

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES
			1 1
2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (if applicable)
173	See Block 16C	11EM002600	
6. ISSUED BY	CODE	7. ADMINISTERED BY (if other than Item 6)	CODE
Savannah River Operations U.S. Department of Energy Savannah River Operations P.O. Box A Aiken SC 29802	00901	Savannah River Operations U.S. Department of Energy Savannah River Operations P.O. Box A Aiken SC 29802	00901
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)		9A. AMENDMENT OF SOLICITATION NO.	
SAVANNAH RIVER NUCLEAR SOLUTIONS, LLC Attn: LLOYD CLEVINGER 203 LAURENS ST SW AIKEN SC 298012421		(x)	
CODE 798861048 FACILITY CODE		9B. DATED (SEE ITEM 11)	
		X 10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC09-08SR22470	
		10B. DATED (SEE ITEM 13) 01/10/2008	

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 ACKNOWLEDGEMENT 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)

No change in accounting and appropriation data

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

CHECK ONE	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).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Clause H-28 - Performance-Based Incentives
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Tax ID Number: 26-0240191

A. The purpose of this modification is to incorporate the attached American Recovery and Reinvestment Act (ARRA) Performance Evaluation and Measurement Plan (PEMP), Revision 2, for the performance period of August 1, 2010 through December 31, 2012. Previous editions of the ARRA PEMP incorporated by modifications 092 and 158 are deleted in their entirety.

B. All other terms and conditions remain unchanged.

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)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)	
John W. Tumpke, Director Contracts		Charlene Smith	
15B. CONTRACT/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
 (Signature of person authorized to sign)	5/18/11	 (Signature of Contracting Officer)	5/18/11



U.S. DEPARTMENT OF
ENERGY

Savannah River Site



A M E R I C A N R E C O V E R Y A N D R E I N V E S T M E N T A C T

SAVANNAH RIVER RECOVERY ACT PROGRAM

Performance Evaluation and Measurement Plan

Savannah River Nuclear Solutions, LLC
Contract No. DE-AC09-08SR22470

Performance Period:
August 1, 2010 through December 31, 2012

American Recovery and Reinvestment Act of 2009

U.S. Department of Energy
Savannah River Operations Office
Post Office Box A
Aiken, South Carolina 29802

Contact DOE-SR Office of External Affairs at 803-952-7697, visit www.srs.gov, or call the SRS ARRA Hotline at 1-866-GO-RECOVER (1-866-467-3268) for more information.

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Program Document No. SR-ARRA-10-0039
Revision: 2
Date: May 18, 2011

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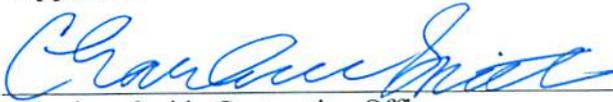
Approvals for Performance Evaluation Measurement Plan

Savannah River Nuclear Solutions, LLC

Contract No. DE-AC09-08SR22470

Performance Period: August 1, 2010 through December 31, 2012

Approval:

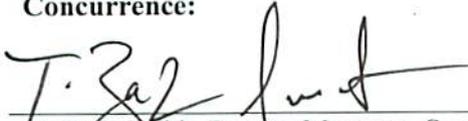


Charlene Smith, Contracting Officer
Savannah River Operations Office
U.S. Department of Energy

5/18/11

Date

Concurrence:

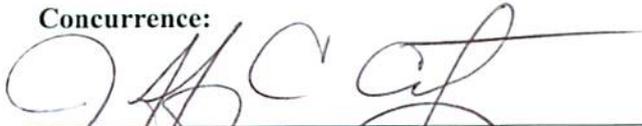


T. Zack Smith, Deputy Manager, Savannah River Operations Office
Contracting Officer's Representative
Savannah River Operations Office
U.S. Department of Energy

05/18/11

Date

Concurrence:



Jeffrey Craig Armstrong, Director, Office of Acquisition Management
Savannah River Operations Office
U.S. Department of Energy

5/18/11

Date

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Change Synopsis

Revision	Effective Date	Affected Pages	Summary of Change
0	August 1, 2010	All	Initial issue.
1	March 23, 2011	Various	<ul style="list-style-type: none">Deleted references in Sections 6.0 and 7.1 regarding payment of \$1,000,000 of provisional feeAdded Section 10.1.5 contract output SWM-5 for DUO shipmentsRevised sections 11.1.1 through 11.2.2 to move \$1,040,576 from the TRU Waste PBIs to the newly added DUO PBIRevised SRNS cost (obligation) amounts based on Mod 145 in Section 2.2
2	May 18, 2011	Various	<ul style="list-style-type: none">Added section 12.1.10, 12.1.10.1, 12.1.10.2, 12.1.10.3. Modified Section 6.0

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List of Acronyms

AgCl	Silver Chloride
AM	[DOE-SR] Assistant Manager
ARRA	American Recovery and Reinvestment Act of 2009
BCP	Baseline Change Proposal
BOE	Basis of Estimate
CBFO	Carlsbad Field Office
CCB	Configuration Control Board
CCP	Central Characterization Project
CERCLA	<i>Comprehensive Environmental Response, Compensation and Liability Act of 1980</i>
CH	contact-handled [TRU]
CMP	Contractor Management Plan
CPAF	Cost Plus Award Fee [contract]
CY	calendar year
D&D	deactivation and decommissioning
DAOU	D Area Operable Unit
DEAR	Department of Energy Acquisition Regulations
DOE	[U.S.] Department of Energy
DPFR	Decommissioning Project Final Report
DSA	Documented Safety Analysis
EA	Expert Analysis
ECODS	Early Construction and Operations Disposal Site
EM	Office of Environmental Management
EMAAB	Environmental Management Acquisition Advisory Board
EVMS	Earned Value Management System
FAR	Federal Acquisition Regulations
FDO	Fee Determining Official
FFA	Federal Facility Agreement
FIS	Fee Invoicing System
FPD	Federal Project Director
FY	Fiscal Year
GFS/I	Government Furnished Services & Items
HGS	Head Gas Space
HW	hazardous waste
HWCTR	Heavy Water Components Test Reactor
IMP	Interface Management Plan
IPABS	Integrated Planning, Accountability, and Budgeting System
IPABS-IS	IPABS-Information System
IPAM	Integrated Performance Assurance Manual
IPT	Integrated Project Team
ISMS	Integrated Safety Management System
LC	Large Container
LLW	low-level radioactive waste
M&O	Management and Operating [Contractor]

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Savannah River Recovery Act Program
Performance Evaluation and Measurement Plan
Savannah River Nuclear Solutions, LLC
Contract No. DE-AC09-08SR22470

Performance Period: Aug. 1, 2010 through Dec. 31, 2012

List of Acronyms

MAOU	M Area Operable Unit
MLLW	mixed hazardous low-level radioactive waste
NDA	Non-Destructive Assay
NDE	Non-Destructive Examination
NNSA	National Nuclear Security Administration
NTS	Nevada Test Site
OSA	Onsite Safety Assessment
PAOU	P Area Operable Unit
PBS	Project Baseline Summary
PBI	Performance Based Incentive
PEMP	Performance Evaluation Measurement Plan
PFA	Performance Fee Agreement
POP	Project Operating Plan
RAOU	R Area Operable Unit
RCRA	<i>Resource Conservation and Recovery Act of 1976</i>
RH	remote-handled [TRU]
RMP	Risk Management Plan
SCDHEC	South Carolina Department of Health and Environmental Control
SLB	Standard Large Box
SME	Subject Matter Expert
SOW	Statement of Work
SRM	[DOE] Savannah River Manual
SRS	Savannah River Site
SRNS	Savannah River Nuclear Solutions, LLC
SWB	Standard Waste Box
TDOP	Ten Drum Overpack Containers
TSCA	<i>Toxic Substances Control Act of 1976</i>
TRU	transuranic waste
USEPA	U.S. Environmental Protection Agency
USFS	U.S. Forestry Service
WBS	Work Breakdown Structure
WIPP	Waste Isolation Pilot Plant

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1.0 PURPOSE AND INTRODUCTION

This document serves as the Performance Evaluation Measurement Plan (PEMP) for Savannah River Nuclear Solutions, LLC (SRNS) as work is performed under Contract No. DE-AC09-08SR22470 and funded by the *American Recovery and Reinvestment Act of 2009* (ARRA; henceforth referred as Recovery Act). U.S. Department of Energy (DOE) Office of Environmental Management (EM) chartered the Savannah River Recovery Act Program (SRRAP) to execute Recovery Act funds by performing EM mission activities at the Savannah River Site (SRS) in Aiken, South Carolina.

The SRS is government-owned and contractor-operated. At SRS, the DOE utilizes management and operating (M&O) contracts to provide landlord services and perform Departmental mission activities. These contracts are subject to the appropriate provisions of *Code of Federal Regulations* (CFR), Title 48, "Federal Acquisition Regulations System," Chapter 1, "Federal Acquisition Regulation (FAR)," and in CFR, Title 48, Chapter 9, "Department of Energy Acquisition Regulations (DEAR)," and Subchapter I, Agency Supplementary Regulations, Part 970, "DOE Management and Operating Contracts."

SRNS is the M&O Contractor at the SRS. The SRNS Contract is a cost-reimbursable contract with performance-based award fee or, as commonly referred to as cost, plus award fee (CPAF).

Development of a PEMP is identified in Section H-28, "Performance Based Incentives," of the SRNS Contract; a separate Recovery Act PEMP is referenced in Contract Modification A024, awarded on April 8, 2009.

This document addresses development of Performance Fee Agreements (PFA) between DOE-SR and SRNS. This includes administration of performance measures, including Performance-Based Incentives (PBI), and award fee defined in the Contract. The performance incentives that EM established under the Contract are contained in this PEMP as are provisions regarding establishment of the award fee pool and payment of incentives awards.

To ensure compliance with intent of the Recovery Act, guidelines were reviewed and incorporated as applicable. Guidance such as the "Supplement Guidance to CFO/MA Memorandum of March 3, 2009" and the "Guidance for Modifications" were reviewed.

The total scope of this PEMP is based on the total obligation of Recovery Act funding to SRNS of \$1,396,182,026 to execute SRRAP scope during the period of performance from April 8, 2009 through December 31, 2012. For work performed during the period from April 8, 2009 through July 31, 2010, a fixed fee structure was utilized. The PFAs described in this PEMP provide incentives for work performed from August 1, 2010 through December 31, 2012.

2.0 RECOVERY ACT PEMP PROCESS

2.1 Background

The Recovery Act is an unprecedented effort to jumpstart the United States economy, create and retain millions of jobs, and put a down payment on addressing long-neglected challenges to allow the country to thrive in the 21st century. The Recovery Act, which was passed by the 111th Congress on February 13, 2009 and signed into law by the President on February 17, is an extraordinary response to a crisis unlike any since the Great Depression, and includes measures to modernize the nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need. The purposes of the Recovery Act are the following:

- To preserve and create jobs and promote economic recovery;
- To assist those most impacted by the recession;
- To provide investments needed to increase economic efficiency by spurring technological advances in science and health;
- To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits; and
- To stabilize state and local government budgets in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

Office of Environmental Management identified several opportunities to significantly reduce its cleanup program lifecycle costs by making upfront investments on its core mission activities as described in *Report to Congress: Status of Environmental Management Initiatives to Accelerate the Reduction of Environmental Risks and Challenges Posed by the Legacy of the Cold War* (January 2009). These upfront investments include:

- Near-Term Completion – Accelerating the completion of mission activities at EM's smaller sites and at DOE's national laboratories thereby reducing EM's remaining work to the larger sites;
- Footprint Reduction – Accelerating the completion of environmental (soil and groundwater) remediation and facility deactivation and decommissioning (D&D) at the larger sites thereby reducing EM's remaining work to the areas of the site where long-term mission activities still need to be completed; and
- Solid Radioactive Waste Disposal – Accelerating the disposal of transuranic waste and low-level radioactive waste in an effort to maximize the use of readily available disposal facilities and capabilities.

Congress and the President have afforded EM the opportunity to execute these initiatives and realize a return on investment by providing funds through the Recovery Act. Title IV—Energy and Water Development, Department of Energy, Energy Programs of the Recovery Act provides a total of \$6,000,000,000 in the following appropriations:

- \$483,000,000 for Non-Defense Environmental Cleanup,
-

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\$390,000,000 for Uranium Enrichment Decontamination and Decommissioning Fund, of which \$70,000,000 shall be available in accordance with Title X, Subtitle A of the *Energy Policy Act of 1992*, and

\$5,127,000,000 for Defense Environmental Cleanup.

At the SRS, an investment of \$1,615,400,000 in the Defense Environmental Cleanup appropriation was made to achieve the objectives of the Recovery Act while executing the EM strategic initiatives. These funds are in addition to those received through the annual appropriations of the *Energy and Water Development Appropriation Act* for EM's base program.

The SRRAP was initially divided into four SRS Recovery Act "projects" with four corresponding Budget Authorities. The DOE financial source data for each of the four "projects" are provided in the tables below. These tables do not reflect obligations to the SRNS contract.

Table 1. DOE Financial Source Data for P & R Recovery Act Project

Recovery Act Project:	Savannah River Site D&D P & R Recovery Act Project
TAFS:	89-09/10-0253
Project Identification Code:	2002150
Recovery Act Bill Reference:	PL 111-5, Title IV – Energy and Water Development, Defense Environmental Cleanup (H.R. 1-26)
Project Cost:	\$579,000,000
Budget Authority:	06049, FD.05.11.00.0 - \$579,000,000
Program Office:	Environmental Management (EM)
Recovery Program Plan:	EM – Defense
Completion Date:	September 30, 2011

Table 2. DOE Financial Source Data for M & D Recovery Act Project

Recovery Act Project:	Savannah River Site D&D M & D Recovery Act Project
TAFS:	89-09/10-0253
Project Identification Code:	2002151
Recovery Act Bill Reference:	PL 111-5, Title IV – Energy and Water Development, Defense Environmental Cleanup (H.R. 1-26)
Project Cost:	\$130,000,000
Budget Authority:	06049, FD.05.12.00.0 - \$130,000,000
Program Office:	Environmental Management (EM)
Recovery Program Plan:	EM – Defense
Completion Date:	September 30, 2011

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Table 3. DOE Financial Source Data for D&D, Soil & Groundwater Activities

Recovery Act Project:	Savannah River Site D&D, Soil & Groundwater Activities
TAFS:	89-09/10-0253
Project Identification Code:	2002152
Recovery Act Bill Reference:	PL 111-5, Title IV – Energy and Water Development, Defense Environmental Cleanup (H.R. 1-26)
Project Cost:	\$365,400,000
Budget Authority:	06049, FD.05.13.00.0 - \$365,400,000
Program Office:	Environmental Management (EM)
Recovery Program Plan:	EM – Defense
Completion Date:	September 30, 2011

Table 4. DOE Financial Source Data for TRU & Solid Waste Recovery Act Project

Recovery Act Project:	Savannah River Site TRU & Solid Waste Recovery Act Project
TAFS:	89-09/10-0253
Project Identification Code:	2002153
Recovery Act Bill Reference:	PL 111-5, Title IV – Energy and Water Development, Defense Environmental Cleanup (H.R. 1-26)
Project Cost:	\$541,000,000
Budget Authority:	06049, FD.05.30.00.0 - \$541,000,000
Program Office:	Environmental Management (EM)
Recovery Program Plan:	EM – Defense
Completion Date:	September 30, 2011

2.2 Final Obligation of Recovery Act Funds to SRNS

In July 2010, the U.S. Office of Management and Budget (OMB) approved the DOE's request to reappropriation Recovery Act funds based on the technical scope, performance milestones and measures, funding levels, and cost profile described in the Project Operating Plan (POP) (June 18, 2010) for each of the four Recovery Act Projects. Contract Modification 90 and Modification 91 were issued in August 2010 to obligate funds accordingly. In February 2011, Modification 145 was issued to show the total funds obligated as of September 30, 2010. The tables below reflect the SRNS obligations, and serve as the basis, in part, for determining the award fee pool.

Table 5. Financial Source Data for P & R RA Project to Support SRNS Contract Mod. 145

Recovery Act Project:	Savannah River Site D&D P & R Recovery Act Project
TAFS:	89-09/10-0253
Project Identification Code:	2002150
SRNS Cost (Obligation):	\$416,711,472.35
Revised Budget Authority:	06049, FD.05.11.00.0 - \$417,715,000
Revised Completion Date:	September 30, 2012
SRNS PEMP Period of Performance:	August 1, 2010 through September 30, 2012

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Table 6. Financial Source Data for M & D RA Project to Support Contract Mod. 145

Recovery Act Project:	Savannah River Site D&D M & D Recovery Act Project
TAFS:	89-09/10-0253
Project Identification Code:	2002151
SRNS Cost (Obligation):	\$23,530,068.83
Revised Budget Authority:	06049, FD.05.12.00.0 - \$23,550,000
Completion Date:	September 30, 2011
SRNS PEMP Period of Performance:	August 1, 2010 through September 30, 2011

Table 7. Financial Source Data for D&D, Soil & Groundwater Activities RA Project to Support Contract Mod. 145

Recovery Act Project:	Savannah River Site D&D, Soil & Groundwater Activities
TAFS:	89-09/10-0253
Project Identification Code:	2002152
SRNS Cost (Obligation):	\$235,738,869.79
Revised Budget Authority:	06049, FD.05.13.00.0 - \$236,199,000
Completion Date:	September 30, 2011
SRNS PEMP Period of Performance:	August 1, 2010 through September 30, 2011

Table 8. Financial Source Data for TRU & SW RA Project to Support Contract Mod. 145

Recovery Act Project:	Savannah River Site TRU & Solid Waste Recovery Act Project
TAFS:	89-09/10-0253
Project Identification Code:	2002153
SRNS Cost (Obligation):	\$720,201,615.20
Revised Budget Authority:	06049, FD.05.30.00.0 - \$737,936,000
Revised Completion Date:	December 31, 2012
SRNS PEMP Period of Performance:	August 1, 2010 through December 31, 2012

2.3 Performance Document Hierarchy

This Recovery Act PEMP is subordinate to the prime contract. Therefore, where matters of interpretation are concerned the original contract supersedes the Recovery Act PEMP and represents the final decision. Any matters of interpretation are to be identified to the CO for resolution.

2.4 Performance Planning

This Recovery Act PEMP was developed with federal and contractor staff input. Both federal and contractor parties strive to reach mutual agreement on expected business, operational and technical performance and work together to develop incentives and award fee descriptions and associated measures tied to key end products, DOE strategic goals and objectives. Incentives and fee demonstrate direct flow down of DOE strategic goals and priorities.

The CO reserves the unilateral right to make final decisions on all performance objectives and incentives (including the associated measures and targets) used to evaluate contractor performance, including any modifications. Only the CO can change the Recovery Act PEMP. No changes will occur to the Recovery Act PEMP in the last 60 days of the evaluation period, unless with bilateral agreement between the DOE-SR and SRNS.

The CO may mutually negotiate with the contractor additional available fee for additional work not covered by the available budget. The funds for such work and the associated available fee is funded through the contractor's efficiencies in accomplishing the otherwise funded work. The additional work must be performed in a safe manner meeting all necessary requirements; and the performance of the additional work cannot affect the safe, proper performance of the otherwise funded work. Any additional work will be authorized in accordance with provision in the contract Section H entitled, *Work Authorization System* and is considered Super Stretch scope. This additional work falls under the management of DOE Order 412.1A, *Work Authorization System*.

A Super Stretch Incentive is defined as a performance-based incentive designed to motivate the contractor to accomplish unbudgeted work through cost efficiencies and/or savings realized during execution of an existing performance measurement baseline and/or contract work authorization document. Work that is associated with a Super Stretch incentive may be initiated under a pre-approved (through the formal change control process) baseline planning package and then executed and completed under a work package. Because Super Stretch-incentivized work and the associated award fee pool are unbudgeted and unfunded, the contractor must provide objective evidence that cost efficiencies/savings are realized or that cost efficiencies/savings are forecasted at a high degree of certainty. In some cases, initiation of a Super Stretch-incentivized planning package may result in an over-target baseline condition. The contractor is expected to exercise diligence and discretion to ensure work is completed and objectives are achieved under the existing approved performance baseline while planning and executing Super Stretch-incentivized work. Because a Super Stretch Incentive is focused on delivery of an end product, measures and metrics must be objective.

2.5 Completion Criteria and Validation Documentation

Savannah River Recovery Act Program federal and contractor management developed performance criteria to complete work authorization outputs. The criterion considers fee allocation based on assumption of liability per FAR Subpart 950.71, "General Contract Authority Indemnity," and project risk assumptions, including Government Furnished Services/Items (GFS/I). Assumptions and GFS/I are identified in Work Breakdown Structure (WBS) Basis of Estimate (BOE), and are communicated to the DOE through the contract performance baseline (CPB). In addition, a list of GFS/I is identified for each PFA in this PEMP.

Completion criteria are identified within the PFAs to ensure DOE and the contractor agree what constitutes completion of the performance. This documentation can take many forms such as a shipping manifest, completion of a walk-down, a report, etc. It is important that actual means of verification is agreed to and documented during the PFA development.

NOTE: Performance language should reflect sensitivities relative to site activities and facilities, and operational security, according to DOE Order 470.4A, *Safeguards and Security Program*.

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2.6 Performance Fee Agreement

A PFA is the agreement between DOE-SR and SRNS that identifies specific performance criteria for executing SRRAP objectives as well as EM mission objectives and contains criteria for evaluating performance completion. The PFAs identify the PBIs and associated contractor outputs that achieve the PBI. The PFAs include:

- Correlation to SRRAP reporting structure and the financial accounts
- Performance period and allocated fee
- Federal and contractor points of contact, review and approval
- Performance outcome
- Contract output (from contract statement of work)
- Output requirement (from contract listing of directives and standards)
- Completion criteria, including specific criteria to demonstrate completion
- Evaluation criteria
- Scope, Schedule, Cost
- GSF/I

The agreements represent formal and binding performance fee expectations on the part of DOE and SRNS and identify the fee allocation amount for each performance component.

The Integrated Project Team (IPT) may determine early fee payment is an appropriate incentive for work completed ahead of schedule, provided all other requirements for completing work are satisfied, and necessary change/configuration controls and risks have been addressed.

2.7 Performance Fee Agreement for ARRA Scope

The fee pool for Recovery Act scope is commensurate with the fee pool percentage SRNS bid on for the competed work scope under the original base prime contract.

A Fee Allocation Model is used to demonstrate distribution of fee based on weighting of funding, priority and complexity. The Fee Allocation Model outcome is used to develop expected fee earning based on the Performance Fee Agreements.

Multiple Performance Fee Agreements were prepared to align with performance-related groupings of project activities.

3.0 CHANGE CONTROL

All correspondence regarding proposed changes to PFAs shall be sent to the CO. The CO consults with the SRRAP FPD to determine if the proposed change impacts the CPB. If the

proposed change does not impact the baseline, the CO will issue correspondence to SRNS that incorporates the advice of a Subject Matter Expert (SME) concerning the proposal.

Action directed by CO correspondence is considered to be within scope of work of the existing contract. If SRNS considers that carrying out this direction may increase contract costs or delay any delivery, SRNS shall promptly notify the CO orally, confirming and explaining the notification in writing as soon as possible, but within no more than five (5) working days. Following oral notification and submission of the written notice of impacts, SRNS shall await further direction from the CO prior to implementing the action.

If the proposed change impacts the baseline and exceeds the established change thresholds, then the CO will request SRNS to develop a BCP for review by the SRRAP Change Control Board. The DOE has an established a Change Control Board (CCB) with assigned levels of approval authority based on change thresholds and/or contractual authority. This approach was designed to ensure changes can be addressed rapidly without compromising control. Both parties recognize that modified work scope may occur and change control actions will be processed in a timely manner.

4.0 FEDERAL OVERSIGHT OF CONTRACTOR PERFORMANCE

Central to administration of the contract is assessment of SRNS performance. All federal staff members performing assessments are expected to understand terms and conditions of the contract. In order to verify performance, a systematic process of assessment, analysis, documentation and feedback will be required. A range of assessment techniques from data/metric reviews and analysis, to review of self-assessments by SRNS, to formal multidisciplinary assessments will be employed. The assessments will be tailored based on the level of definition of the work requirements and complexity of the function.

Procedures for assessing contract performance are described in the SR Manual (SRM) 226.1.1, *Integrated Performance Assurance Manual*. The intent of the oversight processes described in the manual is to assure SRNS compliance with contract requirements, provide for timely identification and correction of deficient conditions, verify effectiveness of completed corrective actions, and pursue excellence through continued improvement. Additionally, the manual is intended to assist DOE in implementing the site contractor oversight system (a management framework of related processes to determine whether DOE and SRNS assurance programs are performing effectively and/or complying with DOE requirements).

The SRNS oversight system is founded on an integrated safety management system (ISMS), emulating DOE Policy 450.4, *Safety Management System*. SR Manual 226.1.1 describes processes comprising the contractor oversight system, which enables DOE to: (1) clearly communicate requirements and expectations to contractors; (2) assess the quality, effectiveness, and efficiency of contractor assurance systems and resulting work products in complying with contract requirements; (3) effect continuous improvement in contractors' operations; and (4) enhance the effectiveness of DOE-SR oversight of contractor performance.

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The SRNS oversight system provides DOE site management information needed to make informed decisions regarding both contractor and DOE performance and to determine whether program corrections are necessary. Communicating requirements and expectations to the contractor is an essential component in the SRNS oversight system. Requirements and expectations are communicated through the Statement of Work, special clauses, contract modifications, and through technical direction by the CO or representative.

SR Manual 226.1.1 provides detailed requirements for standardized scheduling, planning, conducting, reporting, and follow-up and closure activities for Type 1, 2, and 3 Assessments. Assessments are designed to provide managers with meaningful, accurate, and current information on the status of program compliance, productivity, and quality. Use of standardized assessment methods is a key feature of DOE site performance assurance.

In accordance with DOE Order 226.1A, *Implementation of Department of Energy Oversight Policy*, the site also uses independent and self-assessments to determine effectiveness of site assessment of the implementation of contractor assurance systems for environment, safety, and health; safeguards and security; emergency management; cyber security; and business practices systems and their sub elements. Results from these independent and self-assessments in addition to external assessments provide insight into areas where improvements in contractor oversight can be made. The end result is a management system regularly assessing performance, assuring comprehensive corrective action, and providing continuous improvement by identifying, correcting, and preventing problems hindering achievement of site missions.

The DOE will dedicate resources to verify interface management and interface control activities, led by SRNS, are the result of collaborative efforts on the part of all contractors who perform work at SRS to define system boundary and interfacing systems, document system boundaries and interfacing systems, and define interface functions and requirements. In addition to verifying all required documentation is in place, DOE will resolve disputes between and/or among contractors.

The DOE prime contractors will provide or receive services from other contractors and ensure deliverables, including GFS/I, are identified and documented in accordance with Interface Management plan/program. The Interface Management IPT will verify when SRNS requests services from another contractor; they provide specifications, requirements, hazard information, quality assurance, technical, safety, and environmental requirements for the work to be performed. Contractors requesting services from SRNS are responsible for oversight of requirements related to the specific work task(s) to ensure the performing contractor delivers a product or service meeting requirements of the requesting contractor. The DOE is responsible for the oversight of the individual DOE prime contractors and ensuring they meet the requirements for delivery of services. The performing contractor is expected to consult DOE whenever requirements conflict with, or are greater than, its own baseline requirements.

5.0 PERFORMANCE EVALUATION

Upon completion of performance criteria described in the PFA, SRNS will provide documentation in the Fee Invoicing System (FIS) and forward the documentation to the relevant DOE organization technical representative, who in turn will perform a verification to confirm

output criterion has been met. This may also require an in-field validation. Upon verification and/or in-field validation, recommendation is forwarded through the primary division office to the SRRAP FPD. Results of the verification should be documented per SRM 226.1.1C, *Integrated Performance Assurance Manual (IPAM)*.

Members of the IPT who are federal employees participate in reviewing technical representative verification and/or in-field validation reports, discussions relative to contractor performance, and recommending to the SRRAP FPD a percentage of fee appropriated for a specific incentive. The SRRAP FPD will verify documentation provided demonstrates satisfactory completion according to performance incentive requirements. Fee determination will be made in accordance with the Recovery Act PEMP based on fee identified in the PFA.

SRNS may perform a self-assessment of their performance. The SRRAP FPD will review any assessment provided by SRNS. If the SRRAP FPD does not concur with the SRNS' self-evaluation and recommendation, all such disagreements shall be expressed in a performance evaluation letter to SRNS. The SRNS CO shall submit written comments and any supporting documentation to the SRRAP FPD within five (5) working days of receiving the evaluation letter. Within ten (10) working days of receiving any contractor comments or reclama, the SRRAP FPD shall provide the DOE CO a recommendation, including amount, rationale, and justification.

When disputes occur during the verification process and resolution is not forth coming between SRNS and the appropriate DOE-SR Assistant Manager (AM), the IPT is the avenue for dispute resolution. The parties should request a special IPT review to present the case and the IPT should be responsible for making the determination on an appropriate path forward.

The IPT will routinely measure and report contractor:

- Technical performance (quality of product/service)
- Cost control
- Adherence to schedule
- Business relations

The survey is critical to record contract performance that is considered implicit, or subjective. Clear measures will be defined and consistent with standards of reporting contractor performance (FAR 42.15, FAR 15.3, FAR 9.1, and DEAR 909.1), The *Federal Acquisition Streamlining Act of 1994*, and the *Federal Acquisition Guide*, Chapter 42.15.

6.0 PAYMENT OF FEE

The contractor requests fee payment by submitting an invoice. Following verification by the relevant DOE organization manager/agreement owner, recommendation is forwarded to the SRRAP FPD/Fee Determining Official (FDO). The SRRAP FPD provides a recommendation to the FDO and CO on fee payment for each invoice, or recommends to the CO a change to the fee payment (unearned fee). Fee payment is considered provisional throughout the performance period. Pursuant to Contract Clause I.40 - DEAR 970.5215-1 Total Available Fee: Base Fee Amount and Performance Fee Amount (DEC 2000) ALTERNATE II (DEC 2000) ALTERNATE

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IV (DEC 2000), the Government shall, at the conclusion of the SRRAP performance period (i.e., August 1, 2010 through the end of ARRA project), evaluate the contractor's performance of all requirements, including performance based incentives completed during the period, and determine the total available fee earned. Determination of the total available fee earned, including performance incentive fee earned, is the unilateral determination of the FDO.

Total available earned fee amount payments are made by direct payment or withdrawn from funds advanced or available under the contract, as determined by the CO in accordance with contractor's compliance with special terms and statutory conditions of the Recovery Act. The CO may offset against any such fee payment the amounts owed to the government by the contractor, including any amounts owed for disallowed costs under the contract. No Recovery Act earned fee may be withdrawn without the prior written approval of the CO.

The contractor will be advised in writing of the amount and basis of the determination of the total available fee earned. Unearned fee will not be allocated to future performance periods. However, fee may be allocated to new performance-based incentives as developed by the IPT, as long as the completion of the newly developed incentive does not extend beyond the performance period.

7.0 SRRAP FEE

7.1 Fee Available to SRNS for SRRAP Projects

As delineated in Contract Modification A045, "the ARRA PEMP for FY10 & FY11 will be supplemented when the baseline is more defined. The basis for earning fee is included in the ARRA Performance Evaluation and Measurement Plan (PEMP) and contract modifications."

Based on OMB's approval of DOE's request to reappportion funds among the four SRS Recovery Act Projects in July 2010, Contract Modification 90 and Modification 91 were issued in August 2010 to obligate funds according to the new funds distribution.

The total available fee pool is \$87,471,189, from which \$32,076,741 has been paid for the period April 8, 2009 through July 30, 2010. The total remaining fee pool available for SRNS to earn is \$55,394,448 during the remaining SRRAP period from August 2010 through December 2012. The earning of award fee shall be based on completing objective performance milestones as set forth in Section 10.0, "Solid Waste Management Fee Agreement," Section 11.0, "Accelerated Legacy Transuranic Waste Disposition Fee Agreement," and Section 12.0, "Footprint Reduction (Area Completion) Fee Agreement" of this PEMP. Each of the identified performance milestones includes percentage values for fee recovery relative to the remaining fee, along with objective criteria to define completion of the contract output.

7.1.1 Subjective Measures and Fee

Subjective fee may be earned by SRNS in an amount not to exceed \$1,000,000 through the end of the SRRAP period of performance, payable quarterly (10 quarterly payments, beginning at the

end of 4th quarter 2010) based on DOE-SR's subjective determination of SRNS' SRRAP-specific business performance. In most cases, the SRRAP-specific business services and deliverables are driven by Recovery Act-specific requirements, including those: mandated by OMB; in response to U.S. Government Accounting Office or U.S. Office of the Inspector General recommendations; required by programmatic direction from Office of Environmental Management Recovery Act Program (EM-3.1); and required by SRRAP as needed for business operations and work execution. Examples of the SRRAP-specific business services and deliverables are listed below.

Weekly Plan of the Week (POW) Project Reports

Quarterly reports submitted to federalreporting.gov

Weekly, monthly and quarterly headcount & FTE reports

Supplemental Information Report for Monthly Projects Reviews

Monthly Performance Report of Record for SRRAP

Monthly (2nd Wednesday) SRS Counterparts Meeting: SRRAP Progress Report

EVMS Format 1 and Format 5 reports at the 12 and the 70 subproject levels

Monthly variance package at the 12 and the 70 subproject levels

Monthly Performance Curves at the 12 sub-project level

Monthly Performance Metrics (e.g. EM Gold Metrics, EM Corporate Measures)

Monthly Citizens Advisory Board Metrics

Monthly Certified Cost Report

Monthly report of actual cost plus 60 day spend projection compared to cost authority for each Recovery Act Project

Monthly SRRAP Project Subcontract Commitments

SRRAP Monthly Newsletter

Public Affairs stories for EM Newsletter & EM Recovery Newsletter

Public Affairs SRRAP and Human Interest videos

Public Affairs weekly news releases

Ad hoc data calls and reports requested by DOE-HQ and DOE-SR

The DOE-SR's determination will be based on the timeliness and quality of business services and products delivered. The success of SRNS is determined solely by DOE-SR, which will consider the related conditions under which the work was performed and SRNS' specific performance as measured against the SRRAP objectives.

7.2 Cost Limitations

Costs are limited to the Budget Authority established for each Recovery Act Project (refer to tables 5, 6, 7, and 8). Specific Contract cost limitations will be established by Work Authorization Documents consistent with the Budget Authority for each Recovery Act Project.

8.0 FEE INVOICING PROCESS

SRNS has developed an automated FIS that utilizes measurement data from each PFA. The contractor works with DOE-SR to identify appropriate DOE-SR approvers. The system assigns responsibility to each output so that the routing process ensures appropriate review by federal and contractor staff. Time limits are assigned to each step to ensure smooth processing and timely approvals. The system notifies responsible approvers when the time limit has been exceeded.

9.0 GOVERNMENT FURNISHED SERVICES/ITEMS

Government Furnished Services/Items are factored into the final fee determination. Government Furnished Services/Items are identified in the BOE found in WBS dictionaries for specific tasks and have been attached to the PEMP. The purpose of the GFS/I are to identify inherent government responsibilities and may pose some level of risk to the contractor in completing award fee or performance based incentives. Government Furnished Services/Items are the burden of the government, mutually accepted as part of the performance fee agreements.

10.0 SOLID WASTE MANAGEMENT FEE AGREEMENT

Table 9. Recovery Act Award Fee Summary for PBI No. SRNSARRA-SWM

Activity Name	Solid Waste Disposition
PBI Number	SRNSARRA-SWM
Revision Number	0
Allocated Fee	\$5,762,157
Affected Recovery Act Project(s)	This PBI provides Contractor incentives for quality delivery of the following Recovery Act Project(s): <ul style="list-style-type: none"> RA Project: SRS TRU & Solid Waste Project ID Code: 2002153 Budget Authority: 06049, FD.05.30.00.0 Completion: 12/31/2012
IPABS PBS Level 3	SR-0013.R1.1
SRNS PEMP Period of Performance	August 1, 2010 through September 30, 2011
Senior Level Manager Name	Terry Spears
Senior Level Supervisor/Division Manager Name	Jonathan (Mike) Simmons

10.1 Performance Outcome

Ensure the handling, treatment, storage, transportation and disposal of newly generated and existing "legacy" solid waste is environmentally sound, cost effective, and in compliance with DOE Directives, and applicable regulations and requirements.

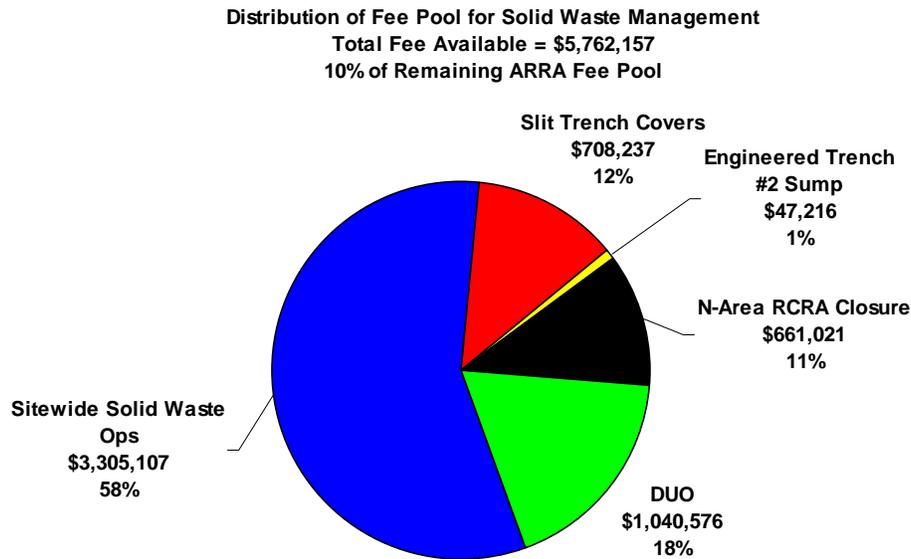


Figure 1. Award Fee Pool Distribution for PBI No. SRNSARRA-SWM

10.1.1 Contract Output SWM-1

Treat and dispose of all SRS newly generated sanitary (non-hazardous), low-level radioactive waste (LLW), mixed hazardous low-level radioactive waste (MLLW), and hazardous waste (HW) to prevent future waste accumulation.

10.1.1.1 Description/Background/Justification

Timely disposal of all newly generated sanitary, LLW, HW, and MLLW will facilitate waste generators' normal operations, prevent potential spread of contamination, ensure regulatory compliance, reduce the need for waste storage space, maximize labor resource utilization and reduce the overall cost of SRS waste management. For the purposes of this PBI, a waste is determined to be treated when treatment is completed in accordance with applicable regulations (e.g., DOE Order 435.1, *Resource Conservation and Recovery Act of 1976 (RCRA)*, *Toxic Substances Control Act of 1976 (TSCA)*, etc.) for on-site treatment or has been shipped for off-site treatment. Disposal is defined as being physically placed in an approved disposal location for on-site disposition or shipped off-site for final disposition.

10.1.1.2 Fee Schedule

Up to 70% of the Performance Milestone Period allocated fee may be earned by Contract Output SWM-1 as provided in the table below.

Table 10. Fee Schedule for Contract Output SWM-1

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA SWM-1.01	7%	\$377,726	Sanitary Waste-Reduce the amount of routine (i.e. office type) waste being disposed in local land fill sites through recycling at least 30% by weight over a three month rolling average. Incremental quarterly payments through Sept. 30, 2011. First quarterly payment will be Aug/Sept 2010 (2 months).
SRNSARRA SWM-1.02	25%	\$1,416,474	LLW – Newly generated LLW will be disposed in a timely manner such that in-storage volume of newly generated LLW shall not exceed 400 cubic meters at any time over a three month rolling average. Wastes temporarily stored for near-term disposal will not be included in this calculation. Incremental quarterly payments through Sept. 30, 2011. First quarterly payment will be Aug/Sept 2010 (2 months).
SRNSARRA SWM-1.03	13%	\$755,453	HW – Newly generated HW shall not exceed an in-storage timeframe of greater than one year from the accumulation start date, unless being stored for the purpose of accumulation in accordance with 40 CFR 268.50. Incremental quarterly payments through Sept. 30, 2011. First quarterly payment will be Aug/Sept 2010 (2 months).
SRNSARRA SWM-1.04	13%	\$755,453	MW – Newly generated MLLW shall not exceed an in-storage timeframe of greater than one year from the accumulation start date, unless being stored for the purpose of accumulation in accordance with 40 CFR 268.50 or per the <i>SRS Site Treatment Plan</i> . Incremental quarterly payments through Sept. 30, 2011. First quarterly payment will be Aug/Sept 2010 (2 months).

10.1.2 Contract Output SWM-2

Timely installation of impermeable covers over LLW Slit Trenches is a *Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA)* requirement.

10.1.2.1 Description/Background/Justification

Slit Trenches 1, 2, 3 and 5 are currently ready for cover installation, while Slit Trench 4 must be completed and filled.

10.1.2.2 Fee Schedule

Up to 15% of the Performance Milestone Period allocated fee may be earned by Contract Output SWM-2 as provided in the table below.

Table 11. Fee Schedule for Contract Output SWM-2

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA SWM-2.01	8%	\$472,158	Slit Trench 1 - 4 Project - Complete construction, perform facility acceptance inspection (FAI-51), and obtain acceptable resolution of punchlist items by 9/30/2011.
SRNSARRA SWM-2.02	4%	\$236,079	Slit Trench 5 Project - Complete construction, perform facility acceptance inspection (FAI-51), and obtain acceptable resolution of punchlist items by 5/15/2011.

10.1.3 Contract Output SWM-3

Install a new sump in Engineered Trench #2.

10.1.3.1 Description/Background/Justification

Engineered Trenches #1 and #2 are two drive-in earthen trenches used for boxed LLW disposal. These two trenches use a common sump located in Engineered Trench #1. Per procedure, this sump is sampled prior to pumping water to grade. Samples have shown an increase in radiation levels (still below release limits) over the past two years. The reason for the elevated sump sampling results is waste containers are suspected to be leaking due to corrosion. This project is to install a new sump in Engineered Trench #2 and close the Engineered Trench #1 sump.

10.1.3.2 Fee Schedule

Up to 1% of the Performance Milestone Period allocated fee may be earned by Contract Output SWM-3 as provided in the table below.

Table 12. Fee Schedule for Contract Output SWM-3

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA SWM-3.01	1%	\$47,216	Complete Engineered Trench #2 – Complete construction, perform facility acceptance inspection (FAI-51), and obtain acceptable resolution of punchlist items by 12/15/2010.

10.1.4 Contract Output SWM-4

Complete RCRA Closure for the 645-N complex.

10.1.4.1 Description/Background/Justification

Hazardous and mixed waste operations will be consolidated from B and N Areas into E Area during the SRRAP. Once the inventories of hazardous and mixed wastes have been removed from the buildings, SRNS will perform RCRA Closure on the facilities and submit a Closure Report to South Carolina Department of Health and Environmental Control (SCDHEC).

10.1.4.2 Fee Schedule

Up to 14% of the Performance Milestone Period allocated fee may be earned by Contract Output SWM-5 as provided in the table below.

Table 13. Fee Schedule for Contract Output SWM-4

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA SWM-4.01	11%	\$661,021	Complete RCRA Closure of 645-N Complex and submit Closure Report to SCDHEC by 9/12/2011. This Contract Output does not include removal of structural slab or excavation of underlying soils.

10.1.5 Contract Output SWM-5

Complete the remaining shipments of Depleted Uranium Oxide (DUO) waste to Nevada National Security Site (NNSS)

10.1.5.1 Description/Background/Justification

Due to issues with disposal of the material at the EnergySolution's Clive, UT facility, approximately 9,400 palletized drums have been in storage awaiting disposal since April 2010. A total of 56 railcars contain 5,776 palletized drums and approximately 3,615 palletized drums that have been stored in multiple locations in N Area. The disposal of this material will reduce the ongoing burden of material storage and potential contamination due to deterioration of aging packaging. The completion of shipping activities will be defined as being physically shipped offsite and accepted by the receiving disposition entity (NNSS) for final disposal. In addition, all 21 gondola railcars belonging to the Paducah Gaseous Diffusion Plant need to be safely returned to the Paducah Gaseous Diffusion Plant once emptied.

10.1.5.2 Fee Schedule

Up to 18% of the Performance Milestone Period allocated fee may be earned by Contract Output SWM-5 as provided in the table below.

Table 14. Fee Schedule for Contract Output SWM-5

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA SWM-5.01	7%	\$400,000	Complete shipment of ~3,615 palletized drums stored in N-Area by 9/30/2011
SRNSARRA SWM-5.02	11%	\$640,576	Complete the remaining shipments of DUO waste stored in railcars by 9/30/2011.

10.2 GFS/I Requirements for PBI No. SRNSARRA-SWM

- Timely Review/Approval of Regulatory Renewals – DOE's concurrence and approval on all RCRA permit renewals and Site Treatment Plan renewals within 30 days of submittal provided DOE has no unresolved comments.
- Timely Review/Approval of Documented Safety Analysis (DSA) Updates – DOE's concurrence and approval on all yearly, Documented Safety Analysis updates within 30 days of submittal provided DOE has no unresolved comments.
- Provision of National Nuclear Security Site (NNSS) – The NNSS remains open to accept SRS MLLW and LLW and is direct DOE funded resulting in no disposal fee to SRNS. (Assumes the waste is properly forecasted and scheduled by SRNS in the NNSS system such as not to require overtime by NTS operations).
- Timely Processing of LLW/MLLW Profiles – Profiles for new LLW/MLLW streams will be processed by NTS in 45 working days.
- Timely Approval of NNSS Shipments – Approval to ship by NNSS is received within 10

days of the request for shipment.

- Timely Approval of Special Analyses – DOE's concurrence and approval of all Special Analyses and Performance Assessment revisions within 30 days of submittal provided DOE has no unresolved comments.
- Timely Support for Waste Volume Determinations – DOE will respond within 15 days to requests for excluding select volumes of LLW from the three month rolling average storage volume.
- DOE will provide a continuous disposition path for the disposal of DUO waste.
- At least 100 truck/trailers will be provided by the DOE Transportation subcontractor.

11.0 ACCELERATED LEGACY TRANSURANIC WASTE DISPOSITION FEE AGREEMENT

Table 15. Recovery Act Award Fee Summary for PBI No. SRNSARRA-TRU

Activity Name	Solid Waste Disposition
PBI Number	SRNSARRA-TRU
Revision Number	0
Allocated Fee	\$26,495,468 (plus \$8,000,000 Super Stretch Fee)
Affected Recovery Act Project(s)	This PBI provides Contractor incentives for quality delivery of the following Recovery Act Project(s): <ul style="list-style-type: none"> • RA Project: SRS TRU & Solid Waste Project ID Code: 2002153 Budget Authority: 06049, FD.05.30.00.0 Completion: 12/31/2012
IPABS PBS Level 3	SR-0013.R1.2
SRNS PEMP Period of Performance	August 1, 2010 through December 31, 2012
Senior Level Manager Name	Terry Spears
Senior Level Supervisor/ Division Manager Name	Bert Crapse

11.1 Performance Outcome

Complete disposition of all remaining legacy transuranic waste (TRU) at SRS.

The scope of work includes the disposition of 5,000 cubic meters of the estimated total of 5,200 cubic meters of legacy TRU waste, as of April 8, 2009. For purposes of the PEMP and this PFA, the 5,000 cubic meters target is more specifically defined as the total legacy waste inventory minus the TRU very difficult waste as documented in *SRNS-P2100-2010-00048 Legacy TRU*

Inventory for PEMP 7-16-10. It is further agreed and understood that this inventory may be modified in writing from time to time to reflect mutually agreed upon changes. Disposition paths may include shipping to Waste Isolation Pilot Plant (WIPP) as TRU waste; on-site burial as LLW, or treatment and disposal as MLLW. MLLW generated prior to July 1, 2012 as a result of TRU dispositioning operations shall be dispositioned off-site. However, disposition of MLLW after October 1, 2011 is subject to Base Program funds availability. An implementation plan for dispositioning the last 200 cubic meters of waste that currently do not have a disposition path will be developed. When these objectives are accomplished, disposition of all legacy TRU waste at SRS, with the exception as stated above covered by the implementation plan, will be completed. Disposition of the 200 cubic meters is a Super Stretch Contract Output in this PBI to incentivize completion of disposition of all 5,200 cubic meters of legacy TRU waste. An additional Super Stretch Contract Output provides incentives to disposition all newly generated TRU waste such that at the completion of the performance period, no more than 200 cubic meters of TRU waste remains on site that has been generated prior to July 1, 2012. Shipment and placement of TRU containers at WIPP is funded by DOE Carlsbad Field Office (CBFO) and is not included in the SRNS Recovery Act funding.

Distribution of Fee Pool for Accelerated TRU Disposition
 Total Fee Available = \$26,495,469
 48% of Remaining ARRA Fee Pool
 Super Stretch Fee = \$8,000,000

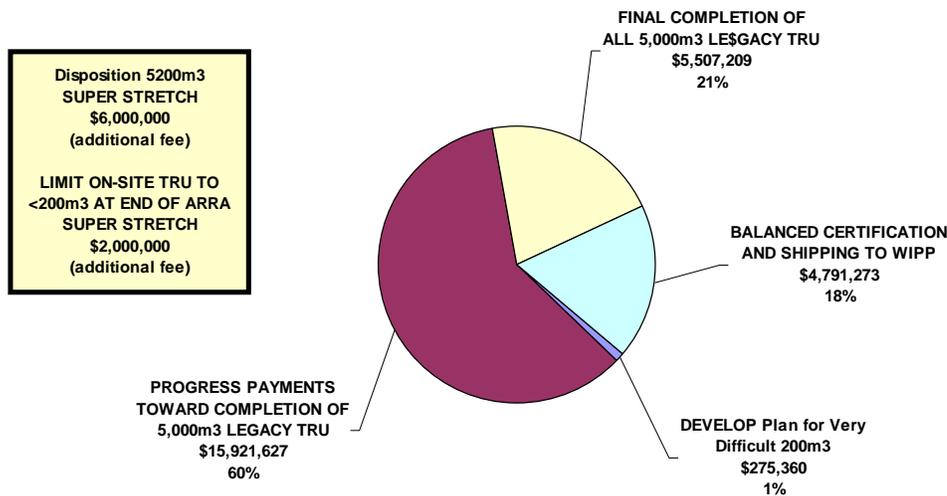


Figure 2. Award Fee Pool Distribution for PBI No. SRNSARRA-TRU

11.1.1 Contract Output TRU-1

Complete disposition of 5,000 cubic meters of legacy TRU waste by December 31, 2012.

11.1.1.1 Description/Background/Justification

To complete disposition of 5,000 cubic meters of legacy TRU waste will require safe and very efficient operations in multiple facilities in E Area, F Canyon, and H Canyon as well as full and timely support from the Central Characterization Project (CCP) in terms of waste characterization and shipment to WIPP. Some of the waste will be dispositioned offsite or into the on-site inventory in E Area as MLLW if screened out as non-TRU waste.

The remaining inventory of legacy TRU at SRS is comprised of wastes purposefully set aside during the course of the TRU program because the many unique challenges presented by the material. In general, this waste is presently stored in boxes of varying sizes or aged drums containing high concentrations of plutonium (Pu)-238 with greater than 95% of this inventory requiring invasive hands-on remediation to address non-conforming conditions. The contents and challenges vary on a container by container basis necessitating flexibility in the remediation and processing approaches. This flexibility involves the need to shift priorities as necessary to focus on achieving both early shipments of the more straight forward material while advancing the more problematic, longer duration material to reduce the risk to completion by the established milestone.

The PBIs for the Accelerated TRU Legacy Waste Program will be defined as single PBI focused on properly incentivizing the completion of the disposition of the inventory by a date certain while at the same time focusing on sustaining continuity in the feed to CCP for characterization and shipping. The PBI has been crafted to provide the flexibility SRNS needs to manage the many complex challenges presented by this program, its waste streams and the involved facilities.

This PBI is for the completion of the disposition of 5,000 cubic meters of legacy TRU waste. This PBI contains three subparts to properly incentivize SRNS to: 1) progressively advance toward the final waste volume goal providing benefit for early disposition through the near term receipt of progress payments; 2) focus on the entire waste inventory including the small volume more difficult segments by providing a significant fee allocation to full completion of the final volume by the date certain; and 3) ensure a stable and consistent feed is provided to CCP/WIPP for characterization and shipping to promote optimal utilization of their resources to the maximum extent practical. The attributes of each of the three subparts of the PBI are more thoroughly discussed below.

Part 1 – Incentives for Progressing Toward the Final Volume Goal of 5,000 m³

As previously stated, the 5,000 cubic meters of TRU waste incentivized by this PBI is comprised of a large number of differing waste streams and differing container types generally exhibiting high concentrations of Pu-238 or Pu-239. To complete the disposition of this inventory requires a series of tasks conducted in one or multiple facilities at SRS. Many of these tasks such as venting or remediation must be tailored specifically to the particulars of the discrete waste stream or container. SRS is simultaneously advancing these waste streams at differing paces based on the complexity of the waste stream to the ultimate goal of producing a compliant container for final CCP characterization and shipping.

To provide a predictive tool for forecasting production levels, predicting

bottlenecks and conducting “what-if” analyses, a model has been developed by SRNS enveloping the many processes and facility capabilities necessary to accomplish this PBI. This modeling shows that an average shipping rate exceeding four and one half (4.5) shipments per week is necessary to achieve the 5,000 cubic meters disposed by December 31, 2012. This requires sufficient waste packages be provided for certification three (3) months in advance of the required shipping schedule.

This component of the PBI incentivizes SRNS to continuously advance toward the 5,000 cubic meters volume goal as expeditiously as possible in full recognition that the available window for shipping and the total number of available shipments is limited and must be taken advantage of from the start of the shipping program in August 2010 to the end in December 2012 (or whenever the annual WIPP shipping period ends). The PBI requires close coordination with WIPP/CCP to ensure that every available shipping date is met through feeding waste into the characterization process at a rate that as individual streams are slowed by complexities in the process are encountered that opportunities to ship are not missed. This part of the PBI in conjunction with the others ensure that SRNS keeps a proper perspective on early shipments while maintaining focus on the small more troublesome streams and the end volume goal.

Part 2 – Complete Disposition of 5,000 cubic meters of Legacy TRU Waste by December 31, 2012

This part of the PBI incentivizes SRNS to maintain a continued, vigilant focus on attaining the overall completion volume goal by the date certain. This incentive requires SRNS to utilize strong project management principles to work to the critical path of the project, remove obstacles in a timely manner and maintain a strong focus on the risk to completion. Additionally, during the course of the project, small quantity troublesome waste streams will be identified requiring special and timely attention to develop and implement solutions to achieve the overall completion goal. This part of the PBI strongly incentivizes SRNS to engage on these waste streams as they emerge through a coordinated effort with CCP/WIPP and select and implement the most expeditious, safe course of action to address them.

Part 3 – Maintain Optimized Shipping Rate

Part 3 provides incentives for SRNS to work together with CBFO contractors to ensure project success by optimizing resource utilization. The single PBI requires SRNS to produce sufficient WIPP certifiable waste as early in the program as possible. This will allow a level characterization and shipping work load throughout the project period. This will also optimize utilization of both SRNS and CCP resources and contribute to the shipping EM National TRU Program target of 30 contact-handled (CH) shipments and five (5) remote-handled (RH) shipments to WIPP per week. The SRS shipping target is an average of four and one half (4.5) WIPP shipments per week for the shipping period of October 1, 2010 through November 30, 2010 and March 1, 2011 through May 31, 2011 and an average of over five (5) per week thereafter, unless superseded by a revised

mutually agreed upon approved shipping schedule, utilizing both TRUPACT-II and TRUPACT-III shipping casks starting in June 2011 for CH TRU with additional RH TRU shipment campaigns in FY 2010 and FY 2011. This will prevent back end loaded characterization and shipping schedule. If during any month the number of shipments exceeds the required monthly average, those additional shipments can be applied to previous month's shipments where the average was not met. In addition, if the total 5,000 m³ is shipped by December, 31, 2012, all fee under this output can be earned.

11.1.1.2 Fee Schedule

Up to 99% of the Performance Milestone Period allocated fee may be earned by Contract Output TRU-1 as provided in the table below.

Disposal of remaining 4,288 cubic meters toward the 5,000 cubic meters target by December 31, 2012 (712 cubic meters already disposed of within SRRAP scope through July 2010).

Table 16. Fee Schedule for Contract Output TRU-1

Number	Target Date	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA TRU-1.01a	12/31/2012	60%	\$15,921,627 See Table	Part 1 – Progress toward completion of 5,000 m ³ of TRU waste by 12/31/2012 <ul style="list-style-type: none"> See table for fee amounts for each of the 22 increments of 200 m³**
SRNS ARRA TRU-1.01b	12/31/2012	21%	\$5,507,209	Part 2 – Final Completion Lump sum payment upon completion of all 5,000 m ³ <ul style="list-style-type: none"> Complete disposition of 5,000 m³ of legacy TRU waste by 12/31/2012.**

Table 16a. Supplemental Fee Schedule for Contract Output TRU-1.01a

SRNSARRA-TRU FEE POOL	\$26,495,470	100%	Total Fee Pool for PBI No. SRNSARRA-TRU		
Contract Output TRU-1.01.a	\$15,921,627	60%	Available Fee for 5,000 cubic meters TRU		
			200	2.646%	\$700,983
			200	2.646%	\$700,983
			200	2.646%	\$700,983
			200	2.646%	\$700,983
			200	2.646%	\$700,983
			200	2.646%	\$700,983
			200	2.646%	\$700,983
			200	2.646%	\$700,983
			200	2.646%	\$700,983
			200	2.646%	\$700,983
			88	2.646%	\$700,983
TOTAL			4288	60.0%	\$15,921,627

Table 16b. Supplemental Fee Schedule for Contract Output TRU-1.01b

SRNSARRA-TRU FEE POOL	\$26,495,470	100%	Total Fee Pool for PBI No. SRNSARRA-TRU		
Contract Output TRU-1.01.b	\$5,507,209	21%	Complete disposition of 5000 m ³ of Legacy CH-TRU by 12/31/2012		

Table 16c. Supplemental Fee Schedule for Contract Output TRU-1.01c

SRNSARRA-TRU FEE POOL	\$26,495,470	100%	Total Fee Pool for PBI No. SRNSARRA-TRU		
Contract Output TRU-1.01.c	\$4,791,273	18%	Based on a monthly average of 4.5 WIPP shipments per week for the period 10/01/2010 – through 11/30/2010 and 3/1/2011 through 5/31/2011 and an average of over 5 per week thereafter, available to CCP. Paid in 23 monthly payments from October 2010 through December 2012 (excluding shipments in January and February 2011 and December 2011) further defined on Table 16, Part 3.		
August 1, 2010 through December 31, 2012			10/31/2010	0.62%	\$165,216
			11/30/2010	0.83%	\$220,288
			1/31/2011	0.00%	\$0
			2/28/2011	0.00%	\$0
			3/31/2011	0.79%	\$209,799
			4/30/2011	0.79%	\$209,799

Table 16c. Supplemental Fee Schedule for Contract Output TRU-1.01c

SRNSARRA-TRU FEE POOL	\$26,495,470	100%	Total Fee Pool for PBI No. SRNSARRA-TRU		
			5/31/2011	0.79%	\$209,799
			6/30/2011	0.79%	\$209,799
			7/31/2011	0.79%	\$209,799
			8/31/2011	0.79%	\$209,799
			9/30/2011	0.79%	\$209,799
			10/31/2011	0.79%	\$209,799
			11/30/2011	0.79%	\$209,799
			1/31/2012	0.79%	\$209,799
			2/29/2012	0.79%	\$209,799
			3/31/2012	0.79%	\$209,799
			4/30/2012	0.79%	\$209,799
			5/31/2012	0.79%	\$209,799
			6/30/2012	0.79%	\$209,799
			7/31/2012	0.79%	\$209,799
			8/31/2012	0.79%	\$209,799
			9/30/2012	0.79%	\$209,799
			10/31/2012	0.79%	\$209,799
			11/30/2012	0.79%	\$209,799
			12/31/2012	0.79%	\$209,789
		TOTAL		18%	\$4,791,273

11.1.2 Contract Output TRU-2

Develop and submit a plan by September 30, 2010 for disposition of nominally 200 cubic meters of legacy TRU waste identified as very difficult waste that do not have clear disposition paths.

11.1.2.1 Description/Background/Justification

This plan is necessary for developing the BCP to incorporate the final work scope into the Baseline and facilitate the completion of disposition of the last 200 cubic meters of SRS legacy TRU waste. Many technical and security issues will need to be resolved.

11.1.2.2 Fee Schedule

Up to 1% of the Performance Milestone Period allocated fee may be earned by Contract Output TRU-2 as provided in the table below.

Table 17. Fee Schedule for Contract Output TRU-2

Number	Target Date	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA TRU-2.01	9/30/2010	1%	\$275,360	Develop and submit an implementation plan including technical approach, logic-driven schedule, Class 3 cost estimate (based on the AACE International Recommended Practice No. 17R-97; Appendix J) on or before 9/30/2010 for disposition of the estimated 200 cubic meters of VERY difficult wastes that cannot be disposed with the existing processes defined in the baseline.

11.1.3 Contract Output TRU-3

Complete disposition of the nominally 200 cubic meters of legacy TRU waste identified as very difficult waste that do not have clear disposition paths. This scope is defined as potential scope in the POP. For purposes of this super stretch objective, “disposition” means removal from the TRU waste inventory and/or shipment off the SR site.

11.1.3.1 Description/Background/Justification

Although not currently included in the Baseline or POP due to the lack of clear disposition paths, it is the strong desire of DOE-SR to complete disposition of this waste as part of the SRS legacy TRU Waste Program completion by December 31, 2010. The plan developed in Contract Output TRU-2 will be the basis of this challenging work scope. This scope will need to be funded from cost efficiencies within the existing Baseline funding level and therefore is considered as a Super-Stretch PBI.

11.1.3.2 Fee Schedule

Up to additional \$8,000,000 fee may be earned, pending the identification of funding sources from cost efficiencies to implement Contract Output TRU-3 Super-Stretch work scope.

Table 18. Fee Schedule for Contract Output TRU-3

Number	Target Date	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA TRU-3.01a	12/31/2012	N/A	\$6,000,000 (total over base fee of \$26,495,469) Split 60/40 100% if dispositioned, 40% if ready to certify Fee will be awarded in increments of \$600,000 for each 20 m ³ of very difficult waste dispositioned up to a total of 200 m ³ .	Super-Stretch fee applies to the final nominally 200 cubic meters of very difficult legacy TRU Wastes on or before 12/31/2012. This Super-Stretch fee is contingent on the complete dispositioning of the 5000 m ³ identified in TRU-01.01a and TRU-01.01b.
SRNSARRA TRU-3.01b	12/31/2012	N/A	\$2,000,000 (total over base fee of \$26,495,469)	Remaining inventory of TRU waste at SRS shall not exceed 200 m ³ at end of ARRA. Does not include TRU waste generated after 6/30/2012.

11.2 GFS/I Requirements for PBI No. SRNSARRA-TRU

11.2.1 GFS/I to be provided by DOE-SR through DOE-CBFO, Washington TRU Solutions (WTS), and CCP

Extended Large Container (LC)/Non-Destructive Assay (NDA) Gamma Detector Calibration Range to 40g Plutonium-238 – Complete by December 31, 2010.

Large Container/Non-Destructive Examination (NDE) Certification – Complete a certification audit in October 2010 and receive approval by March 30, 2010.

NDA, NDE, Head Gas Space (HGS) Sampling Equipment – Provide, maintain, and operate all necessary equipment to characterize and certify TRU waste containers for shipment throughout the project duration achieving less than 15% down time per week including LC/NDA and LC/NDE.

Characterization Production Rate

- (A) Provide sufficient resources starting in June 2010 or earlier to build a backlog of certified waste containers and support an average shipment rate of four and one half (4.5) shipments per week starting in August 23, 2010 through May 31, 2011 and increase to up to eight (8) shipments per week by June 2011.
- (B) Maintain a 90 calendar day or less certification period from the day a container is placed in CCP backlog by SRNS to the day it is entered into the Waste Data System.

TRUPACT-III

- (A) Provide six (6) TRUPACT-III shipping casks by June 2011.
- (B) Provide and achieve operational status for one (1) mobile loading unit for TRUPACT-III shipments by June 2011
- (C) Maintain shipping capacity of five (5) TRUPACT-III shipments per week starting June 2011 through December 2012

Expert Analysis (EA) Support – Provide timely EA support to evaluate NDA results necessary to maintain the characterization production rate

Standard Waste Box (SWB), Ten Drum Overpack Containers (TDOP), and Standard Large Box (SLB) Delivery

- (A) Deliver new containers at a rate as requested by SRNS and necessary to maintain TRU waste repackaging and remediation operations without any interruptions due to shortage of new containers
- (B) TDOP receipt at a rate of five (5) per week starting the week of July 12, 2010 until an inventory of 48 is attained at SRS
- (C) SLB-2 receipt at a rate of six (6) per week until an inventory of 194 is attained at SRS

Shipping Schedule – Provide appropriate transportation capability for shipments to WIPP using TRUPACT-II, TRUPACT-III, or 72-B shipping casks when backlog of certified containers is available

Loading and Transportation Support – Provide the necessary level of loading and transportation support (expected to be up to eight (8) shipments per week) using TRUPACT-II, TRUPACT-III or the 72-B casks to align with the SRNS container production schedule and the overall objective to disposition 5,000 cubic meters by December 31, 2012.

DOE's CBFO Technical Support – DOE-CBFO and difficult waste team continue to provide technical support in developing acceptable methods of unique waste packaging, characterization, certification, and disposal.

11.2.2 GFS/I to be provided by DOE-SR

DSA/Onsite Safety Assessment (OSA) Review Approval – Complete all DSA and OSA

reviews and approvals within the timeframe specified in the approved Baseline.

Baseline Change Proposal (BCP) Approval – Timely approvals and support of the TRU Waste Project BCPs

Continue SLIT Trench and Engineering Trench Operation – Maintain the current LLW SLIT Trench and Engineering Trench operational requirements throughout the project

Offsite MLLW Treatment and Disposal Facilities – Provide viable options of treatment, storage, or disposal facilities for all MLLW screened out from the TRU waste inventory and necessary funding to complete all disposition by calendar year (CY) 2012

12.0 FOOTPRINT REDUCTION (AREA COMPLETION) FEE AGREEMENT

Table 19. Recovery Act Award Fee Summary for PBI No. SRNSARRA-FPR

Activity Name	Area Completion Project
PBI Number	SRNSARRA-FPR
Revision Number	0
Allocated Fee	\$22,136,821 (plus \$4,740,768 Super Stretch Fee)
Affected Recovery Act Project(s)	<p>This PBI provides Contractor incentives for quality delivery of the following Recovery Act Project(s):</p> <ul style="list-style-type: none"> • SRS D&D P & R Areas Project ID Code: 2002150 Budget Authority: 06049, FD.05.11.00.0 Completion: 9/30/2012 • SRS D&D M & D Areas Project ID Code: 2002151 Budget Authority: 06049, FD.05.12.00.0 Completion: 9/30/2011 • SRS D&D, Soil & Groundwater Activities Site-Wide Project ID Code: 2002152 Budget Authority: 06049, FD.05.13.00.0 Completion: 9/30/2011
IPABS PBS Level 3	SR-0030.R1.1; SR-0030.R1.2; SR-0030.R1.3; SR-0030.R1.4; SR-0030.R1.5; SR-0030.R2.1; SR-0030.R3.1; SR-0030.R3.1; SR-0040C.R1.1
SRNS PEMP Period of Performance	August 1, 2010 through September 30, 2012
Senior Level Manager Name	Karen Guevara, Helen Belencan (Deputy)
Senior Level Supervisor/ Division Manager Name	Wade Whitaker

12.1 Performance Outcome

Reduce risk and out-year baseline costs by achieving a strategic goal to reduce the SRS footprint by 75% under ARRA. Completion of waste units and reactor facilities D&D is defined as completion of construction, performance of a facility acceptance inspection consistent with Procedure 51 of the 8Q Manual (form OSR 20-22) and acceptable resolution of DOE-SR

punchlist items. Completion of all other facility D&D is defined as submittal of Revision 0 Decommissioning Project Final Report (DPFR), or equivalent, to DOE-SR.

This Performance Fee Agreement is structure in a manner that expects SRNS to meet all regulatory commitments, to do work safely, to continue to develop and implement cost-effective remedial technologies and approaches to reduce out-year costs, and to maintain an effective and productive working relationship with SRS regulatory agencies.

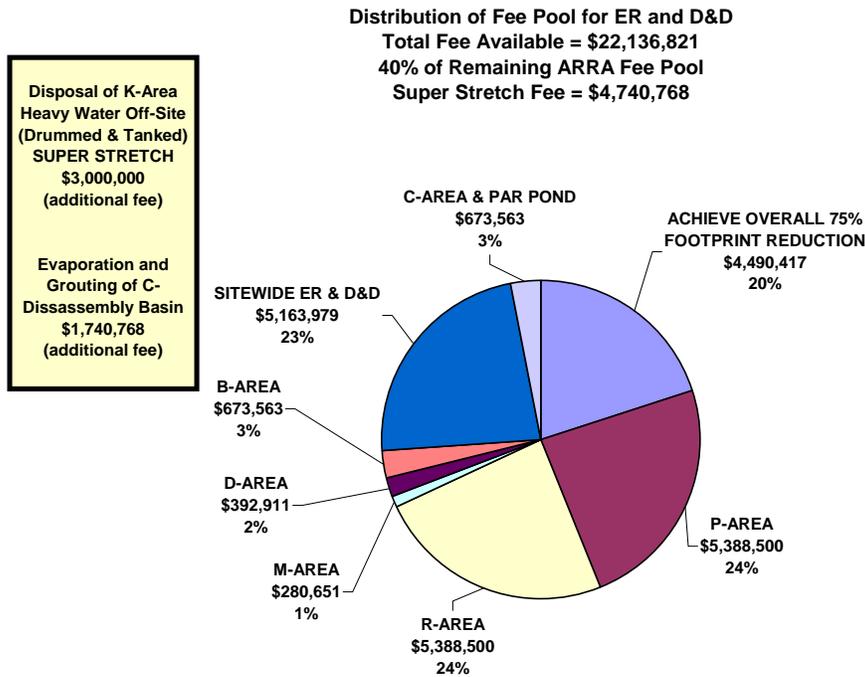


Figure 3. Award Fee Pool Distribution for PBI No. SRNS ARRA-FPR

12.1.1 Contract Output FPR-1

Complete 75% footprint reduction at the Savannah River Site upon completion of all waste units and facilities identified in the table below.

Table 20. Technical Basis for Contract Output FPR-1

Square Miles Completed	SRS Index #	Waste Units / Facilities	Area
3.9	477	Complete construction/fieldwork at P-AREA REACTOR AREA CASK CAR RR TRACKS, NBN	P

Table 20. Technical Basis for Contract Output FPR-1

Square Miles Completed	SRS Index #	Waste Units / Facilities	Area
3.9	539	Complete submittal of regulatory decision document for ECODS P-2 (South of P-Area) (Issue ROD)	P
1.8	478	Complete construction/fieldwork at R-AREA REACTOR AREA CASK CAR RR TRACKS, NBN	R
1.8	540	Complete submittal of regulatory decision document for ECODS R-1A, -1B, -1C (EAST OF R REACTOR) (Issue ROD)	R
7.0	2243	Complete D&D of 710-B SRTC Hazard Waste Storage Facility	B
1.8	163	Complete construction/field work at GUNSITE 012 RUBBLE PILE, NBN	R
1.8	337	Complete construction/field work at RUBBLE PILE ACROSS FROM GUNSITE 012, NBN	R
1.8	544	Complete construction/field work at ECODS G-3 (ADJACENT TO GUNSITE 012), NBN	R
1.8	288	Complete construction/field work at R-AREA GROUNDWATER, NBN	R
9.9	326	Complete construction/fieldwork at POTENTIAL RELEASE OF HEAVY METALS FROM 321-M SL	M
9.9	340	Complete construction/fieldwork at SALVAGE YARD, 741-A	M
9.9	465	Complete construction/fieldwork at UNDERGROUND SUMP 321 M #001 321-M	M
9.9	466	Complete construction/fieldwork at UNDERGROUND SUMP 321 M #002 321-M	M
3.9	314	Complete submittal of regulatory decision document for POTENTIAL RELEASE FROM P-AREA DISASSEMBLY BASIN, 105-P (Issue ROD)	P
3.9	316	Complete submittal of regulatory decision document for POTENTIAL RELEASE FROM P-AREA RX COOLING WATER, 186/190-P (Issue ROD)	P
36.5	1744	Complete D&D of 185-3K Cooling Tower	K
1.8	39	Complete submittal of regulatory decision document for GUNSITE 218 RUBBLE PILE, 631-23G (Issue ROD)	R
1.8	271	Complete construction/fieldwork at COOLING WATER EFFLUENT SUMP, 107R	R
1.8	556	Complete construction/fieldwork at R-AREA PROCESS SEWER LINES AS ABANDONED	R
7.0	528	Complete construction/fieldwork at ECODS B-3 (East of B Area, South of Road C)	B
7.0	530	Complete construction/fieldwork at ECODS B-5 (Adjacent to ECODS B-3)	B
1.8	231	Complete construction/fieldwork at AREA ON THE NORTH SIDE OF BUILDING 105-R, NBN	R
1.8	233	Complete construction/fieldwork at LAYDOWN AREA NORTH OF 105R, NBN	R
1.8	513	Complete construction/field work at RELEASE FROM DECON R-REACTOR DISASSEMBLY BASIN	R
1.8	517	Complete construction/field work at COMBINED SPILLS NORTH OF BUILDING 105-R, NBN	R

Table 20. Technical Basis for Contract Output FPR-1

Square Miles Completed	SRS Index #	Waste Units / Facilities	Area
1.8	324	Complete submittal of regulatory decision document for POTENTIAL RELEASE OF NAOH/H2 SO4 FROM 183-2R, NBN (Issue ROD)	R
1.8	330	Complete submittal of regulatory decision document for POTENTIAL RELEASE FROM R-AREA DISASSEMBLY BASIN, 105-R (Issue ROD)	R
3.9	126	Complete construction/fieldwork at SPILL ON 3/15/79 OF 500 GALS OF CONTAM WATER, NBN	P
3.9	557	Complete construction/field work at P-AREA PROCESS SEWER LINES AS ABANDONED	P
1.8	329	Complete construction/fieldwork at R-AREA ASH BASIN, 188-0R	R
5.3	69	Complete construction/fieldwork at 25% of the D-AREA COAL PILE RUNOFF BASIN, 489-D	D
5.3	70	Complete construction/fieldwork at D-AREA WASTE OIL FACILITY, 484-10D	D
5.3	211	Complete construction/fieldwork at D-AREA ASBESTOS PIT, 080-20G	D
5.3	558	Complete construction/fieldwork at D-AREA PROCESS SEWER LINES AS ABANDONED, NBN	D
5.3	570	Complete construction/fieldwork at D-006 PETROLEUM RELEASE SITE, NBN	D
9.9	359	Complete construction/fieldwork at SMALL ARMS TRAINING AREA (SATA), NBN	M
5.30	265	Complete construction/fieldwork at COMBINED SPILLS FROM 483-D AND ASSOCIATED AREAS	D
6.95	2003	Complete D&D of 770-U Heavy Water Component Test Reactor	B
1.80	1921	Complete D&D of 105-R Reactor Building Complex	R
3.90	313	Complete construction/fieldwork at P-AREA ASH BASIN (including Outfall P-007), 188-0P	P
1.60	1483	Complete D&D of 651-6G Primary Transformer Substation/681-6G	PAR Pond
1.60	1491	Complete D&D of 681-6G PAR Pond Pump House	PAR Pond
1.60	1492	Complete D&D of 681-7G Pump House Equip Building - Adjacent to 681-1G	PAR Pond
1.60	1488	Complete D&D of 681-23G Chlorine Building	PAR Pond
1.60	1506	Complete D&D of 735-7G Environmental Support Facility, Par Pond	PAR Pond
1.60	1507	Complete D&D of 735-8G Greenhouse	PAR Pond
3.9	1902	Complete D&D of 105-P Reactor Building Complex	P
1.9	475	Complete construction/field work at C Area Reactor Cask Car Railroad Tracks as Abandoned, NBN	C
1.9	240/242	Complete construction/fieldwork Potential Release from C Area Disassembly Basin & C Area Reactor Cooling Water System 186/190-C	C
1.9	1201	Complete construction/fieldwork at 717-C Contaminated Maintenance Facility	C

Table 20. Technical Basis for Contract Output FPR-1

Square Miles Completed	SRS Index #	Waste Units / Facilities	Area
1.9	2237	Complete construction/fieldwork at 108-3C Fuel Unloading Facilities Power	C
1.9	2240	Complete construction/fieldwork at 904-89G Retention Basin for 100-C Containment	C
1.9	522	Complete construction/fieldwork at of ECODS C-1	C
1.9	555	Complete construction/fieldwork at C Area Process Sewer Lines as Abandoned	C
1.9	511	Complete construction/fieldwork at C Area Reactor Discharge Canal	C
1.9	146	Complete construction/fieldwork at C Area Groundwater Operable Unit	C

12.1.1.1 Description/Background/Justification

Compliance with SRS Federal Facility Agreement (FFA) milestones and the SRS RCRA Permit commitments will allow SRS to maintain a steady pace of area completions and reduce site footprint. Establish and complete negotiated regulatory commitments and milestones allowing SRS to demonstrate cleanup progress to regulators and stakeholders.

12.1.1.2 Fee Schedule

Up to 20% of the Performance Milestone Period allocated fee may be earned by Contract Output FPR-1 as provided in the table below.

Table 21. Fee Schedule for Contract Output FPR-1

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA FPR-1.01	20%	\$4,427,364	Achieve 75% footprint reduction by 9/30/2012 by completing all waste units and facilities identified in Table 21 above.

12.1.2 Contract Output FPR-2

Complete P Area Operable Unit (PAOU).

12.1.2.1 Description/Background/Justification

P Area Operable Unit, composed of P Reactor, ancillary facilities, and waste units as defined in the FFA, is the first reactor at SRS to be addressed using Area Completion Strategy, negotiated with US Environmental Protection Agency (USEPA) and SCDHEC and supported by

stakeholders. Key near-term waste unit cleanup and facility D&D activities must be performed to achieve PAOU completion.

12.1.2.2 Fee Schedule

Up to 24% of the Performance Milestone Period allocated fee may be earned by Contract Output FPR-2 as provided in the table below.

Table 22. Fee Schedule for Contract Output FPR-2

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA FPR-2.01	4%	\$885,473	Complete evaporation/removal of P Reactor Disassembly Basin water by 9/30/2011
SRNSARRA FPR-2.02	3%	\$664,105	Complete 105-P Reactor vessel cap installation by 9/30/2011.
SRNSARRA FPR-2.03	4%	\$885,473	Complete grouting of the -40 and -20 levels (excluding the reactor vessel) in the 105-P Reactor by 9/30/2011.
SRNSARRA FPR-2.04	2%	\$442,736	Completion of the P-Area Ash Basin waste unit by 9/30/2011.
SRNSARRA FPR-2.05	2%	\$442,736	Complete installation of cover over P Reactor Disassembly Basin by 11/30/2011.
SRNSARRA FPR-2.06	9%	\$1,992,314	Complete PAOU by 12/31/2011.

12.1.3 Contract Output FPR-3

Complete R Area Operable Unit (RAOU).

12.1.3.1 Description/Background/Justification

R Area Operable Unit, composed of R Reactor, ancillary facilities, and waste units as defined in the FFA, is the second reactor at SRS to be addressed using Area Completion Strategy, negotiated with USEPA and SCDHEC and supported by stakeholders. Key near-term waste unit cleanup and facility D&D activities must be performed to achieve RAOU completion.

12.1.3.2 Fee Schedule

Up to 24% of the Performance Milestone Period allocated fee may be earned by Contract Output FPR-3 as provided in the table below.

Table 23. Fee Schedule for Contract Output FPR-3

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA FPR-3.01	2%	\$442,736	Completion of R Area Process Sewer Lines waste unit by 9/30/2011.
SRNSARRA FPR-3.02	3%	\$664,105	Complete 105-R Reactor vessel grouting and cap installation by 9/30/2011.
SRNSARRA FPR-3.03	2%	\$442,736	Completion of R-Area Ash Basin waste unit by 9/30/2011.
SRNSARRA FPR-3.04	4.5%	\$996,157	Complete grouting of -40 and -20 levels (excluding the reactor vessel) in 105-R Reactor by 9/30/2011.
SRNSARRA FPR-3.05	3.5%	\$774,789	Complete installation of cover over R Reactor Disassembly Basin by 9/30/2011.
SRNSARRA FPR-3.06	9%	\$1,992,314	Complete RAOU by 12/31/2011.

12.1.4 Contract Output FPR-4

Complete M Area Operable Unit (MAOU).

12.1.4.1 Description/Background/Justification

M Area Operable Unit will be the first Area Completion achieved under the Recovery Act. Completing the 45-acre MAOU addresses contaminated soils associated with waste units as defined in the FFA, and removes the remaining known sources to the 1,500-acre groundwater plume in M Area. Key near-term cleanup activities that must be performed to achieve MAOU Completion are described below.

12.1.4.2 Fee Schedule

Up to 1.25% of the Performance Milestone Period allocated fee may be earned by Contract Output FPR-4 as provided in the table below.

Table 24. Fee Schedule for Contract Output FPR-4

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA FPR-4.01	1.25%	\$276,710	Submittal of the Rev 0 Post Construction Report to DOE-SR by 9/30/2010.

12.1.5 Contract Output FPR-5

Conduct Area Completion activities at the D Area Operable Unit (DAOU).

12.1.5.1 Description/Background/Justification

In the DAOU, waste units as defined in the FFA will be addressed. The DAOU ARRA scope to support Area Completion is the remediation of soils and sediments that are contaminated with volatile organic compounds, metals and/or pesticides, and soils and concrete that is contaminated with tritium. Key near-term activities that will be conducted at the DAOU are described below.

12.1.5.2 Fee Schedule

Up to 1.75% of the Performance Milestone Period allocated fee may be earned by Contract Output FPR-5 as provided in the table below.

Table 25. Fee Schedule for Contract Output FPR-5

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA FPR-5.01	0.6%	\$132,821	Start operations of the D-Area Enhanced Soil Vapor Extraction System by 12/31/2010.
SRNSARRA FPR-5.02	1.15%	\$254,573	Start operations of the D-Area soils & concrete thermal detritiation remediation system by 3/31/2011.

12.1.6 Contract Output FPR-6

Complete B-Area, to include the Heavy Water Components Test Reactor (HWCTR), 710-B, and Early Construction and Operations Disposal Site (ECODS) B3/B5.

12.1.6.1 Description/Background/Justification

Activities that will be conducted for the HWCTR Project, 710-B, and the Remediation of ECODS B3/B5 will support B Area Operable Unit Completion. Key near-term activities that will be performed to complete B-Area are described below.

12.1.6.2 Fee Schedule

Up to 3% of the Performance Milestone Period allocated fee may be earned by Contract Output FPR-6 as provided in the table below.

Table 26. Fee Schedule for Contract Output FPR-6

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA FPR-6.01	1.0%	\$221,368	Complete grouting the HWCTR. Complete by 9/30/2011.
SRNSARRA FPR-6.02	1.0%	\$221,368	Complete decommissioning of the HWCTR. Complete by 9/30/2011.
SRNSARRA FPR-6.03	1.0%	\$221,368	Complete decommissioning of 710-B and remediation of ECODS B3/B5. Complete by 9/30/2011.

12.1.7 Contract Output FPR-7

Conduct Area Completion activities that support footprint reduction and/or regulatory compliance.

12.1.7.1 Description/Background/Justification

This scope includes the F Area Barrier Wall extension, the H Area Silver Chloride (AgCl) Injection System Installation and Operation and the K-Area Cooling Tower Decommissioning.

12.1.7.2 Fee Schedule

Up to 23% of the Performance Milestone Period allocated fee may be earned by Contract Output FPR-7 as provided in the table below.

Table 27. Fee Schedule for Contract Output FPR-7

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA FPR-7.01a	2%	\$442,737	Complete construction of the H Area Base Injection/AgCl System by 12/31/2010.
SRNSARRA FPR-7.01b	2%	\$442,737	Start operations of the H Area Base Injection/AgCl System by 9/30/2011.
SRNSARRA FPR-7.02	3%	\$664,105	Complete decommissioning of the K-Area Cooling Tower by 12/31/2010.
SRNSARRA FPR-7.03	5.5%	\$1,217,525	Completion of the F-Area barrier wall project by 9/30/2011.
SRNSARRA FPR-7.04	6%	\$1,328,209	Complete D&D and cleanup of SATA by 9/30/2011.
SRNSARRA FPR-7.05	0.5%	\$110,684	Submittal of the Rev 0 Statement of Basis/Proposed Plan for the Consolidated Incinerator Facility to DOE-SR by 9/30/2011.

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Table 27. Fee Schedule for Contract Output FPR-7

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA FPR-7.06	4%	\$885,473	Completion of the remaining General Plant Projects as identified: ATTA Construction, Gunsite 012 Remediation, and initiation of oxidizing agent injection at the A-014 (MACO II) site by 9/30/2011

12.1.8 Contract Output FPR-8

Conduct Area Completion activities that support footprint reduction and/or regulatory compliance.

12.1.8.1 Description/Background/Justification

This scope includes the Characterization and Remediation of the C Area Discharge Canal, C Reactor Groundwater, and C Area Operable Unit Waste Units Completion of this scope results in approximately 8% towards the 75% sitewide footprint reduction goal.

12.1.8.2 Fee Schedule

Up to 3% of the Performance Milestone Period allocated fee may be earned by Contract Output FPR-8 as provided in the table below.

Table 28. Fee Schedule for Contract Output FPR-8

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA FPR-8.01	0.30%	\$66,410	Complete C Discharge Canal characterization and remediation by 9/30/2012.
SRNSARRA FPR-8.02	0.30%	\$66,410	Complete C Reactor groundwater characterization and remediation by 9/30/2012.
SRNSARRA FPR-8.03	1.70%	\$376,326	Complete C Area Operable Unit Waste Unit Characterization and Remediation by 9/30/2012.
SRNSARRA FPR-8.04	0.70%	\$154,958	Complete PAR Pond Facilities D&D by 9/30/2011.

12.1.9 Contract Output FPR-9

Conduct Area Completion activities that support footprint reduction and/or regulatory compliance.

12.1.9.1 Description/Background/Justification

This scope includes the removal of the entire inventory of surplus, bulk reactor moderator (heavy water) from K-Area and the disposal of bulk reactor moderator to an appropriately permitted off-site facility. This scope and the associated fee will need to be funded from cost efficiencies within the existing Baseline funding level and therefore is considered as a Super Stretch PBI.

12.1.9.2 Fee Schedule

Up to additional \$3,000,000 fee may be earned, pending the identification of funding sources from cost efficiencies to implement Contract Output FPR-9 Super-Stretch work scope.

Table 29. Fee Schedule for Contract Output FPR-9

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA FPR-9.01	SUPER STRETCH	\$1,500,000	Drummed Reactor Moderator: Remove entire surplus inventory from K-Area and disposition to an off-site facility by 9/30/2011.
SRNSARRA FPR-9.02	SUPER STRETCH	\$1,500,000	Tanked (Undrummed) Reactor Moderator: Remove entire surplus inventory from K-Area and disposition to an off-site facility by 9/30/2011.

12.1.10 Contract Output FPR-10

Complete C-Area Disassembly Basin Water Evaporation and Grouting. The cost of performing this scope of work and paying additional fee will be funded by efficiencies recognized within the ARRA baseline. This is a super stretch PBI and the associated \$1,740,768 of fee is in addition to the definitized award fee pool.

12.1.10.1 Description/Background/Justification

C-Area Disassembly Basin contains approximately 3.0M gallons of contaminated water, sludge, and activated scrap metal. This water needs to be evaporated in addition to approximately 400,000 gallons of contaminated water present in the 100-C Containment Basin Storage Tank which will be pumped into the C Disassembly Basin for evaporation. Once evaporation is

complete, the remaining sludge and activated scrap metal will be stabilized by grouting in place. FPR10.03, FPR10.04, FPR10.05 and FPR 10.06 will be completed at DOE's discretion. In the event that any of the Sub-PBI's listed below are not authorized by DOE to be started, no award fee will be due for these tasks.

12.1.10.2 Fee Schedule

Up to additional \$1,740,768 fee may be earned, pending the identification of funding sources from cost efficiencies to implement Contract Output FPR-10 Super-Stretch work scope. Up to 100% of the Performance Milestone Period allocated fee may be earned by Contract Output FPR-10 as provided in the table below.

Table 30. Fee Schedule for Contract Output FPR-10

Number	Allocated PBI Fee %	Fee Amount	Completion Criteria
SRNSARRA FPR-10.01	42%	\$726,802	Complete installation and commence operation of 7 of 10 C-Area Evaporators by 1/31/2012.
SRNSARRA FPR-10.02	11%	\$183,862	Complete evaporation of sufficient amount of water from the assembly basin to allow shield layer of grouting by 9/30/2012 (approximately 1.7M gallons)
SRNSARRA FPR-10.03	13%	\$228,862	Complete the layer of shield grouting sufficient to stabilize the sludge and activated scrap metal in the bottom of the disassembly basin by 9/30/2012
SRNSARRA FPR-10.04	9%	\$166,369	Complete evaporation of the remaining water in the disassembly basin to allow final grouting of the complete basin by 9/30/2012
SRNSARRA FPR-10.05	20%	\$344,873	Complete the final grouting of the disassembly basin to fill to grade level by 9/30/2012..
SRNSARRA FPR-10.06	5%	\$90,000	Complete disposition of D&R equipment via ex-situ disposal by 9/30/2012..

12.1.10.3 Additional GFS/I Requirements Specific to FPR-10

- Timely management & resolution of SC State Historic Preservation Office issues
- Timely authorization to proceed with phased execution approach after formal request by SRNS
- DOE reserves the right to not authorize any of the above phases of work. No award fee is due for any phase which has not been authorized.

12.2 GFS/I Requirements for PBI No. SRNSARRA-FPR

Timely Review/Approval of Documents – Provide within 15 calendar days of submittal reviews and approvals of final documents and products. Such submittals may include but are not limited to: FFA and RCRA regulatory documents and correspondence; Facility Decommissioning Reports; property disposition documents; Decommissioning End Point documents; Decommissioning Project Final reports; project management documents.

Coordination of Activities for Acceptance Verification – Coordinate required activities support Mechanical Completion commitments, including, but not limited to: participating in timely facility inspections and walk downs upon completion of field construction activities; coordinating facility inspections and walk down inspections with representative(s) of the regulatory agencies (e.g., USEPA, SCDHEC, etc.) upon completion of field construction activities; and, reviewing, signing and submitting regulatory letters documenting the completion of field construction activities and mechanical completion.

Re-alignment of Due Dates in Response to Changed Conditions – Lead the effort to modify regulatory and/or contractual milestones or commitments due to changed or unexpected field conditions, including additional investigations; newly promulgated regulatory requirements or changes to existing regulatory requirements, agreements or vehicles; and, delays in the review and /or approval of regulatory, contractual or project documents.

Inter-Agency Liaison – Serve as the lead agency in interactions with the Department of Defense regarding use of lands and facilities that may impact SRNS contractual and regulatory commitments, milestones and agreements and communicating the results of these interactions to SRNS.

Historical Preservation Coordination – Serve as the lead agency in interactions with the State Historic Preservation Office regarding the preservation of land and facilities that may impact SRNS contractual and regulatory commitments, milestones, and agreements, and communicating the results of these interactions to SRNS.

Regulatory Coordination – Coordinate regulator availability and provide regulators ready access to the Site to support project schedules for accelerated work through FY 2012, e.g. document reviews/approvals, issuance of permits, completion of walk downs.

Notification of any changes in determinations made in accordance with the *Davis–Bacon Act of 1931* – Notify SRNS within 15 days of any work that is determined to be covered under the *Davis–Bacon Act of 1931*.

Coordination of U.S. Forestry Service (USFS) Activities – Coordinate USFS activities such as controlled burns, animal control events (trapping, hunting, etc.) timber harvesting, pesticide application and other land management activities to minimize impact on SRNS activities.

13.0 GLOSSARY

Award Fee. See Performance Fee Agreement. Award fee is performance fee developed using subjective criteria.

Base Incentive. An incentive associated with work to be performed under the scope of the

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contract and which is believed by the parties to be within available funding.

Baseline change proposal (BCP). The contractor normally generates the BCP for documenting baseline changes. It should provide a complete description of a proposed change and its resulting baseline impacts. The BCP serves as an audit tool for baseline changes. The BCP must be submitted in accordance with the baseline change control guidelines contained in the change control section of this document.

Baseline. The quantitative expression of the project scope, schedule, and cost, against which the status of resources and progress can be measured. The field maintains the project baseline as a collection of documents, including resource loaded schedule networks, cost estimates, and documented assumptions. The baseline is the key component of the project controls system because it documents the program plan for performing the work and provides the information required by DOE business practices for evaluating resources and program performance. For planning purposes, project baselines should reflect full regulatory compliance and should be based on reasonable out-year funding assumptions.

Change Control. A documented process applying technical and management review and approval of changes to technical, schedule, and cost baselines.

Completion Criteria. A defined set of performance actions, the completion of which objectively confirms achievement of a performance milestone

Contractor. The term contractor as used in this document refers to management and operation (M&O) contractor unless otherwise stated. Synonymous with contractor and M&O contractor is site contractor.

Federal Project Director (FPD). The FPD resides at either the field or HQ and serves as the single point of contact between Federal and contractor staff for matters relating to the project and its execution. The Program Secretarial Officer may delegate certain authorities and responsibilities to the FPD.

Fee Determining Official (FDO). The Fee Determining Official for ARRA is the Site Manager, Savannah River Operations Office.

Fiscal Year (FY). The U.S. government fiscal year begins on October 1 and ends on the following September 30 of every year.

Gateway. A gateway creates the requirement that previously incentivized work, usually in the same work package, is to be performed prior to any follow-on incentives being earned (these may be subsequent annual incentives or "Super Stretch" Incentives). Gateways are to be used to ensure that priority work will be performed and that necessary tasks are not deferred as contractors make decisions relative to the application of resources relative to potential fee.

Hybrid Incentives. Hybrid incentives contain both subjective and objective elements. An example of such an incentive might be the achievement of an acceptable Safety Program by a specific date. The extent to which it is acceptable will be determined subjectively, while the date of achievement will be determined objectively.

Integrated Incentive. An integrated incentive is an incentive that appears in several contracts which has the same end goal and requires the various contractors to work together in achieving that goal. An example would be to include in all contracts addressing the shipment of TRU waste to WIPP an incentive to ship the TRU waste and to coordinate such shipments such that TRUPACTs and trucks would be available to the various contractors when needed.

Integrated Planning, Accountability, and Budgeting System (IPABS). The objective of IPABS is to establish a single integrated EM corporate database to support budget, performance, technical analyses, and inquiries for eliminating redundant requirements and reporting systems and providing a single source for data management. IPABS-IS should correlate to baselines. The IPABS-IS is IPABS user interface for data input and reporting.

Legacy Transuranic (TRU) Waste. The inventory of TRU waste existing at SRS on April 09, 2009.

Life cycle. Project inception through project completion.

Management and operating (M&O). “Management and operating contract” means an agreement under which the Government contracts for the operation, maintenance, or support, on its behalf, of a Government-owned or -controlled research, development, special production, or testing establishment wholly or principally devoted to one or more major programs of the contracting Federal agency (Federal Acquisition Regulations System Section 17.601).

Milestone. A milestone is an important or critical event with no duration required for achieving project objective(s). Milestones are comprised of a noun; modifiers; active, results-oriented verb; and a date. Milestones can signify activity starts and completions.

Objective Incentives. Objective incentives tend to be specific in nature and lend themselves to evaluation against quantifiable measures (i.e., objective performance measures). To the extent that a performance measure is defined and measured in objective terms, the fee associated with its achievement is earned based on the extent to which the contractor’s performance meets those objective terms.

Office of Engineering and Construction Management (OECM). The OECM is a DOE HQ organization within the Office of the Chief Financial Officer. It serves as DOE principal point of contact relating to program and project management and develops policy and assists in the planning, programming, budgeting, and execution process for the acquisition of capital assets in coordination with the PSO and project management support offices.

Office of Environmental Management (EM). DOE created this organization in 1989 to mitigate the risks and hazards posed by the legacy of nuclear weapons production and research. Included are an unprecedented amount of contaminated waste, water, and soil, and a vast number of contaminated structures remaining radioactive for thousands of years. EM is composed of the Offices of ER and Waste Management.

Organizational Breakdown Structure (OBS). The project’s functional organization. Control accounts are identified at a natural intersection point of the Work Breakdown Structure and OBS.

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Performance Based Incentive (PBI). See Performance Fee Agreement.

Performance Evaluation Measurement Plan (PEMP). The PEMP, required by the Contract, illustrates the process management will use to identify strategic goals that can be achieved by contract, develop performance incentives to accomplish that strategy, and verify completion of invoiced incentives. The Recovery Act PEMP is related to other project documents, such as the Project Execution Plan and the Quality Assurance Surveillance Plan.

Performance Fee Agreement (PFA). The PFA is between the federal government and a contractor, and identifies specific performance criteria that can be documented when completed, and an amount of fee, used as an incentive, associated with completing and documenting performance. The contract defines performance fee can be an incentive fee component for objective performance requirements (e.g. Performance-Based Incentive), and/or an award fee component for subjective performance requirements.

Performance Fee Agreement Schedule. A chronological listing of the Performance Fee Agreement completion criteria, including cost.

Performance Fee Board. Federal staff members of the Integrated Project Team who are responsible for reviewing all Performance Fee Agreement performance reporting, and providing recommendation to the Fee Determining Official concerning payment of fee.

Performance Measurement Baseline. The time-phased budget (budgeted cost of work scheduled) plan plus any undistributed budget against which project performance is measured.

Project Baseline Summary (PBS). The PBS is the main source of summary EM project information needed to support planning, budgeting, execution, and reporting/evaluation. IPABS-IS collects data by PBS, and EM funds projects by PBS. The majority of projects have one PBS. PBS is the common denominator for the planning, budgeting, execution, and reporting/evaluation functions.

Project Risk. A factor, element, constraint, or course of action on a project introducing an uncertainty of outcome and the possibility of technical deficiencies, inadequate performance, schedule delays, or cost overruns that could impact a mission. In the evaluation of project risk, the potential negative or positive impacts and the probability of occurrence must be considered.

Project. A unique effort supporting a program mission, having defined start and end points, undertaken to create a product, facility, or system, and containing interdependent activities planned to meet a common objective or mission. Project types include planning and execution of construction, renovation, modification, line items for maintenance and repair, environmental restoration, deactivation and decommissioning efforts, information technology, and large capital equipment or technology development activities. Tasks such as basic research, grants, ordinary repairs, maintenance of facilities, and operations are not considered projects. For simplicity, this document uses “projects” when referring to both programs and projects.

Stretch. A Stretch incentive motivates the contractor to accelerate contractual work by achieving cost efficiencies, thereby accomplishing all work within the same work package at a cost less than that reflected in the approved baseline. The cost efficiencies achieved are normally within the

range of the original estimate (budget) for the work or achievable through efficiencies in the performance of such work. Any fee associated with the acceleration of such work is part of the basic Total Estimated Fee Pool. By designation as a Stretch Performance Fee Agreement, the contractor is authorized to initiate activity at its discretion at the time the incentive is created. The Contractor does not need to obtain approval from the Change Control Board prior to beginning work on a Stretch Performance Fee Agreement.

Subjective Incentives. Subjective incentives use adjectival measures related to quality of service or product. The success of a contractor against subjective measures is determined by the government, which will consider the related conditions under which the work was performed and the contractor's specific performance as measured against the government's objective.

Super-Stretch. A Super Stretch Incentive is defined as a performance-based incentive designed to motivate the contractor to accomplish unbudgeted work through cost efficiencies and/or savings realized during execution of an existing performance measurement baseline and/or contract work authorization document. Work that is associated with a Super Stretch incentive may be initiated under a pre-approved (through the Change Control process) baseline planning package and then executed and completed under a work package. Because Super Stretch-incentivized work and the associated fee are unbudgeted and unfunded, the contractor must provide objective evidence that cost efficiencies/savings are realized or that cost efficiencies/savings are forecasted at a high degree of certainty. In some cases, initiation of a Super Stretch-incentivized planning package may result in an over-target baseline condition. The contractor is expected to exercise diligence and discretion to ensure work is completed and objectives are achieved under the existing approved performance baseline while planning and executing Super Stretch-incentivized work. Because a Super Stretch incentive is focused on delivery of an end product, measures and metrics must be objective.

Validation. Validation is a method of comparison between a Performance Fee Agreement and physical completion of performance criteria. The comparison is evaluated to determine adequacy of meeting the intent of the Performance Fee Agreement.

Verification. Verification is a method of comparison between a Performance Fee Agreement and documentation of completion of performance criteria. The comparison is evaluated to determine adequacy of documenting completion of the Performance Fee Agreement.

Work Breakdown Structure (WBS). The WBS is a product-oriented family tree subdivision of the work required to produce the end product. The WBS is structured in accordance with the way work will be performed and reflects the way in which project costs and data will be summarized and eventually reported.
