

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 9
2. AMENDMENT/MODIFICATION NO. 076	3. EFFECTIVE DATE See Block 16C	1. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (if applicable)
6. ISSUED BY U. S. Department of Energy Savannah River Operations Office P.O. Box A Aiken, SC 29802	CODE	7. ADMINISTERED BY (if other than Item 6)	CODE
8. NAME AND ADDRESS OF CONTRACTOR (No. street county, State, and ZIP Code) Parsons Infrastructure and Technology Group, Inc. 1080 Silver Bluff Road Aiken, SC 29803		9A. AMENDMENT OF SOLICITATION NO.	9B. DATED (See Item 11)
CODE		FACILITY CODE	X 10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC09-02SR22210 10B. DATED (See Item 13) 9/17/02

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)
N/A

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

(1)	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	D. OTHER (Specify type of modification and authority) Clause I-85 FAR 52.243-2 Changes Cost Reimbursement Alt III

E. IMPORTANT: Contractor is not, is required to sign this document and return ___ 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 incorporate the following changes:

(Continued on Page 2)

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) MARC S. RADIN, V.P. CONTRACT & PROCUREMENT	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) JENNIFER J. NELSON, Contracting Officer
15B. CONTRACTOR/OFFEROR MARC S. RADIN (Signature of person authorized to sign)	15C. DATE SIGNED 13 AUG 2010
16B. UNITED STATES OF AMERICA BY JENNIFER J. NELSON (Signature of Contracting Officer)	16C. DATE SIGNED 14 Aug 2010

14. Description of Modification continued

a. This modification incorporates the following changes:

1. All work covered by the Scope of Work incorporated in Mod M041 and any actual or constructive changes as of the date this modification is executed.
2. All DOE directed changes to the original scope that Parsons has included in their Request for Equitable Adjustment dated August 28, 2009, updated October 15, 2009, and November 3, 2009 The REA identified the following:
 - Requirements to upgrade the Salt Waste Processing Facility (SWPF) from PC-2 to PC-3 facility as directed by DOE,
 - Inclusion of Nuclear Quality Assurance (NQA) NQA-1-2004 as primary quality standard
 - Inclusion of the Central Processing Area (CPA) upgrade from PC-2 to PC-3
 - Construction Phase,
 - Commissioning Phase,
 - One Year of Operations,
 - 6 Months Support,
 - Reliability and Maintainability Evaluation (R&ME) Testing
 - All contract modifications executed as of the date of this modification to include but not limited to:
 1. **Modification M041**, dated September 14, 2007
 2. **Modification M045**, dated October 11, 2007.
 3. **Modification M046**, dated December 20, 2007.
 4. **Modification M049**, dated January 31, 2008
 5. **Modification M051**, dated March 14, 2008
 6. **Modification M054**, dated August 5, 2008
 7. **Modification M057**, dated October 14, 2008
 8. **Modification M058**, dated November 5, 2008
 9. **Modification M060**, dated November 7, 2008
 10. **Modification M065**, dated June 22, 2009
 - All Baseline Change proposals submitted as of the date of this modification to include:
 1. **BCP-0032**, Personnel Radiation Shielding Over Waste Transfer Line.
 2. **BCP-0040**, Additional Budget, Replan for External Sleeve Valves.
 3. **BCP-0042**, Delete Alternate Power Supply to J-Area.
 4. **BCP-0043**, Driveway Connection to DWPF Parking Lot for Warehouse Access.
 5. **BCP-3001**, CD-3 Rebaseline Implementation.
 6. **BCP-3005**, Cyber Security Part 1 – DOE Planning and Implementation IT Support.
 7. **BCP-3006**, Change Management (CAN Notices).
 8. **BCP-3007**, AIT UT Examination.
 9. **BCP-3008**, Schedule Extension Request for Vendor Performance and Realized Risks.
 10. **BCP-3011**, Inclement Weather & Site Power Outage Time Extension
 11. **BCP-3012**, Inclement Weather Time Extension Dec '09 and Jan '10
 - All Project Change Request's (PCR's) submitted as of the date of this modification

and identified in the change control log to include:

Note: The PCR's listed below are referenced only for resolution, in response to the Parson's REA-2 submitted Nov 3, 2009. These PCR's represent in-scope work changes and are non fee-bearing.

1. PCR-0019a, Increase CSSX Flush Capability.
2. PCR-0024, Human Factors Consultant Service.
3. PCR-0024a, Human Factors Consultant Service
4. PCR-0026, Revise CSSX Pump Sizes.
5. PCR-0027, Revise Contactor Interstage Piping.
6. PCR-0028a, Revise Laboratory HVAC.
7. PCR-0029a, Increase Filter Line Sizes.
8. PCR-0030a, Add Filter Pressure Test Ports.
9. PCR-0032, Delete Structural Fill Under CPA Basemat.
10. PCR-0034a, Deleting Filter Loop Valves.
11. PCR-0036, Provisions to Recycle Material from TK-207.
12. PCR-0037a, Changing CSSX Pumps from Mag-Drive Pumps to Double Mechanical Seals.
13. PCR-0037a, Rev. 1, Changing CSSX Pumps from Mag-Drive to Mech Seal.
14. PCR-0039a, PMVS Line Sizing.
15. PCR-0041a, Add Fire Protection Water Drains.
16. PCR-0042a, Delete Valves Not Required for Maintenance.
17. PCR-0044a, Add Oxalic Acid Feed Tank Heater.
18. PCR-0045a, Add Oxygen Monitors to Laboratory Count Room.
19. PCR-0046, Revise Sitework From Self-Performed to Subcontract.
20. PCR-0047a, Process Requirements for Lowering the ASDT Cell.
21. PCR-0048a, Revise Caustic Storage Tank Equipment Based on Guidelines.
22. PCR-0050, Add Second Trolley MR-102.
23. PCR-0051, Hoisting Equipment Revision.
24. PCR-0053a, Piping Material Class 300.
25. PCR-0056a, Modify DSS WTL.
26. PCR-0057, Change Monorails to Overhead Crane in Labyrinths.
27. PCR-0059, Add Pressure Indicators to FLT-250.
28. PCR-0060, Resize Piping in the CCA.
29. PCR-0063, Increase Flush Line Sizes to CSSX Tanks.
30. PCR-0066a, Hot Water System.
31. PCR-0067a, Remove Argon Supply from Mechanical Maintenance and Instrument Calibration Shops.
32. PCR-0068, Relocate Labyrinth Sumps.
33. PCR-0069, Operating Deck Pipe Rack Change and Platform Removal.
34. PCR-0075, Delete Solvent Recovery Instruments.
35. PCR-0077, Revise (delete) Low Level Maintenance Sump.
36. PCR-0079, Convert R132B to Hot Maintenance Area.
37. PCR-0083, Add Eyewash/Safety Shower Stations.
38. PCR-0085, Modify CSSX Flow Control Devices and Solvent Flow Meter Type.
39. PCR-0089, Impact of Safety Strategy Changes.
40. PCR-0092, Change Fire Rating of Exit Discharge in North FSA.
41. PCR-0096, Add Instrument Air Details.
42. PCR-0101, Large ASME Vessels.
43. PCR-0104, Density of Settled MST.
44. PCR-106R1, External Sleeve Valves and Instrument Housings.
45. PCR-0108, Embed Items.
46. PCR-0109, Operations P&ID Completion Updates.
47. PCR-0112, Barium Decay Tank Changes.
48. PCR-0113, Nuclear Safety Construction Support.

49. PCR-0117, Reschedule Basemat Materials.
 50. PCR-0118, Add EFD ALARA Support.
 51. PCR-0120, Revise FSA Transfer Duct.
 52. PCR-0121, Instrument Enclosure IR-022 and IR-023.
 53. PCR-3008, Add 120v AC Power to Instrument Transmitters.
 54. PCR-3009, Modify Contactor Vent System Flush.
 55. PCR-3013, Detention Pond Outlet Structure Baffle.
 56. PCR-3014, Modify Contactor Vent System Flush.
 57. PCR-3023, AFP Filter Loop Rearrangement.
 58. PCR-3025, Design Updates of the APA/FVRBE.
 59. PCR-3026, Enhanced Supplier Oversight.
 60. PCR-3030, Interlocks to Trip Filter Recirculation Pumps on High Vessel Temperature.
 61. PCR-3033, R&ME Schedule Acceleration.
 62. PCR-3035, Safety Analysis Mass Balance.
 63. PCR-3040, High Pressure Back-Up Air Purge Receivers.
 64. PCR-3041, Valve Procurement.
 65. PCR-3055, Fire Protection for HEPA Filters and Glove Boxes.
 66. PCR-3071, REA Proposal for CD-3.
 67. PCR-3054, Loop seal Drains and SSFT Overflow Flush
 68. PCR-3086, Delete steam ejectors and associated appurtenances
 69. PCR-3087, Interlocks to Trip Filter Recirculation pumps on High Vessels
 70. PCR-3133, Revise valve type for CSSX drain valve
 71. PCR-3142, Thermowell & Block valve additions to P&IDs
 72. PCR-3172, HVAC Subcontract allocation
 73. PCR-3177, Construction Execution Strategy revision
 74. PCR-3187, Return extra budget for water heaters
- DOE Order 205.1A, Department of Energy Cyber Security Management Program.
 - DOE Order 210.2 Corporate Operating experience Program
 - DOE Order 226.1A Implementation of DOE Oversight Policy
 - DOE Order 142.3 Unclassified Foreign Visits and Assignments Program
 - DOE Order 221.1A Reporting Fraud Waste and Abuse
 - Negotiated Schedule Milestones and Key performance Incentives

- b. Delete the existing Phase 1 and Phase 2 Line items 0001 thru 0008, Schedule B Contract Line Item structure contained in Section B.2, "Estimated Cost of the Contract and Fund Obligations" in its entirety and incorporate in lieu thereof the Schedule B Contract Line Item structure below.

Note: Phase 1 Values did not change during this negotiation.

Note: Schedule Milestones and Performance Incentives have been added to the Schedule B.

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Contract Line Item Number (CLIN)	CLIN Description	Quantity	Dollar Value
Cost Plus Fixed Fee CLINS – Phase 1			
0001	Startup		
0001 AA	Phase 1 & 2 Startup Estimated Costs	1 Lot	\$9,992,594
0001AB	Fixed Fee for Item 0001AA		\$538,835
	Total Estimated Costs and Fixed Fee for Item 0001		\$10,531,429
0002	Reserved - Demobilization		0
0003	Design Work		
0003AA	SWPF Enhanced Concept Design and Transition to Phase II Estimated Costs	1 Lot	\$4,149,997
0003AB	Fixed Fee for Item 0003AA		\$437,478
	Subtotal Estimated Costs and Fixed Fee for SWPF Enhanced Conceptual Design and Transition to Phase II		\$4,587,475
0003 AC	Preliminary Design Estimated Cost	1 Lot	\$18,900,785
0003 AD	Fixed Fee for Item 0003AC		\$1,134,047
	Subtotal Estimated Cost and Fixed Fee for Preliminary Design		\$20,034,832
0003 AE	Value Engineering Estimated Cost	1 Lot	\$35,350
0003AG	Fixed Fee for Item 0003 AE		\$2,468
	Subtotal Estimated Cost and Fixed Fee for Value Engineering		\$37,818
0003AH	Enhanced Preliminary Design – PC3 Estimated Cost	1 Lot	\$30,098,399
0003AJ	Fixed Fee for Item 0003AH		\$1,777,861
	Subtotal Estimated Cost and Fixed Fee for Preliminary Design – PC3		\$31,876,260
0003AK	Final Design Estimated Cost	1 Lot	\$14,533,461
0003AL	Fixed Fee for Item 0003AK		\$1,453,346
	Subtotal Estimated Cost and Fixed Fee for Final Design		\$15,986,807
0003AM	Enhanced Final Design Estimated Cost	1 Lot	\$109,837,375
0003AN	Fixed Fee for Item 0003AM		\$7,140,014
	Subtotal Estimated Cost and Fixed Fee for Enhanced Final Design		\$116,977,389

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Contract Line Item Number (CLIN)	CLIN Description	Quantity	Dollar Value
0003AP	Testing Engineering Development and Demonstration (EDD) Estimated Cost	1 Lot	\$9,147,889
0003AQ	Fixed Fee for Item 0003AP		\$548,873
	Subtotal Estimated Cost and Fixed Fee for Testing		\$9,696,762
	Total Estimated Cost for Item 0003 Design Work		\$186,703,256
0003AR	Non Fee Bearing Cost Item 0003 <Not included in Target Cost>		<\$39,230,860>
	Total Fixed Fee for Item 0003		\$12,494,087
	Total Estimated Cost, Non Fee Bearing Cost and Fixed Fee for Item 0003 Design Work		\$238,428,203
Total CLINs (0001, 0002, and 0003) Estimated Cost			\$196,695,850
Total CLINs (0001, 0002, and 0003) Non Fee Bearing Cost			\$39,230,860
Total CLINs (0001, 0002, and 0003) Fixed Fee			\$13,032,922
Total CLINs (0001, 0002, and 0003) Estimated Cost, Non Fee Bearing Cost, and Fixed Fee			\$248,959,632
Cost Plus Incentive Fee CLINs – Phase 2			
0004	Reliability and Maintainability Evaluation (R&ME) Testing Target Cost	1 Lot	\$6,362,013
0005 AA	Construction Target Cost	1 Lot	\$611,499,744
0005 AB	Construction Non Fee Bearing Cost <Not included in Target Cost>	1 Lot	<\$108,000,000>
0006	Commissioning Target Cost	1 Lot	\$99,619,285
0007	One Year of Operations – Target Cost	1 Lot	\$37,737,664
0008	Six Months Support – Target Cost	1 Lot	\$3,826,250
Total CLINs (0004, 0005, 0006, 0007, and 0008) Phase 2 Target Cost (Fee Bearing)			\$759,044,956
Total Fee Bearing Cost for Phase 1 and Phase 2 Target Cost			\$955,740,806
Target Cost Incentive Fee at 7% of 20% Phase 2 (Incentive Fee Arrangement excludes all Non Fee Bearing Cost) 80% Government Share – 20% Contractor Share			\$10,626,629
Target Schedule Incentive Fee M-1 Thru M-5 and K-1,K-2A and K-3 Performance Fee			\$63,759,777

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Contract Line Item Number (CLIN)	CLIN Description	Quantity	Dollar Value
Total Target Cost, Target Fee, Fixed Fee and Non Fee Bearing Cost for Phases 1 and 2			\$1,190,390,994
Minimum Cost Incentive Fee at 0% of Phase 2 Target Costs			\$0
Fee Reduction for each calendar day of delay beyond September 30, 2015 for "Start of Hot Commissioning" until "Start of Hot Commissioning" begins.			\$100,000/Day

The total maximum available fee for Cost, Schedule and Performance incentives is: \$ 91,085,395 (excludes Performance Incentive K-2B*)

80% of the total maximum fee is allocated to Schedule Incentives and Performance incentives (excludes Performance Incentive K-2B*): **\$72,868,316**

20% of the total maximum fee is allocated to Cost Incentives: **\$18,217,079**

The Total Available Fee for Phase II (Cost/Schedule/Performance) is: \$91,085,395 (excludes Performance Incentive K-2B*)

Max Fee is established at (12% of \$759,044,956 multiplied by 20%): **\$18,217,079**

Target Fee is established at (7% of \$759,044,956 multiplied by 20%): **\$10,626,629**

Minimum Fee is established at (0% of \$759,044,956): **\$0**

(See Attachment 1 Cost Fee Curve) Phase II Fee curve Target cost is \$867,044,956.

For the purpose of this fee plan, maximum fee is calculated based upon total Fee Bearing Costs of \$759,044,956.

* The total maximum available fee for Cost, Schedule and Performance Incentives were calculated excluding Performance Incentive K-2B. The Cost and Schedule and Performance Incentives are based on meeting contract requirements while Performance Incentive K-2B is an incentive to the contractor for exceeding contract requirements.

Schedule Milestones: 80% of the total Maximum fee is allocated to Schedule Incentives and Performance Incentives (excludes Performance Incentive K-2B). The total Maximum fee was calculated at 12%. The percentage of the Maximum Fee for each Milestone and Performance Incentive is shown below under "Milestone Title" and "Key Performance Incentives" column. The target fee for each Milestone Incentive was determined by taking 9/12 of the Maximum fee for each milestone. The calculation of milestone fees from the Maximum amount will be calculated on a calendar day basis (See Attachment 2).

Performance Incentives: The Performance Incentives (K-1, K-2A, K-2B, and K-3) must be met completely to earn fee. There is no target fee or sliding scale for these incentives.

Milestone Title	Max Fee		Target Fee		Min Fee (0%)
M1- Large ASME Vessels Installed in CPA (3% Fee Available)	1/31/2011	\$2,186,049	4/30/2011	\$1,639,537	8/31/2011
M-2 Contactors installed in CPA (6% Fee Available)	1/31/2011	\$4,372,099	4/30/2011	\$3,279,074	10/31/2011
M-3 Roof at Elevation 176' Complete (6% Fee Available)	10/31/2012	\$4,372,099	1/31/2013	\$3,279,074	8/31/2013
M-4 Construction Complete (15% Fee Available)	9/30/2013	\$10,930,247	1/31/2014	\$8,197,854	11/30/2014
M-5 Ready for CD-4 (Completion of ORR) (20% Fee Available)	7/31/2014	\$14,573,663	12/31/2014	\$10,930,247	9/30/2015

Key Performance Incentives

K-1 Cold Commissioning Incentive 21% of fee at 7.85M Gal/Yr. Cold Commissioning	\$15,302,346
K-2A Hot Operations Incentive 25% of fee at 4.025M Gal/Yr. Hot Operations 1 st Year	\$18,217,079
K-2B Hot Operations Incentive \$4M/100k gallons above 4.025 M gal up to \$24M max.	<\$24,000,000>
K-3 Key Personnel Incentive 4%	\$2,914,733

(See attachment 3 for Milestone and key performance Incentives definitions)

- c. The Cost Ceiling established by this Modification is \$1,169,137,733, for all Phase 1 and 2 costs after which Parsons pays all costs dollar for dollar (on a 0 Govt./100 Contractor) cost share basis up to the amount of fee earned in phase 2, M-1 through M-5, K-1 and K-2A. If unearned fee exists for milestones M-1 through M-5 and K-1 and K-2A, a Revised Cost Ceiling will be established by adding 50% of unearned fee to the Cost Ceiling of \$1,169,137,733. For costs between the Cost Ceiling and the Revised Cost Ceiling, costs

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will be shared at a 50% (Government)/50% (Contractor) ratio, up to an amount equal to all Phase 2 earned fee derived from milestones M-1 through M-5, K-1 and K-2A. If the Revised Cost Ceiling is exceeded, Parsons pays all costs dollar-for-dollar up to an amount equal to all Phase 2 earned fee earned under milestones M-1 through M-5, K-1 and K-2A. (See Attachment 4)

- d. 50% of unearned fee for M-1 through M-4 is added to M-5 available to earn if M-5 milestone is met in accordance with the sliding scale see (Attachment 5 Sliding Scale).
- e. All future DOE directed changes to the Statement of Work (SOW), relative to costs that are determined to be fee bearing, will result in a change to the contract cost ceiling in accordance with the FAR 52.243-2 Changes - Cost Reimbursement (Aug 1987). The existing Cost Curve will not change. For the first change, a new CLIN and new cost curve (80%(Government)/20%(Contractor) fee adjustment formula) will be established with a 7% maximum fee, 7% Target fee and 0% minimum fee. The Target Cost and increase to the contract cost ceiling will be the same and equal to the negotiated cost of the change. For subsequent changes, the contract cost ceiling will increase, and the new CLIN, and Target Cost and Minimum Cost of the new curve will increase by the amount of each subsequent change. Progress will be tracked and reported against the new CLIN for fee evaluation purposes. Therefore, there will be two separate cost curves: the cost curve for CLINs 0004 - 0008 and the cost curve for the newly established CLIN 0009 which represents future DOE directed changes. (See Attachment 6)
- f. \$100K/day fee reduction of earned fee from M-1 through M-5, K-1 and K-2A for each day past 9/30/2015 until Ready for CD-4 is achieved.
- g. In consideration of the modification(s) agreed to herein, the Contractor hereby releases the Government from any and all liability under this contract for the issues addressed in this modification and for any and all further equitable adjustments attributable to such facts or circumstances that are known or should have been known by the Contractor as of the date of execution of this modification.
- h. Section F.1(b) of existing contract is hereby revised as follows:

Milestone	Activity	Date
M1	Large ASME Vessels Installed in CPA	8/31/2011
M2	Contractors installed in CPA	10/31/2011
M3	Roof at Elevation 176' Complete	8/31/2013
M4	Construction Complete	11/30/2014
M5	Ready for CD-4	9/30/2015
K1	7.85M Gal/Yr. Cold Commissioning	N/A
K2	4.025M Gal/Yr. Hot Operations 1 st Year	N/A
K3	Key Personnel Incentive	N/A
	Completion of Contract (on or before) – Date is established by adding one year (CLIN 0007) to the minimum fee M-5 date and also adding 6 Months of Support (CLIN 0008)	3/31/2017

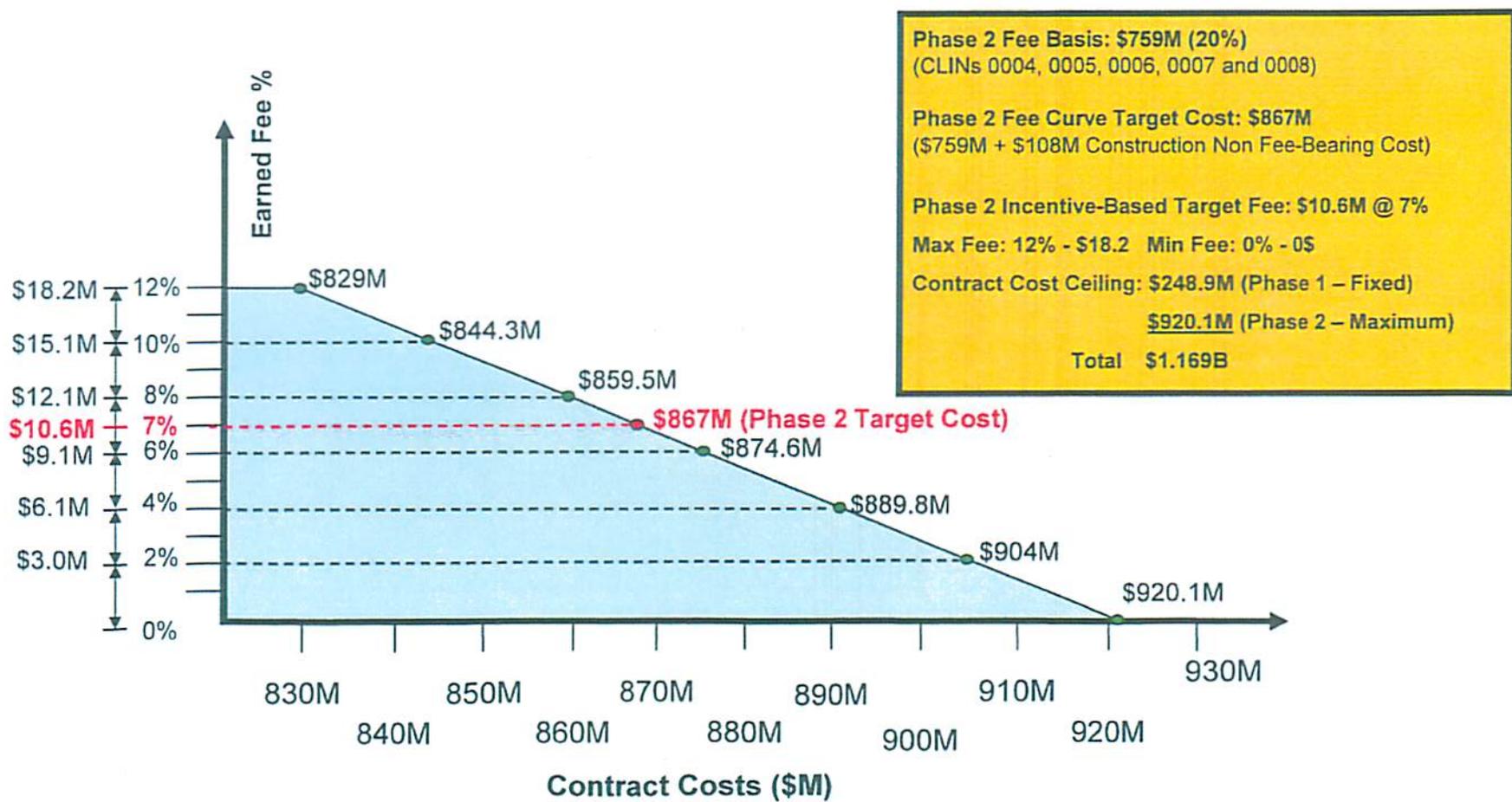
- i. Attachments 1 through 6 of this Modification are hereby incorporated into Section J of the contract.

j. Any language that is inconsistent with this modification in the existing contract is superseded by this modification.

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Attachment 1

SWPF Incentive-Based Fee 20% of Available Fee Pool (80% Government/20 % Contractor Fee Adjustment Formula)



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Attachment 2

Example of Milestone Fee Calculation

- The calculation of milestone fees from the maximum amount will be calculated on a calendar day basis.

- Example #1 - Maximum to Target:** Assume M-1 is achieved 40 days after Maximum date. There are 89 days between the Max and Target dates. Therefore, $40/89 = 0.449$ or 45% of the difference shall be subtracted from the Max Fee to determine fee amount.

Maximum Fee for M-1: \$2,186,049

Target Fee for M-1: \$1,639,537

Difference: \$546,512

Calculation: $\$546,512 \times .45 = \$245,930$

$\$2,186,049 - \$245,930 = \mathbf{1,940,119}$

- Example #2 – Target to Minimum:** Assume M-1 is achieved 85 days after Target date. There are 123 days between the Target and Minimum dates. Therefore, $85/123 = 0.691$ or 69% of the difference shall be subtracted from the Target fee to determine fee amount.

Target Fee for M-1: \$1,639,537

Minimum Fee for M-1: \$ 0

Difference: \$1,639,537

Calculation: $\$1,639,537 \times .69 = \$1,131,281$

$\$1,639,537 - \$1,131,281 = \mathbf{\$508,256}$

Attachment 3

Milestone Definitions

Facility Completion Milestones M.1-M.5

The Completion Milestone Incentive Fee will be earned and payable when the Federal Project Director and Contracting Officer determines the milestones have been completed in accordance with the Completion Milestone Definition Sheets. Completion Milestone Incentive Fee requires meeting the specific dates.

For M.1-M.5, open items will be categorized as either Type A or Type B open items.

Examples of Type A items include:

1. Those that must be complete for the system to meet form, fit, function requirements.
2. Those that must be complete for safe completion of component or system testing.
3. Component labeling must be complete.
4. NCRs must have a disposition. The disposition of the NCR may result in either an A or B corrective action.

Examples of Type B items include:

1. Cosmetic items (painting, insulation)
2. Closure of paper items that have no impact on system or component operability or safety function.

Type B punchlist items do not require closure to meet milestones

M-1. Large ASME Vessels installed in the Central Processing Area – This milestone will be achieved upon the installation of the following CPA large ASME vessels:

TK-101 AST-A in room R193 (C41MD3030)
TK-102 FFT-A in Room R194 (C41MD3040)
TK-104 SSRT in Room R196 (C41MD3060)
TK-205 SEHT in Room R192 (C41MD3090)
TK-109 SSFT in Room R191 (C41MD3080)
TK-105 WWHT in Room 196 (C41MD3070)

For this milestone, "installed" (or installation) is defined as physical placement and orientation of each of the 6 large ASME vessels in its permanent location as defined in the latest revision of design drawings. As determined by the Commissioning Review Board, outstanding Type A punch list actions/discrepancies affecting installation must be documented as fully closed prior to achievement of this milestone. The commissioning review board will recommend to the Federal Project Director and the Contracting Officer that this milestone is complete considering the exclusions below.

Attachment 3

Exclusions

1. Pipe work connections to the vessels.
2. Permanent installation of the manway cover.
3. Completion of the ring beam weld.
4. Removal of any temporary construction aids.
5. Removal of any shipping aids.
6. Open punch list items and nonconformance reports, construction deficiency reports, and field checklists that are not related to the functionality of the vessels, do not impact the follow-on activities, and are documented with justification to be excluded from the milestone.
7. Outstanding vendor documentation that does not prevent the vessels from being used for installation or follow-on construction activities.
8. Installation of temporary protection for the construction phase.
9. Labeling.

M-1 completion documentation: A self assessment by Parsons documenting the completion of M-1 will be provided to the Federal Project Director and Contracting Officer.

M-2. Contactors installed in the Central Processing Area – This milestone will be achieved upon the installation of the 36 CSSX contactors into their permanent CPA locations per design. For this milestone, "installed" (or installation) is defined as the final physical placement of each CSSX contactor modules at its permanent location as defined in the latest revision of design drawings. As determined by the Commissioning Review Board, outstanding Type A punch list actions/discrepancies affecting installation must be documented as fully closed prior to achievement of this milestone. The commissioning review board will recommend to the Federal Project Director and the Contracting Officer that this milestone is complete considering the exclusions below.

Exclusions

1. Piping and electrical connections to the contactor modules.
2. Installation of the contactor motor/rotor assembly.
3. Completion of the module to pedestal liner weld.
4. Removal of any temporary construction aids where it can be demonstrated that these are required for follow-on construction activities.
5. Removal of any shipping aids where it can be demonstrated that a logical case exists for removal at a later date and that these do not impede installation or construction activities.
6. Open punch list items and nonconformance reports, construction deficiency reports, and field checklists that are not related to the functionality of the contactors, do not impact the follow-on activities, and are documented with justification to be excluded from the milestone.
7. Outstanding vendor documentation that does not prevent the contactors from being used for installation or follow-on construction activities.
8. Installation of temporary protection for the construction phase.
9. Labeling.

Attachment 3

M-2 completion documentation: A Parsons self assessment documenting the completion of M-2 will be provided to the Federal Project Director and the Contracting Officer.

M-3. Roof at Elevation 176' Complete - This milestone applies to the Central Processing Area (CPA) Design Areas 01 and 02. This milestone will be achieved upon completion of installation of roofing membrane for roofed areas above the CPA (Design Areas 01 and 02) to include those at the 154' level per design and specifications. As determined by the Commissioning Review Board, outstanding Type A punch list actions/discrepancies affecting installation must be documented as fully closed prior to achievement of this milestone. The commissioning review board will recommend to the Federal Project Director and the Contracting Officer that this milestone is complete considering the exclusions below.

Exclusions

1. Open punch list items and open nonconformance reports, construction deficiency reports, and field checklists that do not interfere with immediate weather protection
2. Coatings and coatings touch up
3. Permanent penetration seals
4. Removal of temporary construction aids
5. Grounding attachments
6. Attachment of lighting fixtures and other equipment items.

M-3 completion documentation: A Parsons self assessment documenting the completion of M-3 will be provided to the Federal Project Director and the Contracting Officer.

M-4. Construction Complete – This milestone will be achieved upon completion of SWPF facility construction work per design and specifications and SWPF Facilities are "ready for use" (FAR Clause 52.211-10), as determined by the Federal Project Director and the Contracting Officer. "Ready for use" is defined as capability to support cold commissioning activities and/or accomplish design function. SWPF Facilities are those facilities located in J-Area to include but not limited to: Central Process Area, CSSX Area, AFF, Cold Chemical Area, Diesel Generator Area, Compressor Building, NFSA, EFSA, Waste Transfer Lines to the designated tie-in points, and other structures, systems and components necessary to support Commissioning.

Open work punch list items will be reviewed, categorized as Type A or B, and approved by the Joint Test Group (JTG). Those Type A and Type B punch list items that affect safety significant systems will be referred to the Commissioning Review Board for approval. Type A punch list items must be complete to achieve this milestone.

Exclusions

1. Final Waste Transfer Line tie-in.
2. Any system/structure/component not required to support commissioning activities including the DOE ORR.

Attachment 3

3. Open Type B punch list items and open nonconformance reports, construction deficiency reports, and field checklists that do not interfere with cold commissioning or the DOE ORR.

M-4 completion documentation: The Commissioning Review Board has demonstrated construction completeness. Parsons shall certify in writing to the Federal Project Director and the Contracting Officer that construction has been completed.

M-5. Ready for CD-4 (Completion of DOE-ORR) – This milestone will be achieved upon the documented successful completion and closure of the DOE Operational Readiness Review. As determined by the Federal Project Director and the Contracting Officer, outstanding actions/discrepancies relating to pre-start findings must be documented as fully closed prior to achievement of this milestone.

The Commissioning Review Board will verify completion of the ORR Pre-start Finding corrective actions prior to CD-4.

M-5 completion documentation: Parsons letter to the Federal Project Director and Contracting Officer documenting readiness to commence Hot Operations.

K-1. Cold Commissioning Incentive Fee (7 consecutive batches at equal to or greater than 7.85 M gal/yr. rate – Threshold Fee required to achieve CD-4) - This milestone will be achieved upon the documented achievement of equal to or greater than 7.85 M gal/yr equivalent rate of salt waste treatment and decontamination over 7 consecutive batches of feed during cold commissioning. Batches must meet the parameters defined in Table 1 “Cold Commissioning KPP Summary Table” of the Key Performance Parameter Validation Plan (V-PMP-J-00009, latest revision) and as further defined through final development of the Commissioning Plan. This incentive must be completely met to earn fee. There is no target or sliding scale for this incentive.

- Batches must be processed through all unit operations (Alpha Strike Process, CSSX, and Alpha Finishing Process).
- DOE will approve the simulant composition via the Commissioning Plan prior to cold commissioning.
- The volume credited will be the volume of waste originally received in the Alpha Sorption Tank-A (adjusted to 6.44 M [Na]) associated with the batch of waste transferred out of the Decontaminated Salt Solution Hold Tank.
- All products and secondary wastes will meet the relevant specification and interface requirements. The results shall be provided to DOE for review and approval. (Table C.5-1.1, Deliverable 5.4).

K-1 completion documentation: A Parsons letter forwarding the results of K-1 will be provided to the Federal Project Director and the Contracting Officer for review and approval. (Table C.5-1.1, Deliverable 5.4)

*mgk
1/28*

Attachment 3

K-2. Operational Incentive Fee – Threshold Fee - Achieving greater than 4.025 M gal in first year of operations – This milestone will be achieved in the following manner:

- A. A threshold fee will be awarded at the described percentage for achieving 4.025 M gallons of throughput in accordance with the documented SWPF Key Performance Parameter Validation Plan (V-PMP-J-00009, latest revision). This incentive must be completely met to earn fee. There is no target or sliding scale for this incentive.
- B. A \$4M additional incentive will be paid for each 100,000 gallon increment above 4.025 M gallons up to a maximum of \$24M.

This throughput is based on the assumed availability of waste feed from the Tank Farms, and the availability of DWPF and Saltstone to accept waste product from the SWPF during the first year of operation.

- (i) The Liquid Waste System Contractor will be set up to receive Decontaminated Salt Solution (DSS) within 6 hours of notification from SWPF.
- (ii) The Liquid Waste System Contractor will be set up to receive strip effluent and MST/Sludge within 24 hours of notification from SWPF.
- (iii) The Liquid Waste System Contractor will commence transfer of a new waste batch to SWPF at design flow rates within 6 hours of notification from SWPF.

K-2 completion documentation: A Parsons letter documenting the volume of waste processed during the first year of operations will be provided to the Federal Project Director and the Contracting Officer.

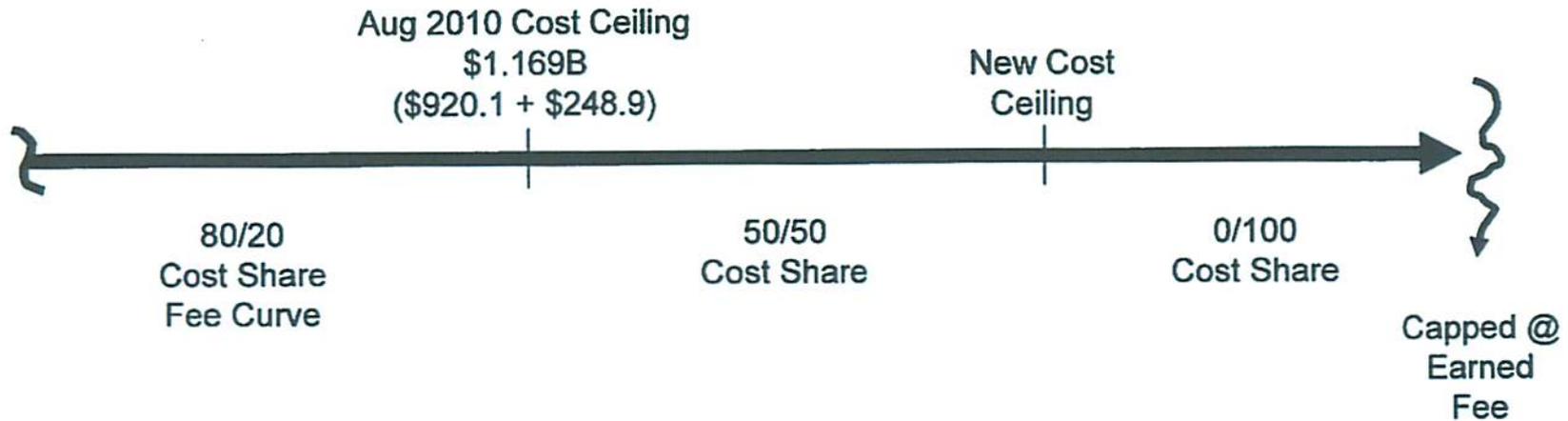
K-3. Key Personnel Incentive Fee – This incentive will be paid if the key personnel listed below remain on the project through completion of the respective schedule milestones associated with their names. Consideration will be given to events outside the control of Parsons, the key person. Examples include but are not limited to: Call to Military Duty, Health, mutual agreement with DOE based on project performance, etc.

Tom Burns – Engineering Manager – Through Completion of Milestone M-5
Chuck Swain – Construction Manager – Through Completion of Milestone M-4
Mark Breor – Project Manager – Through Completion of Milestone M-5

2/2/11

Attachment 4

Cost Ceiling Example



Example:

Assume \$40M unearned fee from M-1 through M-5, K-1 and K-2A

50% x unearned Fee = \$20M (Shared 50/50)

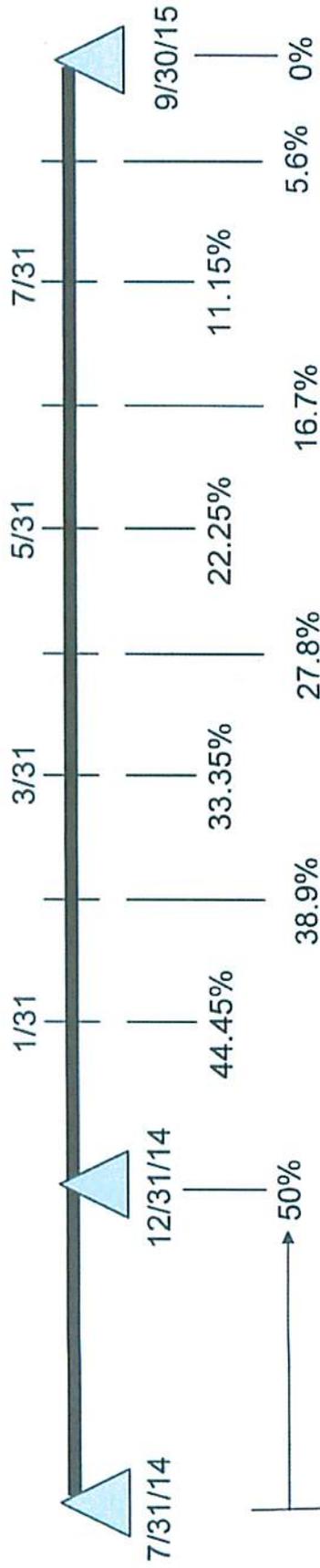
New Cost Ceiling = \$1.169B + \$20M = \$1.189B

After \$1.189B is exceeded, cost share becomes 0/100 – capped at earned fee from M-1 through M-5, K-1 and K-2A

2/24/14

Attachment 5

50% Unearned Fee (M-1 through M-4), Available to be Earned by Completing M-5 on Sliding Scale as Outlined below



50% of Unearned Fee Reduced by 11.1%/month (9 months/100% = 11.1%)

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Attachment 6

SWPF Incentive-Based Fee EXAMPLE

DOE Directed Changes at 7% (80% Government/20 % Contractor Fee Adjustment Formula)

