

This document was too large to scan as a single document; therefore, it has been divided into smaller sections.

Section 3 of 3

Document Information			
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**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

TABLE OF CONTENTS

<u>APPENDIX</u>	<u>PAGE</u>
A KEY PERSONNEL	J-A-1
B ADVANCE UNDERSTANDING ON PERSONNEL COSTS POLICIES AND PROCEDURES	J-B-1
C DOE DIRECTIVES	J-C-1
D PERFORMANCE OBJECTIVES, MEASURES, EXPECTATIONS AND INCENTIVES	J-D-1
E MANAGEMENT AND INTEGRATION PLAN	J-E-1
F ENVIRONMENT, SAFETY, AND HEALTH BUDGET PLANNING AND EXECUTION.....	J-F-1
G GUIDANCE FOR PREPARATION OF DIVERSITY PLAN.....	J-G-1
H FEE PLAN.....	J-H-1
I SMALL BUSINESS SUBCONTRACTING PLAN	J-I-1
J PROJECT HANFORD	J-J-1
K ORGANIZATIONAL CONFLICT OF INTEREST	J-K-1
L CUSTOM COMPUTER SOFTWARE AGREEMENT	J-L-1
M WAGE DETERMINATIONS UNDER THE SERVICE CONTRACT ACT	J-M-1

Fluor Daniel Hanford, Inc.
DE-AC06-96RL13200
Modification MO86
October 1, 1999

**N SPECIAL BANK ACCOUNT AGREEMENT FOR USE WITH THE CHECKS –
PAID METHOD OF LETTER OF CREDIT FINANCING
OCTOBER 1, 1998, THROUGH SEPTEMBER 30, 1999 J-N-1**

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX A

KEY PERSONNEL

R. Hanson	President & CEO
D. Van Leuven	Chief Operating Officer
R. Jones	Spent Nuclear Fuels Project
E. Aromi	Waste Management Project
N. Boyter	River Corridor Project
Vacant	Nuclear Material Stabilization Project
T. Harper	Site Services
B. Essary	Director of Safeguards and Security
G. McDowell	Chief of the Hanford Patrol

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX B

**ADVANCE UNDERSTANDING ON PERSONNEL COSTS
POLICIES AND PROCEDURES**

1.0 INTRODUCTION

This Appendix B supplements the clauses entitled "Promises and Commitments," "Advance Understanding on Personnel Costs, Policies, and Procedures," "Labor Relations," and "Payment and Advances" by setting forth the basis for determining the allowability of those Contractor and Major Subcontractor human resource management policies and related expenses which have cost implications under the Contract. This agreement is intended to cover the majority of the human resources costs incurred by the Contractor for work performed by employees assigned to work tasks authorized by the Richland Operations Office in accordance with this Contract. Failure to mention an item of cost herein does not, however, imply that it is either allowable or unallowable.

The Contractor and Major Subcontractors shall select, employ, manage, and direct the work force; and, apply the policies set forth herein in general conformity with the methods used in the Contractor's private operations insofar as those methods are not inconsistent with this Contract. The Contractor shall use effective management review procedures and internal controls to assure that the allowable costs set forth herein are not exceeded, and that areas which require prior approval of the DOE Contracting Officer or designated representative are reviewed and approved prior to incurrence of costs.

Either party may request that this Appendix B be revised and the parties hereto agree to give consideration in good faith to any such request. Revisions to this Appendix B shall be accomplished by executing a reimbursement authorization as approved by the DOE Contracting Officer or designated representative. When revisions to this Appendix B are agreed upon, revised pages will be issued reflecting such changes and the effective date of such changes.

This Appendix B is adopted for the exclusive benefit and convenience of the parties hereto, and nothing contained herein shall be construed as conferring any right or benefit upon past, present, or future employees of the Contractor, or upon any other third party, including a Major Subcontractor. Accordingly, neither this Appendix B nor any part thereof, as amended or

modified, will be deemed to constitute a contract between a party hereto and any employee of the Contractor or Major Subcontractor or to be consideration for, or an inducement or condition of, the employment of any person, or to afford the basis for any claim or right of action whatsoever against a party hereto by any employee of the Contractor or other third party, including a Major Subcontractor.

The Contractor shall promptly furnish all reports and information required or otherwise indicated in this Appendix B to the Contracting Officer or designated representative. The Contractor and the Department of Energy recognize that other data requests may be made from time to time and the parties agree to cooperate in meeting such requests.

2.0 GENERAL

Subject to the specific limitations, conditions, and exclusions of Subpart 31.2 of the Federal Acquisition Regulations (FAR) as supplemented by DOE Acquisition Regulation (DEAR) 931.2, and to the special conditions set forth below, personnel and related costs incurred for work under this contract by the Contractor and Major Subcontractors in accordance with the Contractor's corporate-wide policies consistently and uniformly applied throughout the corporation's domestic operations, and which have been furnished to and accepted by DOE-RL, are allowable. Such policies will be summarized and submitted in the form of a Personnel Policies Manual applicable to this Contract.

Certain employees of the Contractor and Major Subcontractors, as agreed by the parties, transferred from an affiliate to work under the Contract may continue to participate in their corporate group insurance, pension and savings, and severance pay plans. Costs for such continued participation while assigned to work under the Contract shall be billed to the Contract pursuant to applicable FAR cost principles and/or Cost Accounting Standards. The DOE shall have no further obligation for costs incurred by the parent organizations on behalf of such employees after reassignment or termination from Contract work.

Revisions to corporate-wide or contract-only policies and employee benefit plans which increase costs will be provided to DOE-RL for review for allowability prior to incurrence of costs.

3.0 DEFINITIONS

Contractors

The Contractor – Fluor Daniel Hanford, Inc.

Major Subcontractors – Subcontractors included in the terms of this Appendix B and throughout this contract are:

B&W Hanford Company	Numatec Hanford Corporation
	Waste Management Federal Services of Hanford, Inc.

In addition, DynCorp Tri-Cities Services, Inc. and Protection Technology Hanford are included in the terms of this Appendix B,

Credited Service – Length of service for employees shall mean employment with the Contractor or Major Subcontractors (and other named Subcontractors) including recognized service with predecessor companies and other Contractor organizations. Service for employees who are hired from Westinghouse Hanford Company (WHC) and its integrated subcontractors shall include all credited service now recognized by WHC, including recognized credited service with predecessor DOE Hanford Contractors.

Earned service credits for assimilated employees of the Contractor and Major Subcontractors or their affiliates transferred to work under the Contract will be counted in the calculation of all service based benefits.

FAR – Federal Acquisition Regulation

Incumbent Contractor and integrated subcontractors – Westinghouse Hanford Company and its subcontractors, Boeing Computer Services and ICF Kaiser Hanford.

Workweek – The basic (or regular) workweek shall be 40 hours. Alternative workweeks may be established with the approval of the Contracting Officer.

4.0 DIRECT COMPENSATION

The Contractor shall submit its Compensation Program applicable to work under this Contract to the Contracting Officer for initial approval. Proposed Compensation Program design changes which affect costs will also be submitted for review and approval by the Contracting Officer.

- 4.1 Administration of Wages and Salaries of nonrepresented employees shall be carried out in accordance with sound wage and salary administration principles and in a manner which shall provide for equitable treatment of personnel on a definitive, systematic basis consistent with economic business practices and judicious expenditure of public funds and which shall result in payment of total compensation to individual employees conforming to the standards of reasonableness as contemplated by FAR Subpart 31.205-6.
- 4.1.1 Salary Increase Fund – Prior to each salary program year, the Contractor will develop and justify, in a manner prescribed by the Contracting Officer, a Salary Increase Fund for exempt employees and a Salary Increase Fund for nonexempt-nonbargaining employees for review and approval. The funds are calculated as a percentage of exempt and nonexempt-nonbargaining base payroll at the end of the prior salary year, expressed as an annualized amount.
- All increases are charged to the fund on an annualized basis. Once an individual's salary increase is charged to the fund, reuse of that amount, i.e., recovery, for any other purpose during the salary year is unallowable. If an individual terminates before receiving an increase, the portion of the fund allocated for that increase may remain in the fund.
- The Contractor shall also provide a copy of the annually developed salary guidelines prepared for supervisory use, indicating the parameters for granting various increases based on employee performance and current salary.
- The dollar amounts of the funds shall be subject to review and adjustment by the Contracting Officer upon a significant reduction in Contractor employment levels, as in a reduction-in-force.
- 4.1.2 Individual Employee Salary Approval – The base annual salary costs for employees of the Contractor and Major Subcontractors designated as Key Personnel are reimbursable only to the extent each such salary has been approved on DOE Form 3220.5, Application for Contractor Compensation Approval, or other approved form, by the Contracting Officer.
- The Contractor will provide supporting information with DOE Form 3220.5 (or other approved form) on all compensation actions well in advance of the proposed effective date.
- 4.1.3 Incentive Compensation and Bonuses and Project Assignment Allowances will not be allowable costs under this Contract.

4.1.4 Salary Structures – The Contractor shall establish separate salary structures containing position grades, classifications, and salary ranges for Exempt and for Nonexempt Nonbargaining employees who are assigned to work on the Contract. The structures shall be submitted to the Contracting Officer for review and approval in advance of incurrence of costs. No salary above the maximum of the salary range shall be allowable except in those cases where a “red circle” rate is authorized.

4.1.5 Overtime Control Plan – The Contractor shall submit to the Contracting Officer for approval an annual overtime control plan that includes at a minimum (1) an overtime premium fund (maximum dollar amount); (2) specific controls for casual overtime for nonexempt employees; and (3) an evaluation of alternatives to the use of overtime.

The Contractor shall submit to the Contracting Officer for approval any additional overtime premium funds or plan changes based on mission requirements.

The Contractor shall submit any request for an extended workweek to the Contracting Officer for approval. An extended work week is a workweek regularly scheduled and established in excess of the basic workweek of 40 hours and for a period of more than four consecutive weeks.

The Contractor shall submit a semi-annual report that includes for non-exempt and exempt employees:

- (1) Total cost of overtime;
- (2) Total cost of straight time;
- (3) Overtime cost as a percentage of straight-time cost;
- (4) Total overtime hours;
- (5) Total straight-time hours; and
- (6) Overtime hours as a percentage of straight-time hours.

Exempt employees are not eligible for overtime pay except as approved by the Contracting Officer.

Overtime pay shall be based on a 40-hour workweek.

Overtime work performed by employees of affiliate companies of the Contractor or Major Subcontractors, assigned to Contract work on a temporary basis, will be administered and paid in accordance with the policies of the affiliate.

4.1.6 Premium Pay – The Compensation Program shall contain provisions for any established premium payments to employees, such as overtime, shift differential and special qualification or certification pay.

4.1.7 Compensation Reports – The Contractor shall submit reports and information relating to the administration of wages, salaries and benefits as the Contracting Officer may require from time-to-time to evaluate the reasonableness of the Contractor's total compensation program.

4.2 Compensation - Employee Welfare and Other Benefit Plans

4.2.1 General

Net costs of employer payments for the following non-statutory employee benefit plans, as related to work under this Contract, are allowable subject to the limitations and conditions set out in FAR 31.2. The initial terms and conditions of the plans shall be submitted to and must be approved by the Contracting Officer. Copies of employee communications, such as Summary Plan Descriptions, shall be provided to DOE when issued. Costs incurred in the administration of the following plans are allowable:

- Life Insurance Plan
- Accidental Death & Dismemberment Plan
- Short Term Disability Plan
- Medical Insurance Plan (Indemnity, HMO, PPO, other)
- Dental Insurance Plan
- Vision Care Plan
- Long Term Disability Plan
- Retiree Medical and Life Insurance Plans

Other Benefit Plans

- Flexible Spending Account(s)
- Employee Assistance Program

4.2.2 Separation Pay

A. The cost of separation pay allowances for employees with one (1) or more years of continuous service who are laid off for lack of work will be allowable in accordance with the Contractor's policy. The initial policy, and any changes thereto which increase costs, require the approval of the Contracting Officer.

- B. In the event that responsibility for performance of work and services or operation of part or all of the Government-owned facilities under this Contract (including standby protection and maintenance functions) is assumed by another Contractor or Government agency, employees who are transferred to the employ of, or who are offered employment within their same classification or at positions of comparable responsibility by such Contractor or agency, which employment will commence within thirty (30) days after being laid off, will not be paid any separation pay allowance.

4.3 GROUP PENSION PLANS

- 4.3.1 General – Costs of the Contractor's and Major Subcontractors' participation with other Hanford Site Contractors in the Operations and Engineering Pension Plan, the Hanford Contractors Multi-Employer Pension Plan for HAMTC Represented Employees, and the Hanford Guards Union Pension Plan, or identical plans as approved by the Contracting Officer, will be allowable for the purpose of providing retirement benefits only to employees under the Contract, and former employees of predecessor Hanford Contractors, who are eligible to participate in one or the other of the Plans in accordance with their terms. The Plans must be established and maintained as qualified defined benefits plans under the regulations of the Internal Revenue Service. The Plan and Trust documents and any amendments thereto which effect substantive changes or increase costs are subject to the approval of DOE. With respect to each of the plans, the parties agree as follows:

4.3.2 Administration of the Plans

- A. Costs of employer contributions incurred and accrued under the terms of said plans and costs incurred in the course of their administration are allowable to the extent approved by DOE. All accounting for such contributions shall be on an accrual basis. At DOE's request, the Contractor shall provide an itemization of costs incurred for administration. The Plan Fund, not the Contractor, shall be liable for costs incurred in the course of administration.
- B. The Contractor will provide to DOE copies of the following annual reports within seven months following the close of each plan year:
 - (1) Accounting reports and annual actuarial valuations. The reports and valuations will include at least the information specified in DOE Order 3830.1.

- (2) IRS Form 5500 with schedules and attachments, as submitted to the Internal Revenue Service each year.
- (3) Financial Accounting Standards Board (FASB) Statement 87 Report. A copy of the FASB 87 report is prepared each year to satisfy the expense-reporting requirement of the Office of Management and Budget.

The final accounting period shall end with the effective date of Contract termination or expiration.

- C. Actuarial gains and losses developed by annual valuations will be taken into account for purposes of establishing contributions to the Plan as soon as reasonably possible and consistent with requirements of the Employee Retirement Income Security Act of 1974; amendments thereto; and, any other applicable laws.
- D. The aggregate annual contribution to the pension fund may range from the minimum specified by the Internal Revenue Code (IRC) Section 412(b) to the amount necessary to fully fund the year-end expected current liability. However, the aggregate annual contribution to each plan shall be no less than the minimum specified by IRC Section 412(b) nor greater than the tax deductible limit specified by the IRC Section 404. All contributions to the pension fund shall equal the total amount currently attributable to participants in the Plans. These contributions will be based on the actuarial valuation for the most recent Plan year. The fund shall be a trust.
- E. If requested by DOE to do so, the Contractor will participate in Pension Plans established on a multiple employer basis applicable to some or all DOE prime cost-type Contractors on the Hanford Site.
- F. The Contractor will take no action concerning the termination, merger, or spin-off or other action affecting the status of the plans as separate contract-only plans without the approval of the Contracting Officer. If the Contractor and DOE agree to termination of a defined benefit plan, the provisions of Sections 4.3.3 and 4.3.4 below will apply.
- G. Unless otherwise required by federal law or resulting from the collective bargaining process, no amendment to any of the Pension Plans shall result in allowable costs under this contract if the adoption date of such amendment is later than 12 months before the termination or expiration date of the Contract.

4.3.3 Actions Required at Contract Termination or Expiration

- A. No Replacement Contractor. In the event the Contract expires or is terminated without a replacement Contractor, all employee-accrued benefits are to become 100 percent vested immediately irrespective of the Plan's vesting schedule. All employees would receive benefits equivalent to the value of their vested portion consistent with the Employee Retirement Income Security Act (ERISA) of 1974.
- B. Replacement Contractor Situation. In the event of reassignment of all or a portion of the Contractor's work under this contract to a replacement Contractor(s) or upon termination or expiration of said contract followed by a replacement Contractor(s) the Contractor will assist DOE in the necessary arrangements for the replacement Contractor(s) to take over the Plans, Plan assets and Plan liabilities for the employees who transfer to the replacement Contractor. Such arrangements shall include preserving for these employees their Pension Service time under the Contract by carrying forward Contractor pension service time to the replacement Contractor. Granting of such service credits shall not result in duplicate benefits for the same service time.
- C. Change of Plan Sponsor. The DOE shall have the unilateral right to change a plan sponsor upon termination or expiration of the contract.
- D. Determination of Contract Service Pension Plan Assets and Liabilities.
 - (1) Contract Service Assets. Contract Service Assets shall be determined in accordance with B. above and shall include all assets attributable to DOE-funded employer contributions (including investment earnings thereon) and the employee accumulations (including investment earnings thereon) determined at current market value until the date of payment or transfer.
 - (2) Liabilities for Present and Future Benefits. The Contractor actuary shall determine liabilities for employee plan benefits as of the contract termination or expiration date. Except for active participants retained by the Contractor or Major Subcontractor, or an affiliate, and those switched over to a replacement Contractor, liabilities may be determined by purchase, through competitive bidding, of nonparticipating annuities.
 - (a) Pensioners, Survivors, and Terminated Vested Members. The liabilities for this class shall be equal to the present value of benefits attributable to Contract Service as of the effective date of termination for such pensioners, survivors, and terminated vested members who separated

from the Contractor or Major Subcontractor, or a predecessor Contractor, prior to the date of contract termination. The present value shall be calculated pursuant to Section 4.3.4 below.

- (b) Active Participants Retained by the Contractor, Major Subcontractor, or Affiliate. For active employees who are retained by one of the above, the present value of the projected benefits shall be calculated using the unit credit funding method, service and salary history as of the contract termination date, and pursuant to Section 4.3.4 below. When such employee subsequently terminates his/her employment within two years after contract termination, the value of the unvested portion shall revert to DOE.
- (c) Active Participants Terminated at Contract Termination or Expiration. For active employees who are not retained by the Contractor, Major Subcontractors, or affiliates, and who are not switched over to a replacement Contractor, the present value of vested accrued benefits shall be calculated pursuant to Section 4.3.4 below.
- (d) Active Participants Transferred to Replacement Contractor. No determination of accrued liabilities by the Contractor is required.

4.3.4 FINANCIAL REQUIREMENTS – Funds to be paid or transferred to any party as a result of settlements relating to pension plan termination or spinoff shall accrue interest from the effective date of termination or spinoff until the date of payment or transfer. The rate of accrued interest shall be negotiated in good faith between the parties to the Contract.

A. Terminating Operations, Including Plan Termination.

- (1) The Contractor shall calculate pension liabilities attributable to DOE contract work. For this purpose, DOE and the Contractor shall stipulate to one of the following as the basis for the frozen liability calculation:
 - (a) The market value of annuities,
 - (b) The rate of return on plan assets,
 - (c) The FASB 87 discount rate, or
 - (d) Any other appropriate discount rate.

- (2) If the DOE-reimbursed assets in the Plan exceed the frozen DOE liability which was calculated according to (1), the Contractor shall reimburse to DOE such excess, together with earnings on that excess.
- (3) If ERISA or the Internal Revenue Code restricts the full transfer of excess DOE reimbursed assets from the Plan, the Contractor shall pay any deficiency directly to DOE.
- (4) If assets are less than the frozen DOE liability which was calculated according to (1), DOE shall pay such difference to the Contractor subject to the availability of appropriated funds. These payments will be deposited into the pension plan of the terminated or expired Contractor.

B. Successor Contractor. Any DOE-reimbursed assets awaiting transfer to a successor trustee or to DOE shall be actively managed by the Contractor until the successor trustee or DOE is able to assume stewardship of those assets.

4.3.5 SPECIAL PROGRAMS – The Contractor shall advise DOE and receive prior approval for each early-out program, window benefit, disability program, plan-loan feature, employee contribution refund, asset reversion, or incidental benefit.

4.4 GROUP SAVINGS PLANS

The Contractor and Major Subcontractors will maintain three savings plans for employees who are eligible to participate in accordance with their terms; two for bargaining unit employees and one for nonbargaining employees (exempt and nonexempt). The plans must be established and maintained as qualified defined contribution plans under the regulations of the Internal Revenue Service. The Plan and Trust documents and any amendments thereto which effect substantive changes or increase costs are subject to the approval of DOE. With respect to the Plans, the parties agree as follows:

- A. Costs of employer matching contributions incurred and accrued under the terms of the Plans are allowable. The Plan fund, not the Contractor, shall be liable for the costs incurred in the course of its administration.
- B. The Contractor will provide DOE with annual accounting reports within seven months after the close of a Plan year. In addition, a copy of IRS Form 5500 will be provided to DOE each year when prepared by the Contractor.

- C. Employee forfeitures of accrued benefits shall be in accordance with the terms of the Plan and such forfeitures shall be used to reduce Contractor contributions made on behalf of remaining participating employees.
- D. In the event of Contract expiration or termination, the Contractor, if requested by DOE to do so, will transfer to a replacement Contractor the Plan, Plan assets and Plan liabilities.
- E. In the event of Plan termination, including partial termination, resulting from such actions as reassignment, termination, or expiration of the Contract or termination of the Plan by the Contractor, Plan assets shall be distributed in accordance with the terms of the Plan relating to Plan termination and the provisions of the Employee Retirement Income Security Act (ERISA) of 1974, as amended. After satisfaction of all Plan liabilities if there are any Plan assets remaining which are permitted by law to revert to the Contractor, such assets shall become payable to the DOE no later than 30 days following the latest date the Plan assets are permitted to revert to the Contractor under ERISA or any other applicable law.
- F. The Contractor will take no action concerning termination, merger, spin-off, or other action affecting the status of the Plans as separate, contract-only plans without the approval of DOE.

4.5 PAID ABSENCES

- 4.5.1 Personal Time Off – A Personal Time Bank (PTB) will be established for eligible employees. Absences for leisure time off, personal time off, facility closure days (holidays), time away from work due to illness or injury, family emergencies or medical/dental appointments will be charged to the employee's PTB account if the employee wishes to receive pay for the absence. All absences of more than four hours will be charged to an exempt employee's PTB account.

Eligible Employee: Regular full-time or part-time exempt and salaried nonexempt employees.

Pay Rate: Hours taken as time off will be paid at the employee's base salary rate in effect at the time of absence.

Composition: Accrual rates will include the following

Vacation:	0-5 years service	80 hrs/yr
	>5 years service	120 hrs/yr

>10 years service 160 hrs/yr
>20 years service 200 hrs/yr

Holidays: 72 hours designated as facility closure
 Days 8 hours designated by employee as floater

The facility closure days include New Year's Day, President's Day*, Memorial Day*, July 4th, Labor Day, Thanksgiving Day, Friday After Thanksgiving, December 24, and Christmas Day.

*These days are observed on the day specified by Federal Law

Sick Personnel: Exempt 40 hrs/yr
 Salaried nonexempt 56 hrs/yr

Time Not Included: Absences for the following will not be taken from an employee's PTB account: Death in the Family (up to 5 days per event), Absences of less than four hours for exempt employees, EA Time (8 hours per year for employees who work north of the Wye Barricade), Jury Duty, Military, Road Conditions, Plant Injury, Volunteerism, and miscellaneous absences as defined in the PTB Policy.

Cash Out Provision: During periods of active service, eligible employees may request a partial cash out of accrued PTB hours.

- Employees will be allowed one cash out in a calendar year except in those cases where the employee is terminating.
- At least 120 hours must remain in the employee's account after the cash out.
- The maximum hours which may be cashed out in a calendar year are 40 hours in 1998, 80 hours in 1999, and 120 hours in 2000 and thereafter
- The rate of cash out will be at the base salary at the time of cash out. Cash out will be in one hour increments.

- Employees may opt to put the cash directly into their after-tax Savings Plan account.

Maximum PTB Hours: An employee may accumulate up to a maximum number of PTB hours as follows:

- | | |
|--------------------------|------------|
| • In 1998 | 720 hours |
| • In 1999 | 800 hours |
| • In 2000 | 900 hours |
| • In 2001 and thereafter | 1000 hours |

Implementation Plan and Schedule

Transition from the current salary continuance program to the PYB Program will be effective January 2, 1998. PTB will be implemented as follows:

- The first facility closure day, January 1, 1998, will be paid as a holiday under the current policy. It is not included in the 1998 PTB accrual.
- PTB will be front loaded with 40 hours (exempt) and 56 hours (salaried nonexempt) on January 2, 1998, and again on January 1, 1999.

EXEMPT ACCRUALS (hours per biweekly pay period)

	<u>1998</u>	<u>1999</u>	<u>2000</u>
0-5 years of service	5.85	6.15	7.69
5-10 years of service	7.38	7.69	9.23
10 to 20 years of service	8.92	9.23	10.77
More than 20 years of service	10.46	10.77	12.31

SALARIED NONEXEMPT ACCRUALS (hours per biweekly pay period)

	<u>1998</u>	<u>1999</u>	<u>2000</u>
0-5 years of service	5.85	6.15	8.31
5-10 years of service	7.38	7.69	9.85
10-20 years of service	8.92	9.23	11.38
More than 20 years of service	10.46	10.77	12.92

5.0 TRAVEL AND RELOCATION COSTS

Necessary and reasonable expenses incurred by employees and prospective employees for travel and relocation at the request of the company in connection with work under this Contract are allowable, subject to applicable provisions of FAR Subpart 31.2 and 31.205-46, except that no Project Assignment Allowance nor return relocation costs are allowable. In accordance with these regulations, Contractor employees, including Major Subcontractors, transferred from corporate entities will be administered under the Contractor's common Relocation and Travel policies which are subject to the review and approval of the Contracting Officer. Special allowances for relocation of employees of Numatec shall be as set out in Schedule I., attached hereto.

6.0 COLLECTIVE BARGAINING AGREEMENTS

Wage rates, benefits, and other allowances to be paid to or for bargaining unit employees shall require the approval of the Contracting Officer.

7.0 WORK FORCE RESTRUCTURING

The Contractor will comply with the requirements of the applicable Hanford Site Work Force Restructuring Plan which implements Section 3161 of the National Defense Authorization Act for Fiscal Year 1993. Costs associated with the implementation shall be allowable for those activities described in the applicable Plan

8.0 EMPLOYEE MORALE, RECREATION, AND WELFARE PROGRAMS

Costs incurred for such programs are allowable in an amount not to exceed twenty dollars (\$20.00) per employee per year.

SCHEDULE 1

**SPECIAL ALLOWANCES FOR COGEMA/SGN EMPLOYEES
ASSIGNED TO NUMATEC**

Changes were made to this schedule as a result of this modification, which changes are considered business sensitive and have been redacted. The schedule containing the changes that were redacted was approved by the Contracting Officer.

**PART III - LIST OF DOCUMENTS
 EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX C

DOE DIRECTIVES

Federal Regulations and applicable Washington Administrative Code (i.e., WAC 173-303, etc.) governing DOE activities, and the following Directives are applicable to work and activities conducted/accomplished by Contractors at the Hanford Site. In addition, the applicability of given Environment, Safety, and Health (ES&H) Directives to a specific facility or work activity/project may be determined through the Standards/Requirements Identification Document (S/RID) process, as approved by the appropriate DOE authority. Upon approval of an S/RID, that set of requirements is the ES&H directive/requirements set applicable to the facility, work/activity or project and supersedes the ES&H directives included in this list of Directives.

DOE ORDERS AND NOTICES

<u>ORDER NUMBER</u>	<u>CHANGES</u>	<u>TITLE</u>
DOE O 130.1		Budget Formulation Process
DOE M 140.1-1A		Interface with the Defense Nuclear Facilities Safety Board
DOE O 151.1	1&2	Comprehensive Emergency Management System
DOE M 200.1-1		Telecommunications Security Manual (Except Chapter 2)
DOE N 205.1		Unclassified Cyber Security Program
DOE O 224.1		Contractor Performance-Based Business Management Process
DOE O 225.1A		Accident Investigations
DOE O 232.1A		Occurrence Reporting and Processing of Operations Information
DOE M 232.1-1A		Occurrence Reporting and Processing of Operations Information
DOE O 241.1		Scientific and Technical Information Management
DOE O 251.1A		Directives System Order
DOE O 311.1A		Equal Opportunity and Diversity Program
DOE O 350.1	1	Contractor Human Resources Management Programs
DOE O 413.1		Management Control Program

DOE O 414.1		Quality Assurance
DOE O 440.2	1&2	Aviation
DOE M 440.2		Aviation Manual
DOE O 442.1		Department of Energy Employee Concerns Program
DOE O 460.1A		Packaging and Transportation Safety
DOE O 460.2		Departmental Materials Transportation and Packaging Management
DOE O 470.1		Safeguards and Security Program
DOE O 470.2		Safeguards and Security Independent Oversight Program
DOE O 471.1		Identification and Protection of Unclassified Controlled Nuclear Information
DOE O 471.2A		Information Security Program
DOE M 471.2-1B		Classified Matter Protection and Control Manual
DOE O 472.1B		Personnel Security Activities
DOE M 473.2-1		Firearms Qualification Courses Manual
DOE M 474.1-2	2	Nuclear Materials Management and Safeguards System Reporting and Data Submission
DOE M 475.1-1		Identifying Classified Information
DOE O 481.1		Work for Others (Non Department of Energy Funded Work)
DOE M 481.1-1		Reimbursable Work for Non-Federal Sponsors Process Manual
DOE O 534.1		Accounting
DOE 1220.1A	1	Congressional and Intergovernmental Affairs
DOE 1230.2		American Indian Tribal Government Policy
DOE 1240.2B	1	Unclassified Visits and Assignments by Foreign Nationals
DOE 1270.2B		Safeguards Agreement with the International Atomic Energy Agency
DOE 1300.2A		Department of Energy Technical Standards Program
DOE 1300.3		Policy on the Protection of Human Subjects
DOE 1324.5B	1	Records Management Program
DOE 1330.1D		Computer Software Management
DOE 1340.1B		Management of Public Communications Publications and Scientific, Technical and Engineering Publications
DOE 1350.1	1	Audiovisual and Exhibits Management
DOE 1410.2		Mail Management
DOE 1450.3A	1	Call Control/Verification Programs and Authorized Use of Government Telephone Systems
DOE 1450.4		Consensual Listening-In To Or Recording Telephone/Radio Conversations
DOE 1500.3	1-7	Foreign Travel Authorizations

DOE 1700.1	1-4	Freedom of Information Program
DOE 1800.1A	1	Privacy Act
DOE 2030.4B		Reporting Fraud, Waste, and Abuse to the Office of Inspector General
DOE 2100.8A		Cost Accounting, Cost Recovery, & Interagency Sharing of Information Technology Facilities
DOE 2110.1A	1&2	Pricing of Departmental Materials and Services
DOE 2300.1B		Audit Resolution and Follow-Up
DOE 2320.1C		Cooperation With the Office of the Inspector General
DOE 2320.2B		Establishment of Departmental Position on Inspector General Reports
DOE 3900.1B		Parking
DOE 4210.9A		Unsolicited Proposals
DOE 4330.2D		In-House Energy Management
DOE 4330.4B		Maintenance Management Program
DOE 5300.1C		Telecommunications
DOE 5400.1		General Environmental Protection Program
DOE 5400.5	1&2	Radiation Protection of the Public and the Environment
DOE 5440.1E		National Environmental Policy Act Compliance Program
DOE 5480.10		Contractor Industrial Hygiene Program
DOE 5480.11		Radiation Protection for Occupational Workers
DOE 5480.16A		Firearms Safety
DOE 5480.17		Site Safety Representatives
DOE 5480.19	1	Conduct of Operations Requirements for DOE Facilities
DOE 5480.20A		Personnel Selection, Qualifications, and Training Requirements for DOE Nuclear Facilities
DOE 5480.21		Unreviewed Safety Questions
DOE 5480.22	1&2	Technical Safety Requirements
DOE 5480.23	1	Nuclear Safety Analysis Reports
DOE 5480.24		Nuclear Criticality Safety
DOE 5480.26		Trending and Analysis of Operations Information Using Performance Indicators
DOE 5480.28		Natural Phenomena Hazards Mitigation
DOE 5480.30		Nuclear Reactor Safety Design Criteria
DOE 5480.31		Startup and Restart of Nuclear Facilities
DOE 5480.4	1-4	Environmental Protection, Safety, and Health Protection Standards
DOE 5480.6		Safety of DOE-Owned Nuclear Reactors
DOE 5480.7A		Fire Protection
DOE 5480.8A	1	Contractor Occupational Medical Program

DOE 5480.9A		Construction Project Safety and Health Management
DOE 5481.1B		Safety Analysis and Review System
DOE 5483.1A		Occupational Safety and Health Program for DOE Contractor Employees at Government-Owned Contractor-Operated (GOCO) Facilities
DOE 5484.1	1-7	Environmental Protection, Safety, and Health Protection Information Reporting Requirements (Except paragraphs 1 through 5, 6a(1) through (10), 6b, 6d, 6f(1) through (8) and the second misnumbered 6f, and Chapters I and II)
DOE 5530.1A		Accident Response Group
DOE 5530.2		Nuclear Emergency Search Team
DOE 5530.3	1	Radiological Assistance Program
DOE 5530.4		Aerial Measuring System
DOE 5530.5	1	Federal Radiological Monitoring and Assessment Center
DOE 5560.1A		Priorities and Allocations Program
DOE 5610.13		Joint Department of Energy/Department of Defense Nuclear Weapon Safety, Security, and Control Program
DOE 5610.14		Transportation Safeguards System Program Operations
DOE 5610.2	1	Control of Weapon Data
DOE 5632.1C		Protection and Control of Safeguards and Security Interests
DOE M 5632.1C-1	1	Manual for Protection and Control of Safeguards and Security Interests (Except Chapter III, paragraphs 1, 2, and 4 through 9)
DOE 5632.7A	1	Protection Force Program
DOE 5633.3B		Control and Accountability of Nuclear Materials
DOE M 5639.6A-1		Manual of Security Requirements for the Classified Automated Information System Security Program
DOE 5660.1B		Management of Nuclear Materials
DOE 5670.1A		Management and Control of Foreign Intelligence
DOE 5670.3		Counterintelligence Program
DOE 5800.1A		Research and Development Laboratory Technology Transfer Program
DOE 5820.2A		Radioactive Waste Management
DOE 6430.1A		General Design Criteria
DOE N 5400.9		Sealed Radioactive Source
DOE N 5480.11		Extension of Radiological Control Manual, Rev. 1
DOE/RW-0333P	Rev. 8	Quality Assurance Requirements and Descriptions
SEN-15-90		National Environmental Policy Act
SEN-22-90		DOE Policy on Signatures of RCRA Permit Applications

SEN-30A-92 Staying the Course for Technology Transfer at the
Department of Energy
SEN-35-91 Nuclear Safety Policy
SEN-39-92 Department of Energy Occupational Safety and Health
(OSH) Incentives Program

S/RIDS

DOC. NUMBER	REVISION	TITLE
HNF-SD-MP-SRID-002	2	Fluor Daniel Hanford Contract
HNF-SD-MP-SRID-003	1	Plutonium Finishing Plant
WHC-SD-MP-SRID-007	0	Waste Encapsulation and Storage Facility
HNF-SD-SNF-RD-001	2	Spent Nuclear Fuel Project
HNF-SD-MP-SRID-006	0	Fast Flux Test Facility
HNF-SD-MP-SRID-008	0	Waste Technology Engineering Lab 324
HNF-SD-MP-SRID-009	0	Postirradiation Testing Lab 327
HNF-SD-MP-SRID-011	0	Waste Management Operations

RL DIRECTIVES

DOC. NUMBER	TITLE
RLID 232.1A	Notification, Reporting and Processing of Operations Information
RLID 430.1	Systems Engineering Criteria Document and Implementing Directive
RLID 470.1	Safeguards and Security Corrective Action Management System
RLID 470.2	Facility Approval and Registration of Activities
RLID 471.2B	Information Security Program
RLID 473.1	Protection of Safeguards and Security Interests
RLID 473.2	Hanford Site Access Eligibility
RLID 1300.1D	Richland Operations Office Facility Representative Program
RLID 1360.2B	Unclassified Computer Security Program
RLID 5000.1	Baseline Execution and Management Process
RLID 5000.2	Long Range Planning Process
RLID 5480.7	Fire Protection
RLID 5480.19	Conduct of Operations Requirements for RL
RLID 5480.29	RL Employee Concerns Program

RLID 5480.31		Startup and Restart of Nuclear Facilities
RLID 5633.3		Control and Accountability of Nuclear Materials at RL
RLID 5635.1		Special Access and Top Secret Access Authorization
RLID 5670.3A		Counterintelligence Program
RLIP 1322.1B		RL Forms Management
RLIP 5484.1A		Environmental Protection, Safety, and Health Protection
		Information Reporting Requirements
RLPD 430.1		Hanford Site Systems Engineering Policy
RLPD 450.1		Hanford Environment, Safety and Health Policy
RLPD 5000.1		Site Management System
DOE/RL-92-49		Radiological Assistance Program Plan - Region 8
DOE/RL-93-75		Hanford Facility Contingency Plan
DOE/RL-94-02		Hanford Emergency Response Plan
DOE/RL-92-36		Hanford Site Hoisting and Rigging Manual
DOE/RL-94-125		Federal Building Self Protection Plan
HSL&T-1		Hanford Site Lock and Tag Standard
DOE/RL-94-97		Selection of Analytical Methods for Mixed Waste Analysis at Hanford
DOE/RL-94-55		Hanford Analytical Services QA Plan
DOE/RL-96-68	2	Hanford Analytical Services Quality Assurance Requirements Document
DOE-0223		RL Emergency Implementing Procedures
DOE-0225		Hanford Emergency Assessment Resource Manual (HEARM)
DOE/RL-96-109	2	Hanford Site Radiological Control Manual (HSRCM-1, Rev. 2)

Fluor Daniel Hanford, Inc.
DE-AC06-96RL13200
Modification MO86
October 1, 1999

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX D

**PERFORMANCE OBJECTIVES, MEASURES, EXPECTATIONS
AND INCENTIVES**

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX E

MANAGEMENT AND INTEGRATION PLAN

INTRODUCTION

This plan shall be developed and maintained by the Contractor and shall be the executive summary of the total management process the Contractor will use at Hanford. A key element of this plan is the proposed management system including integrated technical, cost, and schedule control requirements. The plan will define the approach the Contractor will use to accomplish the work as defined in Section C, Statement of Work. The plan shall include the Subcontractor structure to best integrate and manage operational tasks and project activities.

The Contractor shall also provide the following subject specific plans which expand on the discussion in the management and integration plan as appendices to it:

A. Integrated Environment, Safety & Health Management System (ISMS) Plan

Specific guidance on the PHMC ISMS Plan is found in the clause entitled, "Integration of Environment, Safety, and Health Into Work Planning and Execution," of this contract.

B. Safeguards and Security Plan

The Safeguards and Security Plan shall be consistent with the DOE's requirements as detailed in the 5600-series of DOE Orders and the Richland Operations Office 5600-series of Implementing Directives. The Plan shall take into consideration risk prioritization in security, the current efforts to reduce security clearances and the security management program now in place.

This Plan shall also describe the administrative, technical, physical, and personnel safeguards employed to the unclassified computer systems and applications that process sensitive information using a graded approach based on the value and sensitivity of the information. The Plan shall address contingency and disaster recovery plans; risk management processes; security awareness and training programs; procedures for detecting, analyzing, and reporting computer security incidents including unauthorized

access to computer resources; and certification procedures as described in applicable DOE Orders.

The Plan shall describe the process that will ensure the protection of classified Automated Information Systems and data in accordance with the provisions of applicable DOE Orders.

C. Systems Engineering Management Plan

The Systems Engineering Management Plan shall describe in detail the approach the Contractor will take to integrate a Systems Engineering functional analysis in which mission requirements drive functions, and functions drive architecture, into the overall management and integration of the Hanford workscope as detailed in Section C, Statement of Work. System engineering techniques and principles shall be utilized to establish the technical integrity of the workscope. Innovative technologies shall be evaluated against the baseline.

D. Risk Management Plan

The Contractor shall provide a Risk Management Plan which describes the system to be used for identifying, evaluating, assessing and mitigating site risks of all types (e.g., financial, technical, safety, mortgages, environment, etc.). The Plan shall also describe how risk management is integrated and implemented into planning, work prioritization, and sitewide decision-making. The application of innovative technologies to mitigate the risks is expected.

E. Reserved

F. Economic Transition and Outsourcing Plan

The Contractor shall provide an Economic Transition Plan which identifies short and long-term plans necessary to meet EM and Hanford Strategic Goals and to attain Hanford's desired end states.

The Outsourcing Plan shall include, consistent with applicable collective bargaining agreements, recommendations for outsourcing pieces of the work. When presenting its recommendations to the DOE for outsourcing, the Contractor shall address the impact(s) on affected employees, applicable collective bargaining agreements, relevant provisions of Section 3161 of P.L. 102-484 and/or the approved Section 3161, Workforce Restructuring Plan.

In the Economic Transition, the Contractor should use innovation and creativity to accomplish the following outcomes:

- Contribute to economic stabilization of the Tri-Cities.
- Leverage economic development benefits for the local community from the execution of this contract.
- Through economic development and diversification, create new local employment opportunities to help offset Hanford job losses.
- Reduce DOE Capital Expenditures for New/Renovated facilities/equipment.
- Reduce fixed Hanford infrastructure/operations costs.
- Plan and develop a low ratio of integrator employees to subcontract employees.
- Startup venture or seed capital funding sources to assist bona-fide technology business. "Best in Class" systems to be rewarded for successful technology commercialization.
- Lease or sell excess or under-utilized site assets for commercial/private sector use.
- Identify national/international markets where companies can do business while performing work at Hanford.
- Identify sharing arrangements for royalties, licenses, and equity participation as part of a Technology Commercialization incentive program.

G. Litigation Management Plan

The purposes of the Litigation Management Plan will be to control the cost of litigation, to provide for an appropriate level of private counsel, and to define reporting requirements.

The Plan shall comply with the Guidelines set in Contractor Litigation Cost Policies, 61 CFR 14763, April 13, 1996 and such further instructions as provided by the Contracting Officer.

H. Diversity Plan

Specific guidance on the preparation of a Diversity Plan is found in Appendix G of this Section J.

I. Information Resources Management Plan

The Contractor shall develop an Information Resources Management plan that integrates the entire site and provides compatibility with the present systems. For example, the Contractor shall choose a financial system that best integrates the entire financial data of the site, provides prompt information as required, and provides data that can be used for decisions. The Contractor shall provide a system compatible with present equipment.

J. Internal Audit Plan

The Contractor shall submit an annual plan for internal audits of the Contractor and for audits of major onsite, cost reimbursement subcontractors. The Plan shall list planned actual audits or areas to be audited and a schedule for such audits. The official audit report(s), including the working papers (as required), shall be submitted or made available to the Contracting Officer or his/her designee.

K. Sitewide Qualification and Training Plan

In order to provide consistency with personnel qualification on the Hanford Site, the Contractor shall submit a sitewide Qualification and Training Plan which shows how the Contractor will ensure that all personnel working at the Hanford Site meet and maintain qualification and training requirements in accordance with DOE and other applicable regulations. The plan shall include:

- (1) Assignment of responsibilities both with DOE-RL and any Hanford central training organizations.
- (2) How the Contractor will use a single point of contact project management approach to integrate and track the best available training resources to meet the diverse training needs of the Hanford Site.
- (3) How the Contractor will recognize and use equivalent training and/or reciprocity for training.
- (4) A system to track flowdown of training requirements to subcontractors.

- (5) How the "Best in Class" and "Make or Buy" approach will be used to identify and use high quality training while eliminating redundant and duplicate programs.
- (6) A system to track training completed (needs to be part of Human Resources "People Soft" system (see Section C.2.C (3))).

L. Integrated Hanford Communication Plan

The Contractor shall develop an Integrated Hanford Communication Plan detailing how the full range of stakeholders will receive information in a timely, accurate, complete, and business-like manner. The Plan shall include the requirements of DOE's Openness Initiatives and Public Involvement Policies.

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX F

**ENVIRONMENT, SAFETY, AND HEALTH BUDGET
PLANNING AND EXECUTION**

The following represents additional criteria for environment, safety and health budget planning and execution, to be included as part of the requirements of the clause entitled, "Integration of Environment, Safety and Health into Work Planning and Execution" (June 1997), Paragraphs (d) and (e), of this contract.

1. ES&H PLAN FOR BUDGET EXECUTION YEAR

- Respond to the most recent Unicall Submittal, incorporate budget decisions, and include any new information for the upcoming execution year.

1.1 ES&H Risk Management Conclusions

- Summarize the risk management conclusions for the upcoming execution year (updated to reflect recent budgeting decisions), including a summary decision of the major risks and important ES&H issues being managed at the facility.

1.2 ES&H Budget Summary

- Summarize the ES&H budget for the upcoming execution year (analogous to the cost prepared for the Unicall Submittal).

1.3 Performance Measures and Commitments

- Include the proposed ES&H performance commitments (measures) for the upcoming execution year. It is important that these performance measures address the most significant risks identified, and have performance criteria that are measurable.

2. **SUMMARY OF PREVIOUS YEAR'S ES&H PERFORMANCE**

- Provide a summary of the previous year's ES&H performance, including the actual costs of implementing the ES&H activities.

2.1 **Status of Performance Measures and Commitments**

- Status of the previous year's performance with respect to the measures and commitments negotiated for the previous year.
- Summary level conclusions from the previous year's self assessments of ES&H programs and activities.
- Status of any major commitments arising from Consent Orders or Agreements with State Agencies or the EPA regarding environmental/ecological obligations.

2.2 **Summary of Actual Costs**

- Summarize the actual ES&H expenditures for the previous year, and how this information will be used in preparing the ES&H Plan for the next budget cycle.

(See DOE letter 98-PRO-645 clarifying Appendix F.)

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX G

**GUIDANCE FOR
PREPARATION OF DIVERSITY PLAN**

The purpose of this Guidance is to assist the Contractor in understanding the information being sought by the Department for each of the Diversity elements and where these issues may already be addressed in a contract package. To the extent these issues are already addressed in a contract, the Contractor need only summarize or cross reference the parts of the Plan already developed elsewhere in the contract.

Work Force

This contract includes certain provisions on Equal Opportunity and Affirmative Action. These provisions are found in clauses contained in Section I, entitled, FAR 52.222-26 Equal Opportunity (FEB 1999), FAR 52.222-27 Affirmative Action Compliance Requirements For Construction (FEB 1999), FAR 52.222-35 Affirmative Action For Special Disabled Veterans And Veterans Of The Vietnam Era (APR 1998), FAR 52.222-36 Affirmative Action For Workers With Disabilities (JUN 1998), and FAR 52.222-37 Employment Reports On Disabled Veterans And Veterans Of The Vietnam Era (JAN 1999), and regulatory guidance is found at FAR Part 22 (48 CFR Part 22). The Contractor should discuss its policies and plans for implementation of these provisions in its operations. If the Contractor already has procedures in place, these should be discussed and copies of any policies provided.

Educational Outreach

The Contractor should outline or discuss any programs already provided, or which it intends to provide, which will provide employees an opportunity to improve their employment skills and opportunities. These programs may already be discussed in the offer submitted under this RFP or in the executed contract and could include: educational assistance allowances, provision for outside training programs either during or outside regular work hours, and executive training programs for non-executive employees. The Contractor should also discuss any plans to participate in any programs supporting Historically Black Colleges and Universities.

Employee training and educational opportunities may also be subject to collective bargaining agreements at the site. If that is the case, it is not the Department's intent that the Contractor develop an independent structure for employee training and educational opportunities. In preparation of its Diversity Plan, the Contractor should outline the requirements already placed on it under existing bargaining agreements, discuss any proposals for changes to be raised at any future bargaining sessions, and discuss any educational or training programs which it operates, or will operate, independently of those provided by the unions.

Community Involvement and Outreach

An offer submitted under a RFP or contained in the executed contract may include a section already dealing with community involvement and outreach activities. In that event, those sections may be cross referenced and do not need to be repeated. Contractor community relations activities could include support for the following activities: support for science, mathematics and engineering education; support for community service organizations; assistance to governmental and community service organizations and for equal opportunity activities; and community assistance in connection with work force reduction plans. The Contractor may provide support to these activities through direct sponsorship or making individual employees available to work with the specific community activity. Depending upon the terms negotiated between the Department and the Contractor, some of these costs may be reimbursable. The Contractor's Diversity Plan should discuss the Contractor's existing and planned activities promoting community involvement of its employees as well as the corporation.

Subcontracting

The RFP or finalized contract action will contain FAR 52.219-9 "Small Business Subcontracting Plan" (OCT 1999) and other small business related clauses. (see Section I, Clauses entitled, FAR 52.219-8 Utilization Of Small Business Concerns (OCT 1999), FAR 52.219-9 Small Business Subcontracting Plan (OCT 1999), FAR 52.219-10 Incentive Subcontracting Program (JAN 1999), and FAR 52.219-16 Liquidated Damages--Subcontracting Plan (JAN 1999). Additionally, the RFP contains additional guidance in an Appendix entitled "Small Business Subcontracting Plan" (see Section J, Appendix I). If the Contractor has already met the requirements under the contract clause entitled, "Small Business Subcontracting Plan," and the referenced Appendix, this information should be briefly summarized and/or provided as an attachment to the Diversity Plan. If the Contractor is participating, or plans to participate, in the Department's Mentor Protege Program, this involvement, or planned involvement, should be summarized or discussed. Information concerning its subcontracting plans already developed and submitted by the Contractor does not need to be redeveloped or renegotiated by the Contractor.

Economic Development (Including Technology Transfer)

Many of the Department's contract actions include Technology Transfer provisions which may be found in the H Section, Special Contract provisions, or among the patent and intellectual property clauses of Section I, Standard Clauses. Planning or activities developed under the Technology Transfer clause may apply to this element of the Contractor's Diversity Plan. Additionally, some of the subcontracting activities planned by the Contractor with small business or small disadvantaged businesses may be entered into for the purpose of assisting the economic development of or transferring technology to such a business. The Contractor's Diversity Plan should outline and discuss its planned activities promoting economic diversification of the local community.

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX H

FEE PLAN

FOR THE PERIOD OCTOBER 1, 1996 – SEPTEMBER 30, 1997

The total available fee pool for FY 97 as set forth in the clause entitled "Estimated Cost and Fee" of this Contract will be allocated as follows:

Base Fee – none
Award Fee – none
Performance fee – 100%

The Specific dollars assigned as positive level expectations to the Section J Appendix D level column are deducted from the total dollars allocated to performance fee before any further allocations occur.

The remaining performance fee amount will be allocated to the objective, measures and/or expectations as follows:

Objectives (except Mega objective) – 61.5%
Expectations – None
Mega Objective – 38.5%

This 61.5% of the performance fee allocated to objectives and measures is further suballocated as follows:

Individual objective or measure – the specific percentage of fee assigned to an individual objective or measure is set forth with that particular objective or measure in Section J Appendix D. The sum of these individual percentages equals 102.5%. The percentage of fee assigned in the particular objective or measure is therefore a percent of the above 61.5% divided by 1.025.

Negative objectives and expectations are treated as follows:

One objective and certain economic transition expectations have negative incentives assigned. Each negative incentive is expressed in terms of a dollar amount. The specific dollar amount assigned to the objective and to each expectation is stated in the objective and in the particular expectation respectively and is located in Section J, Appendix D. If the objective or expectation is not met, the specific dollar amount will be deducted from the total amount of fee earned. In no event will the amount deducted for failure to meet the objective or an expectation exceed the total amount of fee earned.

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX H

FEE PLAN

FOR THE PERIOD OCTOBER 1, 1997 – SEPTEMBER 30, 1998

1. The total available fee pool for FY 98 as set forth in the clause entitled “Estimated Cost and Fee” of this Contract is allocated as follows:

Base Fee – none
Award Fee – none
Performance fee – 100%

2. 85% of the total available fee pool in the contract clause entitled “Estimated Cost and Fee” is allocated to the critical few objectives, measures, and expectations, as follows:

Objectives – 8.5%
Measures – 4.75%
Expectations – 86.75%

The specific percentage of fee assigned to an individual objective, measure, or expectation is set forth in Section J, Appendix D, Attachment II. Available fee is suballocated into fee for baseline performance, increased performance, and negative fee for poor performance. If the contractor fails to meet a given performance objective, measure, or expectation, a negative incentive fee will result (if applicable). The specific amount will be deducted from the total amount of fee earned. However, in no event will the amount deducted for failure to meet performance objectives, measures, or expectations exceed the total amount of fee earned on all incentives.

3. 15% of the total available fee pool in the contract clause entitled "Estimated Cost and Fee" is allocated to a MEGA incentive. The DOE Performance Expectation Plan for FDH Company Performance During the Twelve-Month Evaluation Period, Ending September 30, 1998, dated December 23, 1997, establishes the bases to measure performance.

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX H

FEE PLAN

FOR THE PERIOD OCTOBER 1, 1998 – SEPTEMBER 30, 1999

1. The total available fee pool for FY99 as set forth in the clause entitled "Estimated Cost and Fee" of this Contract is allocated as follows:

Base Fee – none
Award Fee – none
Performance fee – 100%

2. 70 percent of the total available fee pool in the clause entitled "Estimated Cost and Fee" is allocated to the critical few objectives, measures, and expectations, as follows:

Objectives – 0.0%
Measures – 0.0%
Expectations – 100%

The specific percentage of fee assigned to an individual objective, measure, or expectation is set forth in Section J, Appendix D, Attachment III. Available fee is suballocated into fee for baseline performance, increased performance, and negative fee for poor performance. If the contractor fails to meet a given performance objective, measure, or expectation, a negative incentive fee will result (if applicable). The specific amount will be deducted from the total amount of fee earned. However, in no event will the amount deducted for failure to meet performance objectives, measures, or expectations exceed the total amount of fee earned on all incentives.

3. 30 percent of the total available fee pool in contract clause entitled "Estimated Cost and Fee," is allocated to a MEGA incentive. The *DOE Performance Expectation Plan for FDH Company Performance During the Twelve-Month Evaluation Period, Ending September 30, 1999*, dated October 1, 1998, establishes the bases to measure performance.

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX H

FEE PLAN

FOR THE PERIOD OCTOBER 1, 1999 – SEPTEMBER 30, 2000

1. The total available fee pool for FY 00 as set forth in the clause entitled "Estimated Cost and Fee" of this contract is allocated as follows:

Base Fee – none
Award Fee – none
Performance fee – 100%

2. Ninety-four percent of the total available fee pool in the clause entitled "Estimated Cost and Fee" is allocated to the critical few objectives, measures and expectations for baseline performance as follows:

Objectives – 0.0%
Measures – 0.0%
Expectations – 100%

The specific percentage of fee assigned to an individual objective, measure, or expectation is set forth in Section J, Appendix D.

3. Six percent of the total available fee pool in the clause entitled "Estimated Cost and Fee" is allocated to a Comprehensive incentive to measure how well the projects are enabled to be successful by support functions not having discrete performance incentives. The performance incentive "PHMC-Comprehensive," dated October X, 1999, establishes the bases to measure the comprehensive performance.

Fluor Daniel Hanford, Inc.
DE-AC06-96RL13200
Modification MO86
October 1, 1999

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX I

**SMALL BUSINESS
SUBCONTRACTING PLAN**

(ATTACHMENT FOLLOWS)

Fluor Daniel Hanford, Inc.
DE-AC06-96RL13200
Modification MO86
October 1, 1999

**Small, Small Disadvantaged and Woman-Owned Small Business
Subcontracting Plan for FY 1999**

November 29, 1998

Consisting of 6 pages including this face sheet

[for further information on the Subcontracting Plan, please visit the website below:]

<http://www.hanford.gov/phmc/contract/mods/m069/index.html>

Fluor Daniel Hanford, Inc.
DE-AC06-96RL13200
Modification MO86
October 1, 1999

**Small, Small Disadvantaged and Woman-Owned Small Business
Subcontracting Plan for FY 1998**

January 28, 1998

consisting of 7 pages
including this face sheet

[for further information on the Subcontracting Plan, please visit the website below:]

<http://www.hanford.gov/phmc/contract/mods/m039/index.html>

Fluor Daniel Hanford, Inc.
DE-AC06-96RL13200
Modification MO86
October 1, 1999

**Small, Small Disadvantaged and Woman-Owned Small Business
Subcontracting Plan for FY 1997
Revised**

January 28, 1997

consisting of 7 pages
including this face sheet

[for further information on the Subcontracting Plan, please visit the website below:]

<http://www.hanford.gov/phmc/contract/mods/m039/index.html>

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX J

PROJECT HANFORD

Information regarding DOE organization charts for the Hanford Site work is available on the Internet at <http://www.hanford.gov/doe/hrm/org/charts.htm>.

Fluor Daniel Hanford, Inc.
DE-AC06-96RL13200
Modification MO86
October 1, 1999

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX K

ORGANIZATIONAL CONFLICT OF INTEREST

Fluor Daniel Hanford, Inc.
DE-AC06-96RL13200
Modification MO86
October 1, 1999

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX L

CUSTOM COMPUTER SOFTWARE AGREEMENT

**PART III – LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX M

**WAGE DETERMINATIONS UNDER THE
SERVICE CONTRACT ACT**

(The following wage determinations apply)

<u>Att. #</u>	<u>Wage Determination #</u>	<u>Application Period</u>	<u>Mod. #</u>	<u># of Pages</u>
1	94-2570, Rev. 3	8/6/96 to 8/6/97	Original	22
2	94-2569, Rev. 3	8/6/96 to 8/6/97	M074	11
3	94-2569, Rev. 5 94-2570, Rev. 4	8/6/97 to 8/6/98 8/6/97 to 8/6/98	M074 M074	22
4	94-2569, Rev. 8	8/6/98 to 8/6/99	M074	14
5	98-109, Rev. 00 94-2570, Rev. 6	Per Collective Bargaining Agreements 8/6/98 to 8/6/99	M039 M039	17

(Note: Of the above wage determinations, the following were issued to FDH subcontractors under the Blanket Wage Determination Program with the identified application dates).

<u>Wage Determination #</u>	<u>Application Date</u>
94-2569, Rev. 3	2/28/96 to 2/28/97
94-2569, Rev. 5	2/28/97 to 2/28/98
94-2569, Rev. 8	2/28/98 to 2/28/99

SECTION J
APPENDIX M
Attachment 1

<u>Wage Determination #</u>	<u>Application Period</u>	<u># of Pages (Including Cover Page)</u>
94-2570, Rev. 3	8/6/96 to 8/6/97	22 (Pages issued in original contract)

Note: Electronic copy can be found at:

<http://www.hanford.gov/phmc/contract/conformed/section-j.html#M>

SECTION J
APPENDIX M
Attachment 2

<u>Wage Determination #</u>	<u>Application Period</u>	<u># of Pages (Including Cover Page)</u>
94-2569, Rev. 3	8/6/96 to 8/6/97	11

Note: Electronic copy can be found at:

<http://www.hanford.gov/phmc/contract/mods/m074/index.html>

SECTION J
APPENDIX M
Attachment 3

<u>Wage Determination #</u>	<u>Application Period</u>	<u># of Pages (Including Cover Page)</u>
94-2569, Rev. 5	8/6/97 to 8/6/98	22
94-2570, Rev. 4	8/6/97 to 8/6/98	Included above

Note: Electronic copy can be found at:

<http://www.hanford.gov/phmc/contract/mods/m074/index.html>

SECTION J
APPENDIX M
Attachment 4

<u>Wage Determination #</u>	<u>Application Period</u>	<u># of Pages (Including Cover Page)</u>
94-2569, Rev. 8	8/6/98 to 8/6/99	14

Note: Electronic copy can be found at:

<http://www.hanford.gov/phmc/contract/mods/m074/index.html>

SECTION J
APPENDIX M
Attachment 5

<u>Wage Determination #</u>	<u>Application Period</u>	<u># of Pages (Including Cover Page)</u>
98-0109, Rev. 00	Per Collective Bargaining Agreements	7
94-2570, Rev. 6	8/6/98 to 8/6/99	10

(pages issued in Mod M039)

Note: Electronic copy can be found at:

<http://www.hanford.gov/phmc/contract/mods/m039/index.html>

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX N

**SPECIAL BANK ACCOUNT AGREEMENT FOR USE WITH
THE CHECKS – PAID METHOD OF LETTER OF CREDIT
FINANCING**

OCTOBER 1, 1998, THROUGH SEPTEMBER 30, 1999

(For the most recent version of Modification M037, please go to the following Internet site:

<http://www.hanford.gov/phmc/contract/mods/m037/index.html>

Fluor Daniel Hanford, Inc.
DE-AC06-96RL13200
Modification MO86
October 1, 1999

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