

**Attachment
to
18-CPM-0094**

Contract Modification 426

Purpose of Modification:

The purpose of this modification is to definitize Request for Equitable Adjustment (REA) 2017-003, *LAW C5V Redraft* and update Section B, *Supplies or Services and Prices/Costs*, and Section J, *List of Attachments* as follows:

- The subject modification definitizes the Change Order as stated in Contract Modification No. 385.
- Update Section B, *Supplies or Services and Prices/Costs*, to reflect the negotiated amount of \$385,114 for CLIN 1.
- A correction is being made from Contract Modification 417, which should have updated tables B-2-F-1, B-2-G, and figure B-2-G-1 in Section B by an increase of \$92,728, which was an increase in costs associated with a National Security Video Training directed by DOE.
- Update Section B, *Supplies or Service and Prices/Costs*, to reflect fee paid for Award Fee CY 2017 and Milestone Fee for approval of LAW DSA.
- Update Section J, *List of Attachments*, to recognize this modification as defintizing the Change Order from Modification No. 385.

Description of Modification:

1. Contract Section B is revised to reflect the following negotiated settlement resulting from REA 2017-003, *LAW C5V Redraft*:

Estimated Contract Cost (B.1, CLIN 1):	\$385,114
Minus NTE Value from Mod. No. 385 & 411	(<u>\$221,648</u>)
Revised Total Estimated Contract Cost (TECC):	\$163,466
REA Settlement Fee:	<u>\$0</u>
Revised Total Estimated Contract Price (TECP):	\$163,466

2. As a result of negotiations and settlement and the fees paid, the table in Section B, *Supplies or Services and Prices/Costs*, Contract Section B.3 *Obligation and Availability of Funds and Contract Value*, paragraph (c) is revised as follows:

- Increase the Total Estimated Contract Cost (TECC) by \$163,466, from \$14,084,063,787 to \$14,084,227,253. (Increase due to negotiated settlement from REA 2017-003.)

- Decrease the Total Estimated Contract Price (TECP) by \$3,903,176, from \$14,676,444,807 to \$14,672,541,631. (Decrease due to the difference between increase from REA 2017-003 and the decrease in available fee.)
- REA 2017-003 is non-fee bearing but fees were paid for Award Fee and Milestone Fee recently therefore decrease Total Maximum Available Fee by \$14,522,603, from \$266,135,620 to \$251,613,017. (Available fee decreased due to fee that was paid and fee that is now unearnable.)
- Increase Total Fee Earned by \$10,455,961, from \$326,245,400 to \$336,701,361. (Fee earned increased due to fee being paid.)

3. The table in Section B, *Supplies or Services and Prices/Costs*, Contract Section B.3 *Obligation and Availability of Funds and Contract Value*, paragraph (a), is deleted in its entirety and replaced in full as follows:

Table B.1 – Total Estimated Contract Price

		Cost			
Total Estimated Contract Cost (TECC) through Mod No. 420					\$14,084,063,787
Total Estimated Contract Cost (426)		CLIN Estimated Cost	Increased by Mod No. 426	Total CLIN Estimated Cost	
B.1	CLIN 1.0: Design, Construct, and Commission LBL in the DFLAW Configuration	\$6,507,013,841	\$163,466	\$6,507,177,307	\$163,466
B.2	CLIN 2.0: WTP Facility Modifications Necessary to Support DFLAW				
	Sub-CLIN 2.1: DFLAW Design (Target Cost)	\$75,000,000		\$75,000,000	
	Sub-CLINs 2.2 /2.3 DFLAW Procurement/ Construction	\$363,788,559 <small>(Previous NTE Values)</small>		\$363,788,559	
B.3	CLIN 3.0 HLW Facility	\$2,741,633,838		\$2,741,633,838	
B.4	CLIN 4.0: PT Facility	\$4,396,627,549		\$4,396,627,549	
Revised Total Estimated Contract Cost (TECC) through Mod No. 426					\$14,084,227,253
		Fee			
		Available		Earned	Total
Earned before Mod No. 384					
A1	Final Fee Determination – Pre-Mod No. A143			\$102,622,325	
A2	Final Fee Earned Mod No. A143 – Mod No. 384			\$131,573,553	
Fixed Fee Payment (Attachment B-2-C)***		\$0		\$60,000,000	
Pending Activity Milestones (Attachment B-2-B)		\$0		\$6,667,000	
Maximum Available Award Fee (CY 2016–2022) (Attachment B-2-D)		\$39,363,017		\$11,047,961	
CLIN 1.0: Design, Construct, and Commission LBL in the DFLAW Configuration					
E1	LBL Construction Complete Performance Based Incentives (Attachment B-2-E)	\$51,300,000		\$17,100,000	

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		Cost		
E2	Commission LBL in the DFLAW Configuration Performance Based Incentive (Attachment B-2-F)	\$152,950,000		\$6,650,000
E3	Schedule Incentive Hot Commissioning (Attachment B-2-F)	+/- \$60,000,000 (Max)		
E4	Cost Share Incentive (Attachment B-2-G)	+/- \$50,000,000 (Max)		
E5	REA Fee Post Mod 384			\$40,522
CLIN 2.1: Performance-Based Incentive for DFLAW Design Completion (Attachment B-2-H)		\$8,000,000		\$1,000,000
Total Maximum Available Fee****		\$251,613,017		
Total Fee Earned				\$336,701,361
Total Estimated Contract Price (TECP) (Total Maximum Available Fee + Total Earned Fee + TECC) 426				\$14,672,541,631

4. The table in Section B, *Supplies or Services and Prices/Costs*, Contract Section B.12, Attachment B-1, *Incentive Fee Summary Table*, is deleted in its entirety and replaced in full as follows:

Incentive Element	Title	Fee type	Performance Measure	Amount of Fee Available	Amount Paid	
B-2-A	Final Fee Determination for work prior to Mod No. A 143	Fixed	Determined by Contracting Officer		\$102,622,325	
B-2-B	Earned Activity Milestone Completion Incentive Fees, REA Settlement Fees, Enhanced Incentive Fee, Earned Facility Milestone Completion Schedule Fee, and Award Fee earned before mod (384)	Fixed	Determined by Contracting Officer		* \$131,573,553	
	Pending Activity Milestones	Fixed	Determined by Contracting Officer	\$0	\$6,667,000	
B-2-C	Fixed Fee Payment	Fixed		\$0	\$60,000,000	
TOTAL B-2-C				\$0	\$300,862,878	
B-2-D	Award Fee (From Mod (384) to December 2022).	Award Fee	To be established prior to each calendar year. Will be based upon DOE goals set for HLW and PT and Project Management.			
			CY 2016	\$0	\$7,242,000	
			CY2017	\$0	\$3,805,961	
			CY 2018	\$7,872,603		
			CY2019	\$7,872,603		
			CY 2020	\$7,872,603		
			CY2021	\$7,872,603		
			CY 2022	\$7,872,605		
Total B-2-D				\$39,363,017	\$11,047,961	
B-2-E	LBL Physical Plant Complete Performance Based Incentives	Interim Milestones				
		PBI	Install Caustic Scrubber Vessel Milestone	\$0	\$4,275,000	
		PBI	Complete Final Assembly of Melter Lid #1 Milestone	\$0	\$4,275,000	
		PBI	Complete Final Assembly of Melter Lid #2 Milestone	\$0	\$4,275,000	
		PBI	Complete LAW Bulk Cable EL+ 48 Milestone Final Milestone	\$0	\$4,275,000	
		PBI	Final LBL Physical Plant Complete Milestone	\$51,300,000		
TOTAL B-2-E				\$51,300,000	\$17,100,000	
B-2-F	Commission LBL in the DFLAW Configuration Performance Based Incentive	Interim Milestones				
		PBI	Approval of LAW DSA	\$0	\$6,650,000	
		PBI	LAB Startup Testing Complete	\$6,650,000		
		PBI	LAW Startup Testing Complete	\$6,650,000		
		PBI	EMF Startup Testing Complete	\$6,650,000		
		PBI	LAB Readiness to Operate	\$6,650,000		
		PBI	LAW DOE HQ ORR Complete	\$6,650,000		
			Final Milestone			

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		PBI	Successful Demonstration of Hot Commissioning	\$119,700,000	
	Commission LBL in the DFLAW Configuration Performance Based Schedule Incentive/disincentive		Based upon actual completion date of Successful Demonstration of Hot Commissioning	+/- \$60,000,000	
			TOTAL B-2-F	\$152,950,000	\$6,650,000
B-2-G	CLIN 1.0 Cost Share Incentives	IF	Cost sharing incentive/disincentive based on final CLIN 1 cost above or below the Target cost as defined in Attachment B-2-G	+/- \$50,000,000	
B-2-H	DFLAW design completion	PBI	Complete the constructability review milestone	\$0	\$500,000
		PBI	Prepare and issue DFLAW EMF safety basis change package	\$0	\$500,000
	Cost Share Incentive for CLIN 2.1	IF	DOE and the contractor will share cost on CLIN 2.1 final total cost at above or below the Target Cost of \$75M in the ratio of 80% DOE and 20% Contractor. Subject to the maximum combined fee limitation of \$9,000,000.	\$8,000,000	
			TOTAL B-2-H	\$8,000,000	\$1,000,000
B-2-I	REA Fee Post Mod 384	FF	Fixed Fee payment for REAs Negotiated	\$0	\$40,522
			TOTAL FEE AVAILABLE	\$251,613,017	
			TOTAL FEE EARNED		\$336,701,361

*This total will be adjusted to reflect pending milestones listed in Attachment B-2-B, Incentive Fee B that are currently under evaluation. (The total of the three milestones is \$6,667,000).

Note: TOTAL FEE AVAILABLE does not include cost share and schedule incentives. These incentives will be determined based up completion of CLINs 1.0 and 2.1 performance.

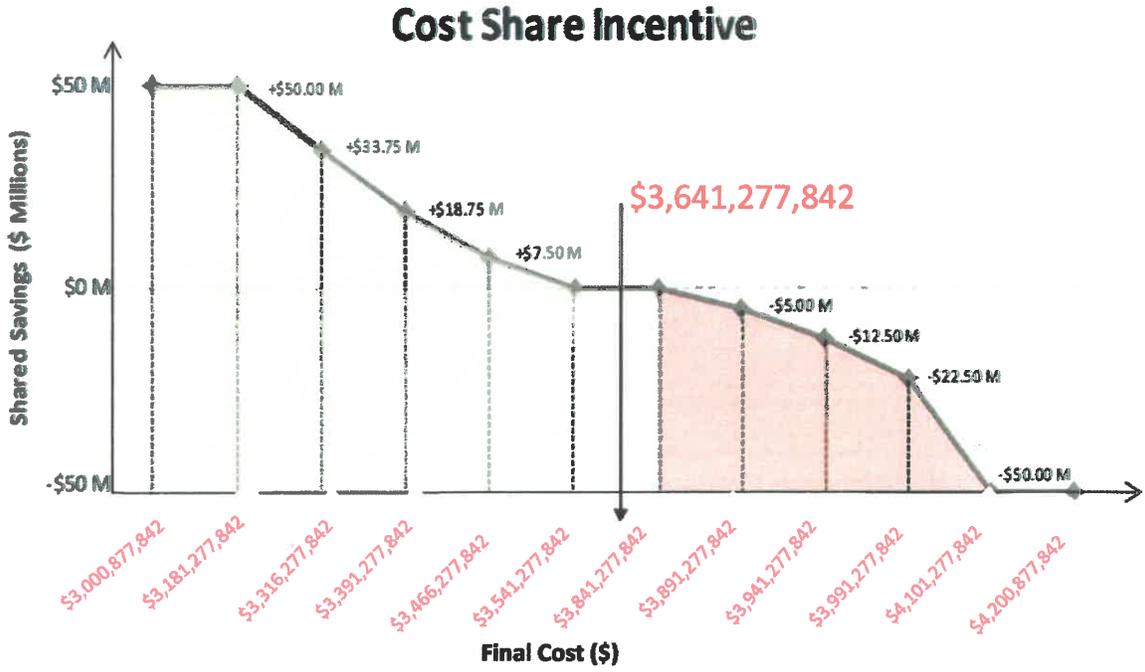
5. In Section B, *Supplies or Services and Prices/Costs*, Table B-2-D-1, *Incentive Fee D – Maximum Available Award Fee*, is deleted in its entirety and replaced in full as follows:

Calendar Year	Award Fee Period	B.1 Award Fee – Project Management Incentive		B.2 Award Fee – Cost Incentive		Total Award Fee		
		Available	Earned	Available	Earned	Available	Earned	Unearnable
2016	2016	\$7,770,000	\$5,157,000	\$2,430,000	\$2,085,000	\$10,200,000	\$7,242,000	\$2,958,000
2017	2017	\$6,472,603	\$3,245,961	\$1,400,000	\$560,000	\$7,872,603	\$3,805,961	\$4,066,642
2018	2018	\$6,472,603		\$1,400,000		\$7,872,603		
2019						\$7,872,603		
2020						\$7,872,603		
2021						\$7,872,603		
2022						\$7,872,605		
Total		\$20,715,206	\$8,402,961	\$5,230,000	\$2,645,000	\$57,435,620	\$11,047,961	\$7,024,642

6. Section B, Table B-2-F-1, Configuration Performance Based Incentive Fee, item B) Successful Demonstration of Hot Commissioning Final Milestone PBI Description- is revised to increase the number in the third paragraph from \$3,600.8M by \$477,842 (\$92,728 from Mod 417 + \$385,114 from Mod 426) to \$3,601,277,842.

	Total cost for CLIN 1.0 between \$3,990.8M \$3,991,277,842 to \$4,400.8M \$4,101,277,842, the cost increase will be shared in a ratio of 75% Government and 25% BNI.	-\$27,500,000.00	-\$50,000,000.00
	Total Decrement for \$460,000,000 cost increase to price (\$4,400.8M \$4,101,277,842)	-\$50,000,000.00	
Increases to earned fee will start when costs are below \$3,540.8M \$3,541,277,842		Maximum Incremental Fee Increase	Maximum Cumulative Fee Increase
	Total cost for CLIN 1.0 equal to \$3,540.8M \$3,541,277,842 to \$3,465.8M \$3,466,277,842, the cost savings will be shared in a ratio of 90% Government and 10% BNI.	\$7,500,000.00	\$7,500,000
	Total cost for CLIN 1.0 between \$3,465.8M \$3,466,277,842 to \$3,390.8M \$3,391,277,842, the cost savings will be shared in a ratio of 85% Government and 15% BNI.	\$11,250,000.00	\$18,750,000
	Total cost for CLIN 1.0 between \$3,390.8M \$3,391,277,842 to \$3,315.8M \$3,316,277,842, the cost savings will be shared in a ratio of 80% Government and 20% BNI.	\$15,000,000.00	\$33,750,000
	Total cost for CLIN 1.0 between \$3,315.8M \$3,316,277,842 to \$3,180.8M \$3,181,277,842, the cost savings will be shared in a ratio of 85% Government and 20% BNI.	\$16,250,000.00	\$50,000,000
	Total Incentive for cost savings	\$50,000,000.00	

8. In Section B, Figure B-2-G-1. Graph Cost Share Incentive Fee CLIN 1.0 is revised to reflect the \$477,842 (\$92,728 from Mod 417 + \$385,114 from Mod 426) revision to the Cost Share Incentive Curve



9. Contract Section J, *List of Attachments*, Attachment J, *Advance Understanding on Costs*, Table 13-B, *Not-to-Exceeds Not Included in Modification No. A143 Definitization (M155)*, is deleted in its entirety and replaced in full as follows:

13-B. Not-To-Exceeds Not Included in Modification No. A143 Definitization (M155)		
DOCUMENT ID.	TITLE	DEFINITIZATION MODIFICATION NO.
BCP-24590-06-02279	Expansion of DWP Requirements (permit modifications) (122) (130)	A193
ORP 08-NSD-011 (05/20/08) (CCN:179512) TN 24590-06-03487	ORP Direction to Implement New Preliminary Safety Analysis Report (PSAR) Updates (136)	A164
ORP 08-NSD-057 (10/09/08) (CCN:188218) TN 24590-06-03752	Direction to Implement New Safety Classification Process for the Waste Treatment and Immobilization Plant (WTP) (141)	276
ORP 08-NSD-059 (10/15/08) (CCN 188217) TN 24590-06-03753	Direction to Implement New Justification for Continued Design, Procurement, and Installation (JCDPI) (M152)	164
Modification No. M090 & 09-AMD-205 (07/18/08) (CCN: 202423) TN 24590-06-02145 & -02381	Direction to Implement DOE 205.1A, Cyber Security Management Program (155)	217
Modification No. M154 TN 24590-06-04133	Direction to Implement Pretreatment Engineering Platform (PEP) dry layup (155)	167
Modification No. M196 BCP 24590-06-04489 BCP 24590-06-04784 BCP 24590-06-05085	Direction to Implement Multiple Operational Readiness Strategy (218)	282
Modification No. M196 BCP 24590-06-04853	Direction to Implement CXP Equipment Option (218)	317

ORP 10-AMD-139 (05/06/10; CCN: 218244)		
Modification No. 221 ORP 11-WTP-219 (06/17/11; CCN: 236247); Modification No. 247 ORP 11-WTP- 437 (12/01/11; CCN: 242351); Modification No. 264 ORP 12-WTP- 0109 (03/15/12; CCN: 245985); Modification No. 286 ORP 12-WTP- 317 (09/24/12)	Direction to Proceed with Large Scale Testing (221, 247, 264, 286)	299 - 384
Modification No. 273	Direction to participate in the Hanford Site Organizational Climate and Safety Conscious Work Environment (SCWE) Survey	290
Modification No. 245 ORP 11-WTP-429	Direction to proceed with the implementation of DOE Order (O) 420.1B, <i>Facility Safety</i> , Chapter V, <i>Systems Engineer Program</i> . (245)	276
Modification No. 300 ORP 13-CPM- 0099 (05/06/13); Modification No. 304 ORP 13-CPM- 0133 (06/05/13); Modification No. 313 ORP 13-CPM- 0299 (11/25/13)	Direction to Proceed with Full Scale Vessel Testing Program in lieu of the existing Computational Fluid Dynamics and Large Scale Vessel testing Program as a Design Verification Tool (300, 304, 313)	384
Modification No. 329 ORP 14-CPM- 0172	Direction to proceed with Section C, Statement of Work, Standard 3 Design, paragraph (i) Design of BOF Utility Modifications	350
Modification No. 330 ORP 14-CPM- 0181	Direction to proceed with Section C, Statement of Work, Standard 3 Design, paragraph (j) Design of BOF Effluent Management Facility	350
Modification No. 334 ORP 14-CPM- 0228, ORP 15- CPM-0300 (358) 16-CPM-0088 (372)	Direction to proceed with Pretreatment Facility vessel mixing design verification.	384
Modification No. 339 ORP 15-CPM- 0008	Direction to proceed with Section C, Statement of Work, Standard 3 Design, paragraph (k) Design of Balance of Facilities Underground and Site-Wide modifications necessary to support the Direct Feed of LAW (DFLAW)	350

Modification No. 342 ORP 15-CPM-0064, ORP 16-CPM 0012 (364)	Direction to proceed with the implementation of DOE Order 433.1B, Maintenance Management Program for DOE Facilities and DOE/RL-92-36, Hoisting and Rigging Manual. (342)	384
Modification No. 344 ORP 15-CPM-0092	Direction to proceed with initiation of procurement of BOF modifications and LAW Valve Vault materials to support DFLAW; add Interface Control Documents 30 and 31	384
Modification No. 348 ORP 15-CPM-0128	Direction to proceed with initiation of BOF isolation construction to support DFLAW	384
Modification No. 349 ORP 15-CPM-0136	Direction to proceed with the implementation of DOE Order 414.1D, CRD, Chg. 1, Quality Assurance. (349)	
Modification No. 354 ORP 15-CPM-0195, ORP 16-CPM-0154 (380)	Direction to proceed with procurement of Effluent Management Facility (EMF) equipment and effluent transfer lines and limited EMF construction (354)	384
Modification No. 371 ORP-16-CPM-0085, ORP-16-CPM-0091	Conduct supplementary analysis of vessels RLD-VSL-00007 and RLD-VSL-00008 beyond the WTP Code of Record and modify the RLD-VSL-00007 and RLD-VSL-00008 vessel design.	
Modification No. 375 ORP-16-CPM-0111, 17-CPM-0038, (388), ORP-17-CPM-0185 (412)	Update the Natural Phenomena Hazards (NPH) Assessment by generating a revised site-specific response analysis and design response spectra for WTP incorporating Hanford site-wide Probabilistic Seismic Hazard Analysis (PSHA) report from PNNL, dated November 21, 2014. (375)	
Modification No. 381 ORP-16-CPM-0155 (381)	Authorization to proceed with the development of an engineering redraft process for Standard 3: Design (c) (22).	403
Modification No. 385 ORP-16-CPM-0174, ORP-17-CPM-0181 (411)	Authorization to proceed with the engineering redraft process developed in Standard 3, subparagraph (c) (22) to reclassify the required portions of the LAW C5 ventilation system from non-safety to safety significant as described in 24590-LAW-PL-NS-16-0005 Rev. 0, <i>Safety Strategy Summary Document (SSSD) – Oxides of Nitrogen/Melter Offgas Releases</i> .	426
Modification 389 17-CPM-0044 (389)	Authorization to proceed with engineering and nuclear safety activities necessary to implement the changes to engineered safety controls documented in the Caustic Safety Strategy Summary Document (SSSD) under Standard 3, subparagraph (c) (24)	
Modification No. 397, ORP-17-CPM-0094	DOE included a deliverable to implement the CGD extent of condition review and impacts in Section C, <i>Statement of Work, Table C.5-1.1. Deliverables, 7.11)</i> (397)	
Modification No. 406, ORP-17-CPM-0151 (406)	DOE Updated DOE Order 232.2A as referenced in Section C, Standard 1, (d)(5)(6) and updated Section J deliverables.(406)	

Modification No.415, ORP-18- CPM – 0004	CGD Implementation Plan for Parking Lot Items 1, 2, 7, 9, 12 and 17 in Section C, Statement of Work, Standard 7, Environment, Safety, Quality, and Health, (3) Quality Assurance, (ii), d.	
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10. **Contractor’s Statement of Release:** In consideration of the Modification 426, agreed to herein as complete equitable adjustment for the Contractor’s Request for Equitable Adjustment (REA) for 2017-003, *LAW C5V Redraft*, the Contractor hereby releases the Government from any and all liability under this contract for further equitable adjustments attributable to such facts or circumstances giving rise to the changes as noted in the modification.

All other terms and conditions remain unchanged.

(End of Modification)