

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE DE-AC07-99ID13727	PAGE 1 OF 4 PAGES
2. AMENDMENT/MODIFICATION NO. M106	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO. NOPR	5. PROJECT NO. (If applicable)	
6. ISSUED BY U.S. Department of Energy Idaho Operations Office Procurement Services Division 1955 Fremont Avenue Idaho Falls, ID 83401-1221		CODE	7. ADMINISTERED BY (If other than Item 6) Wendy L. Bauer, Contracting Officer (208) 526-2808	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and Zip Code) Bechtel BWXT Idaho, LLC P.O. Box 1625, MS 3810 Idaho Falls, ID 83415			9A. AMENDMENT OF SOLICITATION NO.	
CODE			9B. DATED (SEE ITEM 11)	
FACILITY CODE			10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC07-99ID13727	
			10B. DATED (SEE ITEM 13) June 1, 1999	
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 as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

N/A

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

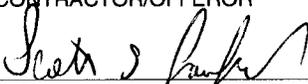
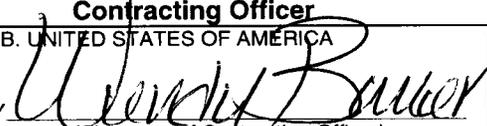
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO (Specify authority):	
THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.	
B. THE ABOVE-NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (Such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).	
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:	
X	D. OTHER (Specify type of modification and authority): Mutual Agreement

E. IMPORTANT: Contractor ___ is not, **X** is required to sign this document and return **[3]** copies to the issuing office.

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

(See Following Page)

Except as provided herein, all terms and conditions of the document referenced in Items 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) Scott S. Crawford Manager, Prime Contracts		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Wendy L. Bauer Contracting Officer	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
BY  (Signature of person authorized to sign)	10/27/04	BY  (Signature of Contracting Officer)	10/29/04

The contract is modified to incorporate the Lab FY05 contract extension Performance Based Incentives (PBIs) contained at Section J, Attachment L - Performance Evaluation Management Plan. To fully integrate the new PBIs, other contract clauses/provisions are modified as follows:

1. Section B, Clause B.3(b), ESTIMATED COST AND AVAILABLE FEE, is revised as follows:

- (a) The estimated cost and total available fee pool will be established by the Government in accordance with DEAR 970.1504-1-1 and set forth in a modification to this provision.
- (b) The estimated cost of the specified contract periods, is set forth below:

<u>CONTRACT PERIOD</u>	<u>ESTIMATED COST</u>
October 1, 2001 through September 30, 2002	\$685,000,000
October 1, 2002 through September 30, 2003	\$710,000,000
October 1, 2003 through September 30, 2004	\$753,000,000
October 1, 2004, through January 31, 2005	\$140,000,000 EM Funding \$115,700,000 Lab Funding

- (c) The EM/RW Base Program New Budget Authority (BA) to be provided to the Contractor is set forth below:

PERIOD	EM BASE PROGRAM FUNDING
October 1, 2001 through September 30, 2002	\$405,000,000
October 1, 2002 through September 30, 2003	\$407,827,000
October 1, 2003 through September 30, 2004	\$385,000,000
October 1, 2004 through January 31, 2005	\$140,000,000

DOE commits to EM/RW base programming funding of \$407.827M, \$385M, and \$140M for Fiscal Years FY03, FY04 and FY05, respectively. Additionally, DOE commits that the allocation between fund sources will be sufficient to ensure funds are available to allow execution of all work scope covered by the approved EM Detailed Work Plan (DWP), dated October 15, 2003. Should the level of funding, or allocation restrictions negatively impact BBWI's ability to complete the agreed upon EM DWP and this impact can be clearly demonstrated by BBWI with advance notice to DOE, DOE agrees to renegotiate affected elements of the PEMP and/or EM DWP, as appropriate.

- (d) The total available fee for the specified contract periods is set forth in B.4 below.
- (e) Except as required by law or the terms of the contract, the contractor has authority and discretion to transfer available funds among PBIs to complete all PEMP measures in addition to DWP approved and funded scope. (The EM DWP is defined as the performance baseline component and the unfunded stretch component.) Notification of such transfers must be made to NE-ID by the 15th of each month. Transfers are limited to activities within the individual EM control levels and must be consistent with contract requirements. The contractor will provide monthly reports to NE-ID identifying available funding, costs, outstanding commitments and EAC by EM control level and PBI.

- (f) The Contractor has the authority to reduce/eliminate non-mission critical and/or non-regulator required EM DWP activities, and allocate funds accordingly, without prior NE-ID approval, provided that the change is documented by BCP and concurrent notice of the change and the BCP are provided to NE-ID. BBWI must notify an NE-ID COR and CO of deleted work scope and obtain an initial NE-ID evaluation of the proposed deletion. An NE-ID CO will notify BBWI within three (3) working days if they take exception to the BCP Work Scope not included in the approved DWP, and if externally driven, the change must be submitted for approval to NE-ID via the BCP process before funds will be authorized.
- (g) Open BCPs, provided to NE-ID prior to March 1, 2004, and approved by NE-ID, are considered part of this agreement and do not require additional ID-Management Reserve to implement. The BCPs are as follows: INTEC 04-011 Japan Fuel Receipt Credit; RW 04-012 WMF-602 Transfer to BNFL, Inc.; ML 04-008 Storm water Work Scope Modifications; ML 04-004 Change Due Date for Update/Revision to Volume I, Section A; ML 04-007 Disposition Evidentiary Materials; INTEC 04-052 Delete Scope for NSNFP Stand Canister & Weld Development; INTEC 04-061 Upgrade Egress for CPP-651; and INTEC 04-066 Upgrade Fort St. Vrain Radio Communication.

2. Section B, Clause B.4, TOTAL AVAILABLE FEE, Table B.4.1, and Table B.4.2 are revised as follows:

Fees delineated in Table B.4.1 were established in accordance with DEAR 970.1504-1-1 and in accordance with Section I.49 clause entitled DEAR 970.5204-54 TOTAL AVAILABLE FEE: BASE FEE AMOUNT AND PERFORMANCE FEE AMOUNT.

In the event the parties fail to agree on the amount of total available fee or any appropriate adjustments thereto under the aforementioned circumstances, the Contracting Officer may make a unilateral decision on the total available fee, subject to appeal under the clause of the contract entitled Disputes.

Total available fee for the contract is as follows:

Table B.4.1

	Fiscal Year(s)	Government Specified Maximum Total Available Fee*	Fee Discount Factor	Total Available Fee (B) – [(B) X (C)] = (D)
	(A)	(B)	(C)	(D)
Basic Contract Period	FY 2000 (Oct-Mar)	\$10,000,000	5.0%	\$ 9,500,000
	FY 2000 (Apr-Sep)	\$18,055,400	5.0%	\$17,155,400
	FY 2001	\$35,910,000	5.0%	\$34,200,000
	FY 2002	\$33,625,947	5.0%	\$31,944,650
	FY 2003 – 2004	\$82,111,947	5.0%	\$78,006,350
	EM FY 2004 – 2005 Challenge			
Option Period	EM FY 2005 – through 01/31/2005			\$ 7,006,000
	Lab FY 2005 – through 01/31/2005			\$ 4,940,000

Allocation between award fee and incentive fee shall be separately negotiated (or determined unilaterally by the Contracting Officer if good faith negotiations do not result in an agreement).

Table B.4.2

Line No.	Description	Total FY 2004 - 2005
	Available Fee Calculations:	
A	EM PBI Total	\$27,000,000
B	Other PBI Total	\$ 4,940,000
C	Maximum Negotiated Total Available Fee – through 01/31/2005	\$31,940,000

3. **Part III, Section J, Attachment J-L, Performance Evaluation Measurement Plan, is revised to include the Lab FY05 PBIs as follows:**

The Lab Performance Based Incentives (PBIs) and Other PBIs are hereby incorporated by reference. Any changes made to the PBIs will be made through the formal change control process.

EM Supplemental FY04 and FY05 PBIs and Detail Sheets through 01/31/2005 (attached to Mod M096)

FY05 Lab PBIs (attached)

FY 2005 PERFORMANCE BASED INCENTIVE

SECTION 1 GENERAL INFORMATION

Performance Incentive Number: PBI-13 (Office of Nuclear Energy/Office of Science)
Program Based Summary Number: N/A
Performance Incentive Short Title: Nuclear Energy Research & Development
Revision Number & Date: Rev. 0, October 1, 2004 – January 31, 2005
Maximum Available Incentive Fee: \$561K, FY05
Performance Incentive Type: Base Stretch Superstretch
Duration: Annual Multi-year
Fee Payment Type: Completion Progress Provisional
DOE Technical Monitor: Walt Sato
BBWI Technical Monitor: James Lake
(check appropriate box)

SECTION 2 PERFORMANCE OUTCOMES

Check Appropriate Box:

- Outcome #1 Deliver science-based, engineered solutions.
- Outcome #2 Complete environmental cleanup responsibly.
- Outcome #3 Provide leadership and support to optimize investments.
- Outcome #4 Enhance scientific and technical talent, facilities, and equipment.

SECTION 3 PERFORMANCE MEASURES AND EXPECTATION (S)

List associated performance measures and performance expectations for FY05. Identify associated PBS # for each performance measures as appropriate.

Expectation 1.1: Complete all Generation IV milestones for the first four months of FY 2005 as highlighted in the Program Guidance memorandum. (\$187K)

- Issue revision to the Generation IV Nuclear Energy Systems Initiative Ten-Year Program Plan (01/31/05)
- Issue memo on public outreach and analysis team mission, vision, value set, and metrics (1/28/05)
- Complete interim report on GFR reactor design (1/31/05)

Expectation 1.2: Complete all AFCI milestones for the first four months of FY 2005 as highlighted in the Program Guidance Memorandum. (\$187K)

- Complete report documenting projected linear heat rate generation and burnup calculations for the AFCI nitride and metal transmutation fuel capsules, AFC-1 D, G and H, for the Advanced Test Reactor cycle 135b by January 31, 2005.
- Deliver Final Draft of the March 2005 "Report to Congress on the Advanced Fuel Cycle Initiative - AFCI Objectives and Path Forward" to DOE by December 31, 2004.

Expectation 1.3: Complete all INEEL Nuclear Hydrogen Initiative milestones for the first four months of FY 2005 as highlighted in the Program Guidance memorandum. (\$187K)

- Produce 10 to 15 additional button cells using the plasma deposition technique - 1/15/05.
- Demonstrate high-temperature electrolysis stack testing at a production rate of 50 normal liters per hour of hydrogen - 1/15/05.

FY 2005 PERFORMANCE BASED INCENTIVE

- Issue progress report on analysis of engineering and commercial-scale HTE units - 1/15/05.
- Complete update of the FY 2004 Infrastructure and Facilities report - 1/15/05.
- Issue preliminary report describing methods development, criteria and estimates for hydrogen production plant and nuclear plant separation requirements - 1/15/05.
- Issue summary report of NHI Interface and Systems Support activities completed to date - 1/15/05.

SECTION 4 FEE SCHEDULE

Identify fee payment schedule for the PBI and the type of payments to be made (e.g., provisional, progress, final) and the basis of the payment (e.g., per canister completed, per assembly, earned value, etc.)

Expectation 1.1: The maximum fee available is \$187K in FY05. Fee will be distributed uniformly among the deliverables. Fee will be reduced by 1% per workday (up to 10 days after which the milestone is considered missed and the fee is zero) if the established milestone date is late. A \pm 10% quality assessment will be given to each deliverable as a measure of benefit to the government.

Expectation 1.2: The maximum fee available is \$187K in FY05. Fee will be distributed uniformly among the deliverables. Fee will be reduced by 1% per workday (up to 10 days after which the milestone is considered missed and the fee is zero) if the established milestone date is late. A \pm 10% quality assessment will be given to each deliverable as a measure of benefit to the government.

Expectation 1.3: The maximum fee available is \$187K in FY05. Fee will be distributed uniformly among the deliverables. Fee will be reduced by 1% per workday (up to 10 days after which the milestone is considered missed and the fee is zero) if the established milestone date is late. A \pm 10% quality assessment will be given to each deliverable as a measure of benefit to the government.

SECTION 5 PERFORMANCE REQUIREMENTS

PREVIOUS YEAR'S GATEWAY: *(Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.)*

GENERAL REQUIREMENTS: *(Describe other performance required beyond those stated in measure or expectation such as cost constraints or requirements contained in the approved project plan.)*

DEFINE COMPLETION: The Measures, schedule, and payment basis will be rated on objective milestones and deliverables.

COMPLETE DOCUMENTS LIST: The current list of Measures and documents are defined in section 3 above.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(List foreseeable impacts to performance, which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation.)*

FY 2005 PERFORMANCE BASED INCENTIVE

SECTION 1 GENERAL INFORMATION

Performance Incentive Number: PBI-14
Program Based Summary Number: N/A
Performance Incentive Short Title: TRA/ATR Operations
Revision Number & Date: Rev. 0, October 1, 2004 – January 31, 2005
Maximum Available Incentive Fee: \$956,667
Performance Incentive Type: Base Stretch Superstretch
Duration: Annual Multi-year
Fee Payment Type: Completion Progress Provisional
DOE Technical Monitor: James Malmo
BBWI Technical Monitor: Dave Richardson
(check appropriate box)

SECTION 2 PERFORMANCE OUTCOMES

Check Appropriate Box:
 Outcome #1 Deliver science-based, engineered solutions.
 Outcome #2 Complete environmental cleanup responsibly.
 Outcome #3 Provide leadership and support to optimize investments.
 Outcome #4 Enhance scientific and technical talent, facilities, and equipment.

SECTION 3 PERFORMANCE MEASURES AND EXPECTATION (S)

List associated performance measures and performance expectations for FY05. Identify associated PBS # for each performance measures as appropriate.

Measure 1: CIC Radiological Performance

Expectation 1: Minimize events resulting in skin contaminations and in clothing contaminations through the duration of CIC.

Measure 2: Full Power Operations

Expectation 1: Successfully complete the CIC and return the reactor to full power operations. This includes successful completion of the core component replacements (tank chain), a management self-assessment, initial criticality, and achievement of full-power operations. Unexpected material issues beyond the control of the contractor that preclude meeting schedule will require revision of this measure or reallocation of fee.

Measure 3: Potable Water Project

Expectation 1: Issue engineering design drawings as approved for construction (AFC) including drawings for both the well design and delivery system.

Measure 4: Electrical Utility Upgrade

Expectation 1: Complete construction and SO testing on Power Management transformer 8T3-5.

FY 2005 PERFORMANCE BASED INCENTIVE

SECTION 4 FEE SCHEDULE

Identify fee payment schedule for the PBI and the type of payments to be made (e.g., provisional, progress, final) and the basis of the payment (e.g., per canister completed, per assembly, earned value, etc.)

Measure	Activity	Detail	Milestone Date	Fee
1	CIC Radiological Performance	<p>Minimize events resulting in skin contaminations (\$50K) and in clothing contaminations (\$50K) through the duration of CIC. RPI = # of skin (or clothing) contamination events to date during the 2004 CIC/# of the same events during the same duration in the 1994 CIC. For each RPI, fee is earned as follows:</p> <p style="padding-left: 40px;">RPI ≤ 0.65 - Blue and Full Fee is awarded</p> <p style="padding-left: 40px;">RPI > 0.65 - 0.7 - Green and 75% fee is awarded</p> <p style="padding-left: 40px;">RPI > 0.7 - 0.8 - Yellow and 50 % fee is awarded</p> <p style="padding-left: 40px;">RPI > 0.8 - 1.0 - red and 0% fee is awarded</p>	Complete upon achieving full power reactor operations or on January 31, 2005, whichever comes first.	\$100K
2	Full Power Operations	Successfully complete the CIC and return the reactor to full power operations. This includes successful completion of the core component replacements (tank chain), a management self-assessment, initial criticality, and achievement of full-power operations. (\$706.667k)	January 31, 2005	\$706,667
3	Potable Water Project	Issue engineering design drawings as approved for construction (AFC) including drawings for both the well design and delivery system. (\$75k)	January 31, 2005	\$75K
4	Electrical Utility Upgrade	Complete construction and SO testing on Power Management transformer 8T3-5. (\$75K)	January 31, 2005	\$75K

Notes: None

FY 2005 PERFORMANCE BASED INCENTIVE

SECTION 5 PERFORMANCE REQUIREMENTS

PREVIOUS YEAR'S GATEWAY: *(Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.)*

None

GENERAL REQUIREMENTS: *(Describe other performance required beyond those stated in measure or expectation such as cost constraints or requirements contained in the approved project plan.)*

Cost and milestone targets set by the customer program, through customer controlled program or project planning documentation, must be met.

The INEEL is responsible for maintaining an appropriate work control system (e.g. Detailed Work Plans or similar system) to allow for traceability of project baselines for purposes of demonstrating completion of defined work scopes.

DEFINE COMPLETION: *(Specify performance elements and describe indicators of success [quality/progress]. Include baseline documentation/data against which completion documentation should be compared.) (Stretch goals must be documented by Baseline Change Proposals including documented and verified baselines which are approved by the CO.)*

Completion requirements will be determined per the customer approved project or program baseline.

COMPLETE DOCUMENTS LIST: *(List document(s) that should be submitted, data that should be available, actions to be taken by evaluator to determine actual performance to the requirements stated above.)*

The work scope to be accomplished is funded by a number of clients and customers. The INEEL is responsible for maintaining appropriate project control documentation for each project so as to allow for determination of completion of technical work scope, milestones and costs per customer expectations. DOE-ID may conduct an annual validation audit to document performance against customer requirements.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(List foreseeable impacts to performance, which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation.)*

If funding for any or all of the activities described in Section 3 becomes unavailable or altered, performance requirements will be renegotiated.

FY 2005 PERFORMANCE BASED INCENTIVE

SECTION 1 GENERAL INFORMATION

Performance Incentive Number: PBI-15
Program Based Summary Number: N/A
Performance Incentive Short Title: SMC Production
Revision Number & Date: Rev. 0, October 1, 2004 – January 31, 2005
Maximum Available Incentive Fee: \$866,667
Performance Incentive Type: Base Stretch Superstretch
Duration: Annual Multi-year
Fee Payment Type: Completion Progress Provisional
DOE Technical Monitor: James A. Malmo
BBWI Technical Monitor: Dave Kudsin
(check appropriate box)

SECTION 2 PERFORMANCE OUTCOMES

Check Appropriate Box:

- Outcome #1 Operational Excellence
 Outcome #2 Mission Accomplishment
 Outcome #3 Integrate R&D and Operations
 Outcome #4 INEEL Revitalization
 Outcome #5 Leadership

SECTION 3 PERFORMANCE MEASURES AND EXPECTATION (S)

List associated performance measures and performance expectations for FY05. Identify associated PBS # for each performance measures as appropriate.

Measure 1: Accomplish SA FY-05 Target (40 Units)

Expectation 1: Complete SA production. Deliver units according to the agreed upon delivery schedule. This is a base fee measure with 10% of total fee assigned to this measure for FY-05. To earn fee for this measure produce 40 units by 1/31/05. If additional units above the required 40 (up to a maximum of 13 additional units) are produced by 1/31/05, each additional unit will earn \$2,000 to be applied to any PBI 15 unearned fee from Measure 1 through 4.

Measure 2: Accomplish AB FY-05 Target (33 units)

Expectation 1: Complete AB production. Deliver units with 100% quality acceptance according to the agreed upon delivery schedule. This is a base fee measure for FY-05 with total fee assigned to this measure to be 60% of total fee available. To earn fee for this measure, produce 33 units by 1/31/05. A reduction of \$15,000 will be made for each unit between 26 and 32. No fee will be earned if less than 25 units are completed by 1/31/05. The TAN-679/679A outage shall begin by 1/3/05 unless a new start date is mutually agreed upon.

Measure 3: Deliver Test Assemblies (TA) Corresponding to Process Improvement Plan (PIP) 2004-01

Expectation 1: This measure is for the completion of the initiative defined in Process Improvement Plan 2004-01. The completion of this measure will be defined by the delivery of test assemblies corresponding to the four highest priority efforts. Additional development work defined in PIP 2004-01 will not be bound by this measure. The required test assemblies for delivery are a minimum of sixteen single-high LP test assemblies, three three-high LP's, and one DW. This is a base fee measure with 15% of total fee assigned to this measure for FY-05. To earn full fee for this measure, produce and deliver a minimum of sixteen single-high LP test assemblies by 10/15/04 and three three-high LP's and one

FY 2005 PERFORMANCE BASED INCENTIVE

DW by 1/31/05. Authorization to produce additional three-high LP's and the DW will be provided by DOE-ID no later than 11/15/04. The work associated with this measure is subject to receiving sufficient funding to procure materials and execute the work defined in PIP 2004-01. This measure may be renegotiated if one of the efforts do not warrant further testing beyond the single-high LP phase.

Measure 4: Deliver Test Assemblies Corresponding to Process Improvement Plan 2004-02

Expectation 1: This measure is for the completion of the initiative defined in Process Improvement Plan 2004-02. This is a base fee measure with 15% of total fee assigned to this measure for FY-05. The completion of this measure will be defined by the delivery of test assemblies as defined in PIP 2004-02. The required test assemblies support the development of the "A" slabs. A total of three three-high LP and one DW test assemblies will be delivered. To earn full fee for this measure, produce and deliver required test assemblies as defined in PIP 2004-02 by 1/31/05. The work associated with this measure is subject to receiving sufficient funding to procure materials and execute the work defined in PIP 2004-02. This measure may be renegotiated if the cost savings identified does not support continued testing.

SECTION 4 FEE SCHEDULE

Identify fee payment schedule for the PBI and the type of payments to be made (e.g., provisional, progress, final) and the basis of the payment (e.g., per canister completed, per assembly, earned value, etc.)

Measure	Expectation	% of Fee	Milestone Date	Additional Information
1. Accomplish SA FY05 Target	40 units by 1/31/05	10	01/31/05	See Classified PBI Supplement
2. Accomplish AB FY05 Target	33 units by 1/31/05	60	01/31/05	See Classified PBI Supplement
3. Deliver Test Assemblies Corresponding to Process Improvement Plan 2004-01	Deliver single-high LP's	15	10/15/04	See Classified PBI Supplement
	Deliver 3-high LP's and DW		1/31/05	
4. Deliver Test Assemblies Corresponding to Process Improvement Plan 2004-02	Deliver TA's	15	1/31/05	See Classified PBI Supplement

SECTION 5 PERFORMANCE REQUIREMENTS

PREVIOUS YEAR'S GATEWAY: (Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.)

None

GENERAL REQUIREMENTS: (Describe other performance required beyond those stated in measure or expectation such as cost constraints or requirements contained in the approved project plan.)

All changes to milestones above must be approved by NE-ID (through Baseline Change Control action). A reduction of \$5K in earned fee will be assessed for each Security Infraction.

DEFINE COMPLETION: (Specify performance elements and describe indicators of success [quality/progress]. Include baseline documentation/data against which completion documentation should be compared.) (Stretch goals must be documented by Baseline Change Proposals including documented and verified baselines which are approved by the CO.)

See Section 3.

COMPLETE DOCUMENTS LIST: (List document(s) that should be submitted, data that should be available, actions to be taken)

FY 2005 PERFORMANCE BASED INCENTIVE

by evaluator to determine actual performance to the requirements stated above.)

The funding for this activity is part of BBWI's FY 2005 DoD and other Federal Agency budget as documented in the approved FY 2005 Detailed Work Plan. The contractor is required to provide documentation to NE-ID at the end of the performance period to verify any fee determination. The NE-ID Chief Financial Office and the SMC NE-ID Program Office will validate through an audit that the documentation and request for fee payment is correct. A validation audit report with a recommendation to the amount of fee to be paid will be provided to the NE-ID Contracting Officer.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(List foreseeable impacts to performance, which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation.)*

The Specific Manufacturing Capability (SMC) Baseline Change Control board will review all events seen as significant and make recommendations to the contracting officer for contract, budget, and work scope changes.

FY 2005 PERFORMANCE BASED INCENTIVE

SECTION 1 GENERAL INFORMATION

Performance Incentive Number: PBI-16
Program Based Summary Number: N/A
Performance Incentive Short Title: National Security Programs
Revision Number & Date: Rev. 0, October 1, 2004 – January 31, 2005
Maximum Available Incentive Fee: \$933K
Performance Incentive Type: Base Stretch Superstretch
Duration: Annual Multi-year
Fee Payment Type: Completion Progress Provisional
DOE Technical Monitor: Dolores J. Ferri
BBWI Technical Monitor: Laurin Dodd
(check appropriate box)

SECTION 2 PERFORMANCE OUTCOMES

Check Appropriate Box:

- Outcome #1 Deliver science-based, engineered solutions.
 Outcome #2 Complete environmental cleanup responsibly.
 Outcome #3 Provide leadership and support to optimize investments.
 Outcome #4 Enhance scientific and technical talent, facilities, and equipment.

SECTION 3 PERFORMANCE MEASURES AND EXPECTATION (S)

List associated performance measures and performance expectations for FY05. Identify associated PBS # for each performance measures as appropriate.

Measure 1: Physical Security

Expectation 1: Enhance and expand the Physical Security Business Base.

Measure 2: Nonproliferation/Intelligence

Expectation 1: Meet major milestones that are critical to the future development of Nonproliferation and Intelligence programs.

Expectation 2: Enhance information operations capabilities and programs.

Measure 3: Critical Infrastructure/Test Range

Expectation 1: Enhance INEEL Test Range Physical Infrastructure.

Expectation 2: Expand international presence/influence.

Expectation 3: Establish programs with the Department of Homeland Security – Science and Technology related to Cyber/Critical Infrastructure Protection.

Measure 4: Intelligence Community

Expectation 1: Expand the Business Base for Intelligence Community.

FY 2005 PERFORMANCE BASED INCENTIVE

SECTION 4 FEE SCHEDULE

Identify fee payment schedule for the PBI and the type of payments to be made (e.g., provisional, progress, final) and the basis of the payment (e.g., per canister completed, per assembly, earned value, etc.)

Measure 1: Physical Security (\$233K)

Expectation 1: Enhance and expand the Physical Security Business Base.

1. By January 31, 2005, expand explosives engineering and analysis by establishing an INEEL Breaching Pad and conducting one explosive breach on an entry door. (\$100K)
2. By January 31, 2005, train two additional personnel to perform VA's in support of VA Center of Excellence and NTC. (\$68K)
3. By January 31, 2005, develop fourth VA course and conduct a pilot course. (\$65K)

Measure 2: Nonproliferation/Intelligence (\$200K)

Expectation 1: Meet major milestones that are critical to the future development of Nonproliferation and Intelligence programs. By December 31, 2004, develop and begin operational testing of a high energy photon interrogation and detection system which includes a prototypical imaging array and a prototypical "cabinet safe"-type waveguide design. (\$100K)

Expectation 2: Enhance information operations capabilities and programs.

1. By January 31, 2005, hire information operations program lead (\$50K)
2. By January 31, 2005, develop and communicate a new information operations concept addressing a national security priority. (\$50K)

Measure 3: Critical Infrastructure/Test Range (\$350K)

Expectation 1: Enhance INEEL Test Range Physical Infrastructure.

1. By January 31, 2005, coordinate with and/or assist clients in securing sufficient resources for completion of one of the following:
 - a. Secure facility at CFA: and
 - b. Range control center at the Critical Infrastructure Test Range Complex (\$50K)
2. By January 31, 2005, complete procurement and installation of first increment of WTB equipment ("carrier-grade" GSM/GPRS protocol base stations of multiple frequencies) as result of new investment (\$100K)

Expectation 2: Expand international presence/influence.

1. Conduct PCS/cyber VA in at least one foreign country by January 31, 2005. (\$50K)
2. Working with DHS/NCSD develop and begin implementation of a planned collaboration in PCS/cyber security by January 31, 2005. (\$50K)

Expectation 3: Establish programs with the Department of Homeland Security – Science & Technology related to Cyber/Critical Infrastructure Protection.

1. Develop at least one project in Cyber/SCADA or Physical Security by January 31, 2005. (\$100K)

FY 2005 PERFORMANCE BASED INCENTIVE

Measure 4: Intelligence Community (\$150K)

Expectation 1: Expand Scope of work for Intelligence Community.

1. Establish the capability to fabricate special interest items for a high visibility client activity in the MSSL and deliver 25% of the client order for items by December 31, 2004. (Client order baseline effective August 31, 2004). (\$150K)

SECTION 5 PERFORMANCE REQUIREMENTS

PREVIOUS YEAR'S GATEWAY: *(Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.)*

None

GENERAL REQUIREMENTS: *(Describe other performance required beyond those stated in measure or expectation such as cost constraints or requirements contained in the approved project plan.)*

Cost and milestone targets set by the customer program, through customer controlled program or project planning documentation, must be met.

The INEEL is responsible for maintaining an appropriate work control system (e.g. Detailed Work Plans or similar system) to allow for traceability of project baselines for purposes of demonstrating completion of defined work scopes.

DEFINE COMPLETION: *(Specify performance elements and describe indicators of success [quality/progress]. Include baseline documentation/data against which completion documentation should be compared.) (Stretch goals must be documented by Baseline Change Proposals including documented and verified baselines which are approved by the CO.)*

Completion requirements will be determined per the customer approved project or program baseline.

COMPLETE DOCUMENTS LIST: *(List document(s) that should be submitted, data that should be available, actions to be taken by evaluator to determine actual performance to the requirements stated above.)*

The work scope to be accomplished is funded by a number of clients and customers. The INEEL is responsible for maintaining appropriate project control documentation for each project so as to allow for determination of completion of technical work scope, milestones and costs per customer expectations. DOE-ID may conduct an annual validation audit to document performance against customer requirements.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(List foreseeable impacts to performance, which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation.)*

If funding for any or all of the activities described in Section 3 becomes unavailable or altered, performance requirements will be renegotiated.

FY2005 PERFORMANCE BASED INCENTIVE

SECTION 1 - GENERAL INFORMATION

Performance Incentive Number: PBI – 17
Performance Incentive Short Title: Comprehensive Performance
Revision Number & Date: October 1, 2004 – January 31, 2005
Maximum Available Incentive Fee: \$1000K
Performance Incentive Type: Base Stretch Superstretch
Duration: Annual Multi-year
Fee Payment Type: Award Progress Provisional
DOE Technical Monitor: Paul Keele
BBWI Technical Monitor: Paul Rosenkoetter
(check appropriate box)

SECTION 2 - PERFORMANCE OUTCOMES

Check Appropriate Box:

- Outcome #1 Deliver science-based, engineered solutions.
 Outcome #2 Complete environmental cleanup responsibly.
 Outcome #3 Provide leadership and support to optimize investments.
 Outcome #4 Enhance scientific and technical talent, facilities, and equipment.

SECTION 3 - PERFORMANCE MEASURES AND EXPECTATION (S)

List associated performance measures and performance expectations for FY04.

Performance Measure 1 – Laboratory Excellence

The contractor is responsible for effectively managing risk. Management attention should be directed toward optimizing the Integrated Safety Management System with emphasis on prevention of the recurrence of problems. The following indicators represent activities that are viewed as providing significant value to the government.

- Continue to enhance and improve ESH&QA performance, giving particular attention to potential workforce distractions resulting from organizational restructuring and contract transition.

Performance Measure 2 – Idaho National Laboratory Transition

Complete and execute, in conjunction with the successful bidder, a smooth and effective contract transition in accordance with the approved transition plan through 1/31/2005.

SECTION 4 - FEE SCHEDULE

Identify fee payment schedule for the PBI and the type of payments to be made (e.g., provisional, progress, final) and the basis of the payment (e.g., per canister completed, per assembly, earned value, etc.)

The contractor may earn 100% of fee based on accomplishment of these Performance Measures. Accomplishment will be determined by management evaluation of the listed indicators and other related performance considerations. Monthly (or as mutually agreed) communications and reporting will be the primary method to status performance.

SECTION 5 - PERFORMANCE REQUIREMENTS

PREVIOUS YEAR'S GATEWAY: (Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.) None

GENERAL REQUIREMENTS: (Describe other performance required beyond those stated in measure or expectation such as cost constraints or requirements contained in the approved project plan.) None

DEFINE COMPLETION: (Specify performance elements and describe indicators of success [quality/progress]. Include baseline documentation/data against which completion documentation should be compared.)

See section 3 for performance and measures and expectations. Performance evaluation will be provided on a monthly basis and final fee determination by the Fee Determining Official will be provided at the conclusion of the performance period.

FY2005 PERFORMANCE BASED INCENTIVE

COMPLETE DOCUMENTS LIST: *(List document(s) that should be submitted, data that should be available, actions to be taken by evaluator to determine actual performance to the requirements stated above.)* None

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(List foreseeable impacts to performance, which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation.)* None

FY 2005 PERFORMANCE BASED INCENTIVE

SECTION 1 GENERAL INFORMATION

Performance Incentive Number: PBI-18
Program Based Summary Number: N/A
Performance Incentive Short Title: INEEL Energy, Environmental, Engineering Technology, and Science Capability
Revision Number & Date: Rev. 0, October 1, 2004 - January 31, 2005
Maximum Available Incentive Fee: \$333,333
Performance Incentive Type: Base Stretch Superstretch
Duration: Annual Multi-year
Fee Payment Type: Completion Progress Provisional
DOE Technical Monitor: Walt Sato
BBWI Technical Monitor: Harold Blackman
(check appropriate box)

SECTION 2 PERFORMANCE OUTCOMES

Check Appropriate Box:

- Outcome #1 Deliver science-based, engineered solutions.
- Outcome #2 Complete environmental cleanup responsibly.
- Outcome #3 Provide leadership and support to optimize investments.
- Outcome #4 Enhance scientific and technical talent, facilities, and equipment.

SECTION 3 PERFORMANCE MEASURES AND EXPECTATION (S)

List associated performance measures and performance expectations for FY05. Identify associated PBS # for each performance measures as appropriate.

Measure 1: Provide leadership and technical support to DOE programs to develop, demonstrate or deploy energy efficiency, renewable energy, or fossil energy technologies.

FY05 Milestones

- By January 31, 2005, establish at least one new industrial or university partner focused on advanced energy technology. (\$25K)
- By January 31, 2005, develop a draft document for the DOE geothermal program entitled "Federal Geothermal Research Program for FY04" which summarizes all DOE supported geothermal research. (\$56,666)

Measure 2: Provide scientific and technical resources to support the Yucca Mountain Project (YMP).

FY05 Milestones

- By January 31, 2005, the INEEL will demonstrate the remote welding of the Yucca Mountain waste package canister closure lids with the robotic end effector. (\$56,666)
- By January 31, 2005, complete and issue the DOE Standardized Canister and Multi-Canister Overpack drop test report (Engineering Design File), documenting the canister performance against the pretest predictions. (\$56,666)

Measure 3: Leverage key technologies and solutions used to support successful execution of DOE's legacy cleanup to support other DOE nuclear and non-nuclear energy programs, national security programs and other federal and international agencies.

FY 2005 PERFORMANCE BASED INCENTIVE

FY05 Milestones

- By December 17, 2004, a draft of the final report to the NRC on the development of the Human Event Repository and Analysis System (HERA) will be issued. (\$56,669)

Measure 4: Provide scientific and technical resources to support INEEL Laboratory mission performance.

FY05 Milestones

- By January 31, 2005, establish at least one new collaboration as part of the laboratory's earth and life science program. (\$25K)
- Aligned with advances building the INEEL's Materials Science and Materials Prognostic capabilities, controlled atmosphere creep-fatigue testing of Inconel Alloy 617 will be initiated by January 31, 2005. (\$56,666)

SECTION 4 FEE SCHEDULE

Identify fee payment schedule for the PBI and the type of payments to be made (e.g., provisional, progress, final) and the basis of the payment (e.g., per canister completed, per assembly, earned value, etc.)

SECTION 5 PERFORMANCE REQUIREMENTS

PREVIOUS YEAR'S GATEWAY: (Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.)

None

GENERAL REQUIREMENTS: (Describe other performance required beyond those stated in measure or expectation such as cost constraints or requirements contained in the approved project plan.)

Cost and milestone targets set by the customer program, through customer controlled program or project planning documentation, must be met.

The INEEL is responsible for maintaining an appropriate work control system (e.g. Detailed Work Plans or similar system) to allow for traceability of project baselines for purposes of demonstrating completion of defined work scopes.

DEFINE COMPLETION: (Specify performance elements and describe indicators of success [quality/progress]. Include baseline documentation/data against which completion documentation should be compared.) (Stretch goals must be documented by Baseline Change Proposals including documented and verified baselines which are approved by the CO.)

Completion requirements will be determined per the customer approved project or program baseline.

COMPLETE DOCUMENTS LIST: (List document(s) that should be submitted, data that should be available, actions to be taken by evaluator to determine actual performance to the requirements stated above.)

The work scope to be accomplished is funded by a number of clients and customers. The INEEL is responsible for maintaining appropriate project control documentation for each project so as to allow for determination of completion of technical work scope, milestones and costs per customer expectations. DOE-ID may conduct an annual validation audit to document performance against customer requirements.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: (List foreseeable impacts to performance, which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation.)

If funding for any or all of the activities described in Section 3 becomes unavailable or altered, performance requirements will be renegotiated.

FY 2005 PERFORMANCE BASED INCENTIVE

SECTION 1 GENERAL INFORMATION

Performance Incentive Number: PBI-19 INL Infrastructure
Program Based Summary Number: N/A
Performance Incentive Short Title: INL Infrastructure
Revision Number & Date: Rev. 0, October 1, 2004 – January 31, 2005
Maximum Available Incentive Fee: \$289,333
Performance Incentive Type: Base Stretch Superstretch
Duration: Annual Multi-year
Fee Payment Type: Completion Progress Provisional
DOE Technical Monitor: Roger Wilbur
BBWI Technical Monitor: Jerry Ethridge
(check appropriate box)

SECTION 2 PERFORMANCE OUTCOMES

Check Appropriate Box:

- Outcome #1 Deliver science-based, engineered solutions.
 Outcome #2 Complete environmental cleanup responsibly.
 Outcome #3 Provide leadership and support to optimize investments.
 Outcome #4 Enhance scientific and technical talent, facilities, and equipment.

SECTION 3 PERFORMANCE MEASURES AND EXPECTATION (S)

List associated performance measures and performance expectations for FY05. Identify associated PBS # for each performance measures as appropriate.

Expectation 1.1: Improve the management and sustainability of the INL infrastructure program by completing the following:

- 1) Provide BBWI's recommendation on how to improve maintenance and fleet management performance by January 24, 2005. Recommendations will be based upon data collected and lessons learned from development of an INL Real Property Maintenance and Fleet Management performance measurement dashboard and supporting analysis that follows commercial standards.
- 2) Provide BBWI's recommendation on how to improve infrastructure management performance by January 24, 2005. Recommendations will be based upon data collected and lessons learned from implementation of DOE Order 430.1B.
- 3) Provide BBWI's recommendation for metrics that could improve cost effectiveness and/or utilization of INL infrastructure management by January 24, 2005. Recommendations will be based upon data collected and lessons learned from development of an INL Infrastructure measurement dashboard and supporting analysis that follows commercial standards.

FY 2005 PERFORMANCE BASED INCENTIVE

Expectation 2.1: Improve INL Construction Management.

- 1) Perform an independent review of Construction Costs at the INL with external experts in order to identify inefficiencies, improvements and innovations. Provide a report (white paper) of the findings and recommendations by January 24, 2005.

Expectation 3.1: Revitalize the INL Infrastructure.

- 1) Identify, characterize and demolish a minimum of 3000 sq. ft. of NE INEEL owned buildings by January 24, 2005. (The number of buildings and building type and the reprioritization of infrastructure projects and/or other funds if possible are documented in the NE-ID Building Demolition List.)

SECTION 4 FEE SCHEDULE

Identify fee payment schedule for the PBI and the type of payments to be made (e.g., provisional, progress, final) and the basis of the payment (e.g., per canister completed, per assembly, earned value, etc.)

The measures, schedule, and payment basis will be rated on objective milestones and deliverables.

Expectation 1.1: The maximum fee available is \$96,444 in FY05. Fee will be distributed uniformly among the deliverables.

Expectation 2.1: The maximum fee available is \$96,444 in FY05.

Expectation 3.1: The maximum fee available is \$96,445 in FY05. Fee is earned per facility demolished (total sq. ft. demolished divided by 3000sq. ft. x fee pool).

SECTION 5 PERFORMANCE REQUIREMENTS

PREVIOUS YEAR'S GATEWAY: *(Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.)*

GENERAL REQUIREMENTS: *(Describe other performance required beyond those stated in measure or expectation such as cost constraints or requirements contained in the approved project plan.)*

DEFINE COMPLETION: The Measures, schedule, and payment basis will be rated on objective milestones and deliverables.

Expectation 1.1: Improve the management and sustainability of the INL infrastructure program by completing the following:

- 1) Provide BBWI's recommendation on how to improve maintenance and Fleet Management performance by January 24, 2005. Recommendations will be based upon data collected and lessons learned from development of an INL Real Property Maintenance and Fleet Management performance measurement dashboard and supporting analysis that follows commercial standards.
- 2) Provide BBWI's recommendation on how to improve selected infrastructure management performance by January 24, 2005. Recommendations will be based upon data collected and lessons learned from implementation of DOE Order 430.1B.

FY 2005 PERFORMANCE BASED INCENTIVE

- 3) Provide BBWI's recommendation for metrics that could improve cost effectiveness and/or utilization of INL infrastructure management by January 24, 2005. Recommendations will be based upon data collected and lessons learned from development of an INL Infrastructure measurement dashboard and supporting analysis that follows commercial standards.

Expectation 2.1: Improve INL Construction Management

1. Perform an independent review of the Construction Management Process at the INL with external experts in order to identify inefficiencies, improvements and innovations. Provide a report (white paper) of the findings and recommendations by January 24, 2005.

Expectation 3.1:

1. Identify, characterize, and demolish 3,000 sq. ft. of NE INEEL owned buildings as documented in the NE-ID Building Demolition List by January 24, 2005.

COMPLETE DOCUMENTS LIST: The current list of Measures and documents are defined above.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(List foreseeable impacts to performance, which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation.)*