

November 27, 2002

**MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN DOE-Richland Operations Office (RL) and
FLUOR HANFORD, INC. (FH)**

SUBJECT: Basis for working towards a revised Statement of Work (SOW) in support of Modification M166 to the Project Hanford Management Contract (PHMC), DE-AC06-96RL13200.

The purpose of this MOU is to document that RL and FH mutually agree to recognize the efforts made to date and to continue discussions in order to reach final product for changes to PHMC Section C, Statement of Work. However, this MOU is not intended to create any modification to the current contract, or to create any conditions upon the current contract. The current contract contains the complete agreement and understanding of the parties, until modified.

It is agreed that the parties are working from the FH SOW dated November 12, 2002. Based on the joint working meetings held on November 26, 2002, the following major issues have been addressed:

- A high-level crosswalk from the FY 2003 baseline to the revised baseline will be required at the PBS level, but that a bridge Change Request will not be required. The revised baseline will be provided by June 2003.
- RL will work with FH and Ecology/EPA to pursue a more active role for FH in interfacing with the regulators on decision documents, permits, etc.
- The Site Services Manual will not be incorporated into the SOW.
- The approach used in the FH November 26, 2002 proposal on Condition of Facilities, Equipment, and Systems at the end of FY 06, will be followed with added discussions.
- It is expected that the SOW will not incorporate any new scope in the stewardship area.
- Both parties will explore incentivized approaches for the completion of facility decommissioning on a superstretch basis. A facility fee schedule, based on complexity, hazard, risk, and size will be developed.

The parties recognize that there are approximately 85 issues that need closure. The parties agree to work together to resolve these items within two weeks of the date of this agreement. The purpose for resolving these issues shall be to: (1) align with the objectives reflected in the new performance incentives set forth in Modification M166, (2) refrain from adding scope to the SOW currently in effect without commensurate funding and fee earning opportunity, and (3) define terms in objective, measurable language.

November 27, 2002

The parties agree to incorporate the finalized version of the SOW via a contract modification to the PHMC.

PARTIES' SIGNATURES:

K. K. Thomson
Fluor Hanford, Inc.



11/27/02

Date

President

Title

E. K. THOMSON
Printed Name

[Signature]
DOE - Richland Operations Office

11/27/02

Date

KEITH KUM
Printed Name

MGR, RICHLAND OPERATIONS
Title DOE