LLC and ORP comply with all terms and conditions that govern the contract. This CMP was developed with the guiding principles that it:

- Shall be a useful tool for administering the contract
- Shall be an executive summary of the roles and responsibilities of the contracting parties
- Shall identify who is responsible for various contract administration activities
- Shall be flexible and adapt to changing circumstances

This CMP does not include every action that ORP must take to make the contract successful. Instead it summarizes the higher-level requirements, deliverables, and tasks necessary and describes the overall process with which the tasks are performed.

It describes the various contract management processes and how they fit together, but does not contain all of the step-by-step details of those processes. Familiarization with this CMP and its related links is vital to all ORP employees involved in contract management and each staff member involved in overseeing the Tank Operations Contract (TOC) is required to read the [TOC](#).

Disclaimer

This CMP is intended solely to provide guidance to Government employees and should not be construed to create any rights or obligations on the part of any person or entity, including the contractor and its employees. It is not intended to be either prescriptive or inclusive of all actions necessary to support and/or administer the contract.

2.0 CONTRACT SUMMARY AND BACKGROUND OF THE SCOPE OF WORK

The Hanford Site is located along the Columbia River in southeastern Washington State. The site covers 586-square-miles and consists of a plutonium production complex with nine nuclear reactors and associated processing facilities. Hanford played a pivotal role in the nation's defense for more than 40 years, beginning in the 1940s with the Manhattan Project. Today, under the direction of DOE, Hanford is engaged in the world's largest environmental cleanup project, with a number of overlapping technical, political, regulatory, financial, and cultural issues.

DOE has two Federal offices at Hanford whose mission is environmental cleanup: The Richland Operations Office (RL) and ORP. RL is responsible for nuclear waste and facility cleanup and overall management of the Hanford Site. RL's mission is to restore the Columbia River corridor and transition the Hanford central plateau. ORP is responsible for cleanup of Hanford Site tank waste. ORP's mission is to retrieve and treat Hanford's tank waste and close

the tank farms to protect the Columbia River. Each office oversees separate contracts held by private companies. For purposes of this contract, the land, facilities, property, projects, and work performed and overseen by RL and ORP constitute the "Hanford Site."

The purpose of this contract is to furnish safe, compliant, cost-effective, and energy-efficient services to further the ORP mission to store, retrieve and treat Hanford tank waste, store and dispose of treated waste, and to close the tank farm waste management areas to protect the Columbia River.

In addition to the TOC, ORP manages the following contracts:

- Analytical Services Production Contract (ASPC) provides analysis of highly radioactive samples in support of Hanford Site projects. These services are performed in the 222-S Laboratory complex located in the 200 Area of the Hanford Site.
- Waste Treatment and Immobilization Plant (WTP) Contract includes design, construction, and commissioning of a vitrification facility that will convert radioactive tank wastes into glass logs for long-term storage. The WTP is being constructed on the Hanford Site central plateau.

The following contracts are managed by RL:

- Energy Savings Performance Contract (ESPC) includes steam service to support heating and other operations at 200 Area facilities. The contract may include energy conservation measures, such as upgrading lighting systems, pumping systems, automation systems, heating, ventilation, and air conditioning system; and adding utility monitoring and control systems.
- Hanford Site Occupational Medical Services Contract provides occupational health services to personnel at Hanford, including medical monitoring and qualification examinations, human reliability testing, and records management.
- Mission Support Contract (MSC), when awarded, will provide RL, ORP, and their contractors with the infrastructure and site services necessary to accomplish the site mission.
- River Corridor Closure Contract (RCCC) includes closing the Hanford Site river corridor through deactivation, decontamination, decommissioning, and demolishing excess facilities; placing former production reactors in an interim safe and stable condition; remediating waste sites and burial grounds; and transitioning the river corridor to long-term stewardship.
- Plateau Remediation Contract (PRC) will continue the environmental cleanup of selected portions of the Hanford Site to include completion of the Plutonium Finishing Plant (PFP) project; non-tank farm waste disposal activities; groundwater monitoring and remediation; facility and waste site characterization, surveillance and maintenance, regulatory document preparation, and remediation. The contract also includes options to remediate facilities and waste sites.

Another DOE office — the Pacific Northwest Site Office (PNSO), a component of the DOE Office of Science — oversees the science and technology mission operated by the contractor-operated Pacific Northwest National Laboratory (PNNL). PNNL is an Office of Science multi-program laboratory that conducts research and development activities, including technology programs related to the Hanford cleanup mission.

In addition to the cleanup mission, DOE leases Hanford land to non-DOE entities, such as the Laser Interferometer Gravitational Wave Observatory (LIGO), and the State of Washington, which in turn leases the land to US Ecology, Inc., a private firm that operates the Hanford Site burial grounds for commercial low-level waste. DOE also leases land to Energy Northwest (a consortium of public utility companies) that oversees the Northwest's only operating commercial nuclear power reactor, the Columbia Generating Station. None of these operations is associated with the Federal cleanup work at Hanford.

The detailed workscope for this contract includes:

- Safe, Compliant Operations: Maintain and operate the tank farms, 242-A Evaporator, and supporting tank farm infrastructure. Perform all required project support functions (project management, integrated safety management, security and emergency services, interactions, interface management).
- Analytical Laboratory Support: Operate and maintain the 222-S Laboratory complex to support analysis activities performed under a separate DOE-ORP contract.
- Single-Shell Tank (SST) Retrieval: Design, procure, permit, construct/fabricate, and operate SST retrieval systems that remove waste from the SSTs and transfer it to the double-shell tanks (DSTs) or treatment systems.
- SST Farm (Waste Management Area) Closure: Perform waste management area closure activities in accordance with sitewide integrated closure strategies.
- Treatment Planning, Waste Feed Delivery, and WTP Transition: Provide integrated system planning for the ORP mission and perform project planning, system upgrades/replacements, and operations to accomplish waste feed delivery to treatment facilities. Plan for the turnover of completed WTP facilities.
- WTP Operational Readiness: Conduct a continuing, in-process evaluation of WTP operational readiness to promote contractor understanding of and planning for future WTP operations, verify that there are no deficiencies that would preclude successful contractor operations, and support the safe and efficient turnover of completed WTP facility(ies).
- Immobilized High-Level Waste (IHLW) Storage and Shipping Facility Construction: Modify the Canister Storage Building and/or design, construct, commission, and operate a separate interim storage facility for IHLW canisters from WTP and a shipping facility to prepare IHLW and spent nuclear fuel (SNF) canisters for shipment to a permanent repository.

- Demonstration Bulk Vitrification System (DBVS) Construction and Operations: Procure, construct, and operate a one-line pilot-scale low-activity waste (LAW) bulk vitrification plant for testing to determine the effectiveness of this treatment technology.
- Extended DBVS Operations: Following successful DBVS operations, re-permit, modify, and perform extended operations of the DBVS.
- Supplemental Treatment Design: Commence design, permitting, and safety analysis for supplemental treatment facilities to vitrify LAW.
- Supplemental Treatment Construction and Operations: Complete designs and permits, and construct and operate supplemental treatment facilities to vitrify LAW.
- Transuranic (TRU) Tank Waste Treatment and Packaging: Design, construct, and operate a TRU tank waste treatment, packaging, characterization, and storage system for contact-handled (CH) TRU tank waste.
- Tank Selection, Retrieval, Pretreatment and Feed Delivery Design: Commence design, permitting, and safety analysis for selected DST and SST waste retrieval, pretreatment, and feed delivery directly to the WTP LAW facility.
- Retrieval, Pretreatment and Feed Delivery Construction and Operations: Complete designs and permits, and construct and operate systems for selected tank waste retrieval, pretreatment and feed delivery directly to the WTP LAW facility.
- Upgrade and Operate the Effluent Treatment Facility (ETF): Assume responsibility for the ETF, complete upgrade design and permitting, perform upgrades, and operate ETF.
- LAW/Balance of Plant Facilities (BOF)/Laboratory (LAB) Operations: Operate the completed WTP LAW, BOF, and LAB facilities to vitrify pretreated LAW from the tank farms.
- Hanford Employee Retirement and Benefit Plan Management: Sponsor, manage, and administer both the Hanford incumbent employee pension and benefit plans and the non-incumbent market-based retirement and benefit plans.
- Legacy Pension and Benefit Plan Management: Sponsor, manage, and administer pension and other benefit plans for retired contractor employees associated with work at other designated DOE sites.

3.0 IDENTIFICATION OF KEY CONTRACT MANAGEMENT TEAM MEMBERS, INCLUDING AUTHORITIES AND LIMITATIONS

ORP Contract Administration Office (CAO) is responsible for the management and administration of the TOC. The TOC CMT is the group within the CAO that has the primary responsibility for assuring that the contractor delivers the products and services necessary to

support successful program element completion. The CMT will involve other personnel and/or subject matter experts, as necessary.

The CMT consists of:

- Contracting Officer (CO): ORP Acquisition Management Division (AMD)
- Contracting Officer Representatives (CORs):
 - AM, Tank Farm Project (TFP); (FPD) Level 4, Primary COR
 - Deputy AM, TFP, FPD Level 2, Alternate COR
 - FPD for Retrievals, FPD Level 2, Alternate COR
- Legal Counsel/Litigation COR: RL/ORP Office of Chief Counsel
- Accounting/Finance: ORP Project Administration
- Quality Assurance Team (QAT) Representative: ORP ESH&Q
- Engineering and Nuclear Safety (ENS): ORP ENS
- Industrial Relations/Human Resources: RL Industrial Relations Team
- Organizational Property Management Officer: ORP AMD
- Certified Reality Specialist: RL Site Infrastructure, Services, and Information Management

The following includes the roles, responsibilities, authorities, and limitations for the CMT members:

3.1 Contracting Officer

Contracts may **only** be entered into and signed on behalf of the Government by a warranted CO. The CO has the responsibility and authority to administer the contract and make related determinations and findings. Pursuant to clause G.3, Modification Authority, only the CO is authorized to accept non-conforming work, waive any requirement of the contract, or modify any term or condition of the contract.

3.2 Contracting Officer Representative

The COR's responsibilities' include providing technical direction to the contractor within the scope of his delegated authority and also to assist the contracting officer in performing contract management, performance oversight, and contract administration activities with support from appropriate field site office (FSO) management and staff. The COR is responsible for providing technical direction to the contractor in accordance with contract clause I.83 – DEAR 952.242-70, Technical Direction. The CO issues a written designation letter to the COR that specifies the extent of the COR's authority to act on behalf of the CO.

3.3 Legal Counsel/Litigation COR

The legal counsel/litigation COR has primary responsibility for providing technical direction related to the area of litigation management and legal policy.

3.4 Accounting/Finance

The Office of Project Administration (OPA) is responsible for ensuring that contractor's accounting and billing systems are adequate and reflect accurate reporting of costs along with all aspects of financial management including executing procedures, policies, and programs related to budgeting, accounting, financial review, audit, and financial analysis activities. The finance and budget team within OPA coordinates with contractors and ORP line organizations for budget preparation and tracking, and provides funds control for all ORP funds.

3.5 Quality Assurance Team (QAT) Representative

The QAT representative has responsibility for providing input as to the requirements of the ORP Quality program and the performance of required quality related reviews and approvals to assure that the contractor delivers the products and services that help meet program objectives and requirements

3.6 Engineering and Nuclear Safety (ENS)

ENS provides the CO and the CORs with technical evaluations and interpretations of the engineering and nuclear aspects of the contract scope for the general engineering and facility specific scope defined in the TOC. In particular, ENS is the interpretive authority for 10 CFR 830, Nuclear Safety Management, Subpart B, "Safety Basis Requirements", and related DOE Safety and Engineering Orders, Standards and Guides specified in the contract.

3.7 Industrial Relations/Human Resources

The Contractor Industrial Relations Team provides the following support to ORP: (1) Administers the RL/ORP workforce restructuring program; (2) monitors Hanford labor relations programs and reviews/coordinates economic bargaining parameters; (3) serves as a member of the Labor Standard Board for review and approval of plant force work reviews; (4) oversees and approves the RL/ORP prime contractors' personnel appendices; (5) oversees the third-party administration of Hanford contractors' workers' compensation claims; (6) provides lead oversight of the Rocky Flats Closure workers' compensation claims and settlements; (7) provides lead oversight of the pension and benefits plans for Hanford Site contractors; and (8) provides lead oversight of identified DOE Closure Site legacy pension and benefits plans.

3.8 Organizational Property Management Officer

ORP retains an on-site Organizational Property Management Officer to establish and administer personal property management programs within their organizations, consistent with applicable laws, regulations, practices, and standards and provide for the following:

- Perform HQ delegated contract administration functions for contract requirements relating to Government personal property.
- Develop and apply an oversight program, resolve property administration issues, and make recommendations concerning the acceptability of contractor personal property management systems.
- Advise the CO of any contractor non-compliance with approved procedures, or other significant problems that cannot be resolved, and recommend appropriate action.

3.9 Certified Reality Specialist

The Certified Reality Specialist provides the review and approvals required to acquire, manage, and dispose of real property. They provide all approvals and recommendations to the TOC CO. In accordance with regulations and DOE guidance, only the CO can provide approval of real estate actions to the contractor.

3.10 Other FSO Staff and FSO Communications

All other FSO staff shall support and assist the TOC COR's and CO as specifically designated and/or as defined in employee Position Descriptions, FSO processes and procedures, and as stated herein.

The FSO Manager holds weekly staff meetings to enhance office coordination, problem resolution and communication. In addition, the Project Team and the ES&HQ Team have weekly team meetings to discuss issues specifically related to their functional area and to ensure proper integration within the teams. The CO will attend the Project Team meetings and attend the ES&HQ Team meetings as required.

Numerous ad hoc meetings/discussions occur daily as required amongst FSO staff to discuss and resolve cross-cutting issues.

The FSO regular meetings, ad hoc meetings, established relationships, etc. are used to effectively identify, analyze and resolve contract management issues and challenges.

4.0 CONTRACT MANAGEMENT TEAM COORDINATION

Successful management and administration of the TOC by the CMT requires the coordinated efforts of a variety of ORP, RL, and DOE Headquarters (HQ) personnel. Personnel include, but are not limited to, the ORP Manager and senior staff, technical support staff, subject matter experts, and other Hanford Site CMTs. It is the CMT's responsibility to involve these personnel, as necessary, for contract administration. This CMP delineates the roles and responsibilities of

these team members and describes their interaction on key contract administration duties in accordance with the [ORP Safety Management Functions, Responsibilities, and Authorities Manual \(FRAM\)](#).

4.1 Manager, Office of River Protection

The ORP Manager provides the environmental management (EM) onsite presence and is responsible for implementing DOE-HQ policy and direction. The ORP Manager has line-management authority and responsibility to integrate administrative and operations requirements into program missions. These responsibilities include, but are not limited to, the following: (1) Establish and communicate expectations; integrate DOE requirements; and through their duties as a designated COR, provide feedback to the contractor; (2) serve as the Fee Determining Official (FDO) (3) monitor overall operations, review work and coordinate activities related to assigned programs and projects; (4) maintain and protect Federal assets; and (5) manage ORP staff and administrative systems to assure effective operations.

4.2 ORP Integrated Project Teams, Technical Support Staff, and Subject Matter Experts

The TOC CMT relies on input from, technical support staff, facility representatives, and subject matter experts from other ORP organizations to assure that the contractor delivers the products and services that help meet program objectives as defined in the statement of work (SOW). These individuals support the CMT and are not authorized to perform any function that results in/or appears to change the scope, price, terms, or conditions of the contract.

4.3 Other Contract Administration Parties

The TOC CMT will work in coordination with other CMTs in both ORP and RL to ensure coordinated contract administration practices are followed across the Hanford Site.

5.0 CONTRACT IDENTIFICATION

Contractor Name:	Washington River Protection Solutions LLC (WRPS)
Contract Number:	DE-AC27-08RV14800
Contract Title:	Tank Operations Contract
Performance Period:	October 1, 2008 through September 30, 2018
Total Contract Value:	Total estimated contract price - Sep 30, 2018 is \$7,096,024,000
Contract Type:	Cost-plus-award-fee with performance-based incentives (PBI)
Contractor Key Personnel:	Contractor key personnel are listed in contract clause H.15

6.0 CONTRACT MANAGEMENT PROCESSES

6.1 Contract Transition Planning

A Government Transition Manager was named to work directly with the CMT and contractor-appointed transition manager to ensure successful transition. See attachment B, Transition Activities, for a list of transition personnel; including specific authorities and limitations, actions, deliverables, and their due dates. Attachment B will be obsolete and considered deleted upon completion of contractor transition.

6.2 Contract Communication Protocol

6.2.1 Formal Communications with the Contractor

All formal direction to the contractor is issued by the CO or the COR within their designated authority. Such direction should be in writing, but may be provided orally in meetings, briefings, phone, or video conferencing. A written record of direction should be created for such oral directions. All formal written correspondence to the contractor should include the contract number within the subject line. Correspondence will include the following statement, where applicable: "The Government considers this action to be within the scope of the existing contract, and therefore the action does not involve or authorize any delay in delivery or additional cost to the Government, either direct or indirect."

The following caveat should be included within the body of correspondence issued by CORs: "If in my capacity as a COR, I provide any direction that your company believes exceeds my authority, you are to immediately notify the CO and request clarification prior to complying with the direction."

The CO must be on concurrence of **all** correspondence to the contractor and receive a final copy when issued. Only the CO has the authority to interpret the contract terms and conditions or make changes to the contract.

To ensure correspondence control, all formal correspondence should be addressed to the contractor's local principal executive, and cite the contract number and applicable contract provision and/or government-furnished services/information (GFS/I) item number in the letter's subject line. Formal communication from the contractor should follow a formal contract correspondence tracking system with commitments appropriately assigned and tracked for timely completion.

6.2.2 Informal Communications with the Contractor

Informal communications can occur between an ORP employee and any contractor employee. This type of communication is non-binding for both the Government and the contractor and does not constitute contract direction (i.e., formal communication). Informal communication can take the form of electronic mail, retrievable databases, telephone, facsimile, presentations, meetings, and other means.

Informal communications between ORP and contractor staff are needed for proper oversight coordination. This communication should be constructive in nature. Avoid requesting information obtainable by other means. In their informal communications, ORP employees need to avoid the impression that the communications are formal. Particularly, when COs or CORs are engaging in informal communications, they must be careful to identify those communications as non-binding. CORs should inform the contractor as to whether or not the communications or portions thereof are formal or informal.

6.2.3 Non-ORP Communications

The contractor will be required to communicate with other than ORP staff in conjunction with its responsibilities and workscope. The following parties most likely to be involved are DOE-HQ; other federal agencies and offices, including the Environmental Protection Agency, Government

Accounting Office, and the Defense Nuclear Facilities Safety Board (DNFSB); other Hanford contractors; Hanford Advisory Board (HAB); state agencies and officials, including the Washington State Departments of Ecology and Health; tribal nations; and the general public. Because these entities exist outside the contractual relationship between the contractor and ORP, their communications to the contractor may not be construed as contractual direction to change the scope or terms and conditions of the contract. It is expected, however, that these “stakeholder” communications will be coordinated and/or monitored by the CO, COR, or responsible IPT participant.

6.3 Government-Furnished Services/Information Review Process

Review of requests for GFS/I will be accomplished in accordance with section C.4, Government-Furnished Services and Information. The following requests will be reviewed/approved:

- *Government-Furnished Services and Information Request*: 12-month advance projection of GFS/I to be furnished under the Contract and additional Contractor-requested GFS/I, prior to each fiscal year; and
- *Government-Furnished Services and Information Request -- Update*: quarterly update to the projection of GFS/I to be furnished under the Contract and additional Contractor-requested GFS/I, prior to each quarter.

DOE-ORP will review the 12-month and quarterly advance projections. If DOE-ORP can support the additional Contractor-requested GFS/I, DOE-ORP will notify the Contractor. If DOE-ORP cannot support a Contractor request, DOE-ORP will notify the Contractor and there will be no DOE-ORP commitment to the Contractor to furnish the GFS/I.

6.3.1 Contract Deliverables

Review of contractor-submitted deliverables will be accomplished in accordance with section C.5, Summary of Contract Deliverables, and table C.5 of the same title. Specific types of ORP action are defined as:

- **Approve** – The contractor shall provide the deliverable to ORP for review and approval. ORP will review the deliverable and provide comments in writing. ORP comments will be discussed with the contractor, and the contractor shall provide written responses. The contractor shall rewrite the documents to incorporate all ORP mandatory comments. Once ORP approves a deliverable or document, the contractor shall place it under change control and shall make no changes to that document without ORP approval.
- **Review** – The contractor shall provide the deliverable to ORP for review and comment. ORP will have the option of reviewing the information and providing comment. The contractor shall respond to all written comments.

- Information – The contractor shall provide the deliverable to ORP for information purposes only. ORP will have the option of reviewing the information and providing comments. Such comments do not require resolution under the contract.

[See attachment A for a complete listing of contract deliverables]

6.3.2 Deliverables Review Time Frames

ORP actions will be accomplished in accordance with the time frames listed in table C.5, Summary of Contract Deliverables. The time frame for ORP action will not begin (the clock will not start to run) until an acceptable item is received by the appropriate ORP personnel. For those items that have already been rejected, the time frame for ORP action will begin again (clock will restart at 0) upon receipt of the re-submittal. For partially rejected items, review of the acceptable portion(s) of the submittal will continue pending the receipt of necessary revisions or corrections. However, for purposes of contract time frames, the clock will not restart until all necessary revisions and corrections are received. For accepted and conditionally accepted items, the clock keeps running until Government actions are complete.

The only way in which a specific deliverable can be modified is through a CO letter or formal contract modification. As with other contracting changes, only those changes agreed to in writing by the CO are binding.

6.4 Method for Monitoring Performance-Based Objectives

The TOC Quality Assurance Surveillance Plan (QASP) and Performance Evaluation Management Plan (PEMP) will be utilized to monitor performance-based objectives. The CO and COR are responsible for monitoring the Contractor's performance. They monitor the contractor in accordance with the performance areas identified in the contract and most specifically those areas with Performance-Based Incentives (PBIs) assigned to them in accordance with the PEMP. They will evaluate contractor performance through reviews of contractor deliverables, analysis of contractor status and progress reports, and assessments of on-going work on a day-to-day basis. They will also consider feedback received from other DOE employees who work with the contractor to evaluate contractor performance. The CO and COR will validate the quality of service the contractor provides by evaluating the schedule performance, management performance, technical performance, product quality, and cost control to assess the quality, timeliness and cost effectiveness as specified in the SOW.

6.5 Project Management Activities

The TOC FPDs are responsible for the overall project management oversight for all discrete TOC projects in accordance with the roles, responsibilities, authorities, and accountabilities defined within DOE O 413.3A, Project Management for the Acquisition of Capital Assets. The TOC FPDs use the IPT approach for the acquisition of capital assets. There are two specific project IPTs within the Tank Farm Project, a SST Retrieval IPT and a SST Farm (Waste Management Area) Closure IPT. The SST Retrieval IPT is responsible for the oversight of design, procurement, permitting, construction/fabrication, and operation of the SST retrieval systems that remove waste from the SSTs and transfer it to the double-shell tanks (DSTs) or other treatment systems. The SST Farm (Waste Management Area) Closure IPT is responsible

for oversight ensuring the Contractor performs waste management area closure activities in accordance with site wide integrated closure strategies. Each project IPT is a formal team, with a FPD serving as the team leader. IPT membership is comprised of representatives from all the business and technical disciplines; such as, legal, financial, contracting, safety, quality, engineering, environmental health, and others necessary for successful execution of the project. The CMT will be integrated into the individual project IPTs as membership on the CMT and project IPTs overlap. Each TOC FPD has achieved or will achieve within two years of appointment either level 2, 3, or 4 project management certification. The TOC contains the requirements of DOE O 413.3A, Program and Project Management for Acquisition of Capital Assets. ORP staff ensures that program and project management requirements are integrated into the contractor's management systems. Project management tools currently contained in DOE O 413.3A provide excellent means to ensure that DOE contracts and projects are properly managed. Integral to the effective management of the contract under the requirements of DOE O 413.3A is the monitoring of schedule and cost performance through an earned-value management system (EVMS). As with several contractor management systems, ORP has defined expectations for a formal project management system and can accurately measure performance. Through ORP oversight/surveillance and external reviews, ORP ensures that the contractor's performance in this area is effective and efficient, that issues requiring resolution are identified, and that the system is meeting its intended purpose.

The Contractor's plan to achieve the contract work scope is tracked against the approved baseline. The TFP and each major activity within the TFP have an assigned ORP FPD. The role of the FPDs and the IPTs is to develop the overall project strategy; establish requirements and performance expectations; manage the technical aspects of the contract, monitor and assess performance; and proactively anticipate and resolve issues that impact project success. While the overall project is executed under the direction of Federal staff, the contractor manages daily execution.

6.5.1 Baseline Management and Control

The TFP has a defined lifecycle baseline scope description, cost estimate, and schedule. Execution of baseline is conducted through the TOC. The baseline scope descriptions are linked to the SOW; baseline cost estimates are linked to contract budget profile constraints; and the baseline schedule is linked to contract performance incentives, SOW deliverables, and contractual GFS/I.

The TFP baseline is approved by DOE-EM through the DOE O 413.3A critical decision process. Changes at lower levels of detail will be controlled and monitored by DOE in accordance with formal change control board procedures. ORP FPDs are required to process baseline changes for approval by the appropriate change control board, as appropriate.

Unexpected work occurs because of changes in external factors, changes in mission or scope initiated by DOE, or changes identified by contractors; such as, unanticipated field conditions. Changes in external factors and mission/scope that affect the baselines and contracts are processed through the TOC change control board in accordance with AMD local procedures.

6.6 Inspection and Acceptance Process (Services)

In accordance with the TOC QASP and the PEMP, ORP is implementing a tailored performance evaluation approach that focuses on areas of greatest significance and risk while relying on a planned approach to ensure that the balance of the contractor's overall performance is addressed. ORP's tailored approach to evaluation is based on:

- An understanding of the performance-based nature of the contract
- Knowledge of the contractor's baseline in response to the SOW
- Awareness of the type and level of associated risks and hazards
- Insight on the technical and management approaches to mitigating programmatic risks and controlling hazards
- Familiarity with the contractor's approved management systems (particularly integrated safety management and project management control)

ORP will utilize the following criteria to evaluate performance:

- Schedule Performance
- Management Performance
- Technical Performance
- Product Quality and Cost Control

Increased evaluation efforts will be placed on those areas where there are indications of poor or suspect contractor performance, indicated by contractor self-assessment or by CO/COR surveillance and analysis. The level of review will be reduced when there are indications that the contractor's performance is strong and the contractor's self-assessment and corrective action programs are effective. In general, DOE's intent is to minimize the level of DOE involvement and allow the contractor to perform to, or exceed, the contract requirements. DOE's goal is to reduce evaluations when the contractor demonstrates an effective self-assessment program that includes self-identification, taking appropriate corrective actions, and successful follow-on action to prevent recurrence and improve performance. If the contractor's performance is deficient, and it appears that the contractor's management processes have not produced the desired result(s), DOE can increase evaluations in order to protect the Government's interests. Additional DOE inspection and acceptance rights can be found in [Section E](#) of the contract.

6.7 Special Financial Institution Account Agreement

There are no invoices submitted to DOE under the contract, except for award fee or PBI. DOE, the contractor (WRPS), and its financial institution (USBank) entered into a tripartite agreement for providing for the transfer of funds on a payments-cleared basis. DOE requires that amounts transferred to the contractor be deposited in a special bank account at a financial institution covered by a U.S. Department of the Treasury-approved Government deposit insurance organization identified in I TFM 6-9000. The special bank account must be kept separate from the contractor's general or other funds, and the parties have agreed to deposit amounts with the financial institution to cover incurred costs under the contract. The Government has the title to the credit balance in the special bank account to secure the repayment of all funds transferred

to the contractor, and under the agreement this title shall be superior to any lien, title, or claim of the financial institution or others, with respect to the special bank account.

DOE, or its authorized representatives, has access to financial records maintained by the financial institution, with respect to such special bank account, at all reasonable times and for all reasonable purposes, including, but without limitation to, the inspection or copying of such financial records and any or all memoranda, checks, payment requests, correspondence, or documents pertaining thereto. Such financial records shall be preserved by the financial institution for a period of six years and three months after the final payment under the special bank account agreement. Under the agreement the financial institution is required to maintain an average daily balance as close to zero as possible. The responsible DOE organization for maintaining the Financial Institution Account Agreement is the Office of Project Administration (OPA) in coordination with the Richland Operations office accounting and finance office.

6.8 Fee Administration

Contract clauses concerning payments and fee include:

- B.4, Contract Cost and Contract Fee
- B.5, Changes to Contract Cost and Contract Fee
- B.6, Basis for Total Available Fee
- B.7, Fee Structure
- B.8, Fee Determination and Payment
- B.9, Fee Reductions
- B.10, Small Business Subcontracting Fee Reduction
- B.11, Allowability of Subcontractor Fee
- B.12, Conditional Payment of Fee, Profit, and Other Incentives—Facility Management Contracts
- B.13, Conditional Payment of Fee, DOE Office of River Protection Site-Specific Performance Criteria/Requirements
- G.1, Contract Administration
- H.15, Key Personnel
- H.22, Financial Management System Requirements
- H.23, Payments and Advances
- I.78, Limitation on Withholding of Payments
- I.79, Advance Payments
- I.84, Prompt Payments
- I.85, Payment of Electronic Funds Transfer—Central Contract Registration
- I.129, Allowable Cost and Payment

[\[Contract section B\]](#)

[\[Contract section H\]](#)

[\[Contract section I\]](#)

The fee on the TOC is administered primarily in accordance with contract clause B.7, Fee Structure. The contractor will have the opportunity to earn 100% of the available fee through objective fee components and/or subjective fee components contained in the Performance Evaluation and Measurement Plan ([PEMP](#)). The PEMP may contain annual and multi-year

performance measures. Final fee determinations for performance measures are made and fees are paid per contract clauses B.8, Fee Determination and Payment, and B.9, Fee Reductions. The FSO Manager has been delegated the responsibilities as the FDO for this contract.

Under clause B.12, Conditional Payment of Fee, and clause B.13, ORP Site-Specific Conditional Payment of Fee, DOE may unilaterally reduce earned fees for failure to meet minimum requirements of the environmental, safety, and health (ES&H) management systems or for failures in safeguards and security systems. This unilateral right also extends to a catastrophic event, failures to comply with the SOW, or cost performance failures.

6.9 Contract Change Control Process

There is a direct correlation between the contract estimated cost and fee and the contractor's project performance measurement baseline. The contractor's project performance measurement baseline total cost, plus management reserve (contractor's contingency), should equal the contract total estimated price.

Changes to project performance measurement baselines or the receipt of a revised baseline from the contractor, does not constitute a contract change or a change proposal. ORP COs are not authorized to modify a contract's estimated cost and fee/price or contractually-required delivery dates/schedules based on a contractor's initial or revised project performance measurement baseline, even if the baseline has been validated by DOE'S Office of Engineering and Construction Management. In addition, a validated contractor project performance measurement baseline does not remove the CO's responsibility for evaluating and negotiating outstanding contract changes and requests for equitable adjustment (REAs), even if the contractor may have accounted for these items in the revised baseline.

Changes to the performance measurement baseline that impact the TOC cost, price, schedule, and/or SOW require identification and require resolution through the TOC CO via modification. The FPD shall prepare an interoffice memo to the CO stating the necessity for change; justification for change; and include an Independent Government Estimate IGE and schedule impact. If possible, the IGE shall address the impact of the original planned method of performance and effect on continued performance. The CO will confer with the Federal Project Director (FPD) and other members of the IPT to determine the recommended path forward and validate proposed Changes. Once authorized, the CO will issue the Contractor a request for proposal. Upon receipt of the proposal, the IPT will perform a technical and cost/price evaluation, providing their results to the CO for development of the Government's pre-negotiation objective. Upon completion of negotiations (if required) the CO will issue a SF 30 incorporating the negotiated changes.

If changes are determined to be urgent in nature, the CO may issue an Un-definitized Contract Action (UCA) or unilateral change order via a SF 30 which shall include a NTE limit on costs incurred prior to price agreement and a definitization schedule laying out when the Contractor is required to submit their proposal and when the negotiation of the change is anticipated to be completed. To the maximum extent practicable, all changes shall be definitized within 180 days. The NTE amount should be sufficient to allow the contractor to plan/re-plan the work, prepare detailed cost and schedule estimates, and if necessary, initiate new long lead procurements, fund subcontract and supplier initial costs, and reopen the design process. The

contractor may request additional funding if other initial activities are needed. The IPT will follow the same process described above upon receipt of the Contractor's proposal.

6.10 Review of Contractor's Requests for Equitable Adjustment

Changes to the performance measurement baseline that impact the TOC cost, price, schedule and/or SOW as a result of a contractor-submitted REA require identification as such on the change control form and require resolution through the TOC CO and appropriate contract change order processes as identified in the AMD integrated procedure entitled REA Administration.

Note: Fee may be paid on contract change orders and REAs with entitlement in accordance with applicable Federal Acquisition Regulation (FAR) fee policy based on the net cost of the added and/or deleted work. Contractor performance that will result in the earning of minimum or no fee is not justification for adding more fees to the contract. Fee may not be based on initial or revised project performance measurement baselines. Fee may not be calculated or paid on estimated work to go or on cost overruns. Contract change orders and REAs, including the associated contract fee, should be negotiated to the extent possible prior to the incurrence of significant costs. Incentive or performance fees may not be established or paid on incurred costs, past delivery dates, or other actions that have been accomplished by the contractor prior to the negotiation of the fee. To the extent that changes and REAs involve significant costs incurred prior to agreement on contract price, the fee objective should be reduced to reflect decreased cost risk. Only fixed fee adjusted for reduced cost risk shall be negotiated on changes and REAs after all costs have been incurred.

6.11 Contractor Litigation Management

DOE established regulations covering contractor legal management requirements. The ORP procedure Litigation Management - Contractor was written to assist personnel in controlling and overseeing litigation costs for which contractors seek reimbursement under the terms of their contracts, including general legal services. It also provides information for instances when ORP retains legal counsel for litigation where legal costs over the life of the matter are expected to exceed \$100,000.

6.12 Contractor Employee Claims System

The Hanford Workers' Compensation Program is an administrative function that provides for the support of the Hanford Site Workers' Compensation Program under DOE State of Washington self-insurance. Pursuant to State of Washington Revised Code (RCW) Title 51, DOE is a group self-insurer for purposes of workers' compensation coverage. The CO with the assistance of the RL HR/IR office is responsible to ensure that the contractor conducts expedient reporting and processing of employee compensation claims in accordance with contract, section [H.12 – Workers' Compensation](#).

6.13 Proposed Settlement of Costs for Post-Contract Liabilities

Post-contract liabilities include site pension and retiree medical expenses. The contractor is tasked with prudently managing these benefits and it is DOE's policy that, to the greatest extent possible, no new employees are added to the pool of employees eligible for these post-contract

benefits. Since completion of all site work will extend beyond the performance period of the TOC, management of these programs will be transferred to successor contractor(s).

6.14 Contract Records

All records acquired or generated by the contractor in performing this contract are the property of the Government, except for those defined as "contractor-owned" in contract clause I.141, Access to and Ownership of Records (Department of Energy Acquisition Regulation Clause 970.5204-3). These records must be delivered to the Government or otherwise disposed of at contract completion or termination, as directed by the CO. Additional contractor requirements concerning records management are found in clauses H.37, Information, and H.28, Privacy Act Systems of Records [[TOC Section H link](#)]. The contract clause entitled Access to and Ownership of Records addresses records management with respect to occupational health records and radiation exposure records.

All occupational health records generated during the performance of Hanford-related activities will be maintained by the occupational/medical services contractor and are the property of DOE. All radiation exposure records generated during the performance of Hanford-related activities are the property of DOE and are maintained by Battelle staff at PNNL.

6.15 Contract Closeout

When the contractor has completed the workscope, the process of verification of contract completion and initiation of contract closeout can commence in accordance with the AMD integrated procedure entitled Contract Closeout. Contract closeout will conform to the requirements of FAR 4.804, Closeout of Contract Files.

7.0 CONTRACT DELIVERABLES AND PERFORMANCE RISK AREAS

7.1 Contract Deliverables

See [Section C](#) and Attachment A entitled TOC Contract Deliverables.

7.2 Key Contract Vulnerabilities or Performance Risk Areas

The CMT is responsible for identifying key contract vulnerabilities or performance risk areas in accordance with [ORP M 413.3-1c, River Protection Project Integrated Risk Management Process Manual](#). ORP M 413.3-1c describes the overall strategy for reducing risk to workers, the public, and the environment. The River Protection Project Integrated Risk Management Process Manual documents ORP's approach to identify, analyze, prioritize, mitigate, and monitor the programmatic risks associated with the accelerated cleanup initiatives, including assumptions and uncertainties presented. Additionally, in accordance with Section C of the contract, WRPS is required to implement a risk management process. The resultant Risk Register will be continually statused by the CMT. The following risks and mitigation strategies have been identified and are critical to the overall success of the CMT:

Risk Description	Basis	Mitigation Strategy
Ensuring the successful integration of three (3) new site contractors	Low	- Integrated meetings between TOC/PRC/MS

TOC, PRC, and MSC		<ul style="list-style-type: none"> - Open communication as a result of proximity of both the IPT's and CMT's. - Joint ORP/RL configuration control of attachments J.3, J.13, and J.14 ensuring consistency among the three contracts
Continuously changing directive system impacting cost and schedule	Medium	<ul style="list-style-type: none"> - Precise specification of directive applicability - Be just as vigilant in regards to removing expired orders as we are in adding new ones - Have a questioning attitude. Why does this apply, how does it apply, what is the specific costs - Request waivers for those that don't provide a direct benefit - there is an established process of review, accountability, coordination, and tracking through a single individual
Establishment of the interface/portfolio management process across the RPP	Low	<ul style="list-style-type: none"> - Hanford Portfolio Planning, Analysis & Performance Assessment function is a DOE-RL and DOE-ORP Integrated Hanford Life-Cycle Clean-up Plan that optimizes the mission life-cycle, enabling DOE to ensure cost and schedule efficiency while adequately anticipating and managing programmatic risk - Rely and follow the lead of the Mission Support Contract who has primary responsibility for portfolio management - Ensure current, accurate information is provided to the MSC to complete their tasks

8.0 STRATEGY FOR COST REDUCTION

There is no formal procedure established for incorporating cost reductions; however, opportunities for cost reductions identified by individuals or organizations within the Federal or contractor workforce will be communicated to the TOC CMT for consideration and implementation.

9.0 KEY PERFORMANCE METRICS FOR DETERMINING CONTRACTOR PROGRESS

Contractor progress and fee are determined by contractor success in meeting end states specified in section J, attachment J-4, Performance Evaluation and Measurement Plan, as well as compliance with contract requirements. All work must be performed in accordance with applicable law, regulation, and/or DOE directive. Failures in contract performance as defined in contract clause B.9, Fee Reductions, may be the basis for reduction of fee. The contract section E, Inspection and Acceptance, is also the basis for contractor rework for performance that does not meet contract requirements.

10.0 AGREEMENTS WITH STATE, COMMUNITY, OR OTHER ENTITIES

The contractor and/or ORP are parties to agreements and understandings with Federal, state, and local government agencies as mentioned in the SOW, section C.1, Tank Operations Contract Overview and General Requirements. Specifically the [Hanford Federal Facility Agreement and Consent Order](#) which is maintained collectively by the U.S. Department of Energy, the U.S. Environmental Protection Agency, and the State of Washington Department of Ecology.

11.0 PAST PERFORMANCE REPORTING REQUIREMENTS

The Contractor Performance Assessment Report (CPAR) is an annual assessment of contractor performance and is based on objective facts supported by performance assessment and management data. The reports are used to provide past performance information to acquisition professionals for use in future acquisitions. Performance documentation is entered into an electronic performance report for each contract that has a total contract value exceeding \$1 Million. The system utilized by DOE for collecting past performance information is the Contractor Performance Assessment Reporting System (CPARS) maintained by the Department of the Navy (<http://www.cpars.csd.disa.mil/>). Information input into CPARS is then centrally filed in the Past Performance Information Retrieval System (PPIRS) (<http://www.ppirs.gov/>). An annual report will be documented until the close of the contract.

The assessment of the Contractor's Past Performance is the joint responsibility of the TOC IPT; however, specific areas required to be completed must be accomplished by IPT personnel with specific knowledge. Technical members of the IPT will assess the following areas: Quality of Product, Schedule, and Management. The CO will assess Business Relations and Cost. Performance narratives and associated ratings are provided NLT 120 days following the end of each FY performance period.

The CO will review the report, narratives and ratings. If the ratings are not supported by the narrative, the report will be sent back to the IPT technical members for further justification. When the ratings and narratives are considered satisfactory, the CO will forward the report to the contractor for a 30 day review period.

The contractor will review and provide comments and return the report to the CO. If the contractor accepts the report, the CO will close out the report. If the contractor disputes the report, the CO must forward the information to the Procurement Director (PD), Acquisition Management Division (AMD) for resolution.

The PD will review the contractor dispute with the CO and the IPT technical staff that wrote the report. The PD will make the decision to either change the report or leave the report as written and close it out. The report will not go back to the contractor for any further reviews.

12.0 OTHER SPECIAL EMPHASIS AREAS

The contract performance and administration experience should be reviewed and evaluated for lessons learned.

Attachment A – Deliverables