

FY 2002 PERFORMANCE BASED INCENTIVE:

SECTION 1 GENERAL INFORMATION

Performance Incentive Number:	DOD1 (PBI-15)
Program Based Summary Number:	N/A
Performance Incentive Short Title:	SMC Production
Revision Number & Date:	Revision 0 October 1, 2001
Maximum Available Incentive Fee:	\$2.6M
Performance Incentive Type:	<input checked="" type="checkbox"/> Base <input type="checkbox"/> Stretch <input type="checkbox"/> Superstretch
Duration:	<input checked="" type="checkbox"/> Annual <input type="checkbox"/> Multi-year
Fee Payment Type:	<input checked="" type="checkbox"/> Completion <input type="checkbox"/> Progress <input checked="" type="checkbox"/> Provisional
DOE Technical Contact:	R. Furstenau
BBWI Technical Contact:	D. Kudsin

(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 FY02. Identify associated PBS # for each performance measures as appropriate.

Measure 1: AB (FY-02)

Expectation 1: Produce *** AB units with 100% quality acceptance to agreed upon delivery schedule with DOE-ID SMC Program Office. This is a base fee measure with 20% of total fee assigned to this measure for FY-02. Milestone for completion is 9/30/02.

Measure 2: SA (FY-02)

Expectation 1: Produce *** SA units to agreed upon delivery schedule with DOE-ID SMC Program Office. This is a base fee measure with 10% of total fee assigned to this measure for FY-02. Milestone for completion is 9/30/02.

Measure 3: Complete A1 (FY-02)

Expectation 1: Complete A1 by milestone date of 3/25/02. This is a base fee measure with 15% of total fee assigned to this measure.

Measure 4: Complete S1 (FY-02)

Expectation 1: Complete S1 by milestone date of 9/30/02. This is a base fee measure with 20% of total fee assigned to this measure.

Measure 5: Complete D1 (FY-02)

Expectation 1: Complete D1 by 4/23/02. This is a base fee measure with 10% of total fee assigned to this

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measure.

Measure 6: Provisional Fee for progress towards "Start P1" (FY-01 ~ FY-04)

Expectation 1: Satisfactory progress as measured by meeting the milestone dates for "Complete S1 and D1". This fee is a provisional fee for progress towards "Start P1" which has a milestone date of 12/8/03 and 15% of total fee assigned to this measure for FY-02. The provisional fee payment is applicable to measure 6 only.

Measure 7: Complete PVT's (FY-02)

Expectation 1: Complete PVT's by milestone date of 9/30/02. This is a base fee measure with 10% of total fee assigned to this measure.

Measure 8: Start P1 (FY-04)

Expectation 1: Start P1 by milestone date of 12/8/03. This is a base fee measure for FY-04 with total fee assigned to this measure to be determined at a later date. This is a placeholder measure for a future incentive.

***Numbers defined in other documents.

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 FY- 02 Fee assigned to this Measure	Milestone Date	Additional Information
1. AB	Produce AB units with 100% quality acceptance to agreed upon delivery schedule with DOE-ID SMC Program Office. FY-02 - *** AB units	20%	9/30/02	For FY-02, there will be a \$5K reduction in earned fee applied for each AB unit under *** and a \$50K reduction in earned fee for each AB unit under 120. The same reduction in earned fee applies to units rejected after delivery that are not replaced prior to the milestone completion date.
2. SA	Produce SA units to agreed upon delivery schedule with DOE-ID SMC Program Office. FY-02 - *** units	10%	9/30/02	For FY-02, there will be a \$5K reduction in earned fee applied for each SA unit under *** and a \$10K reduction in earned fee for each SA unit under 120.
3. Complete A1	Complete by: Milestone Date – 100%	15%	3/25/02	
4. Complete S1	Complete by: Milestone Date – 100%	20%	9/30/02	
5. Complete D1	Complete by: Milestone Date – 100%	10%	4/23/02	The SMC FY02 DWP in affect on October 1, 2001 includes a milestone completion date for this measure of May 21, 2002. The contractor will submit a BCC, which reflects an accelerated completion date of

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				April 23, 2002. In the event that agreement cannot be reached on this change the milestone completion date for this measure will be modified to reflect that date in affect on October 1,2001.
6. Provisional Fee for progress towards "Start P1"	Satisfactory progress as measured by meeting the milestone dates for Complete S1 and D1.	15%	9/30/02	This fee is a provisional fee for progress towards "Start P1" which has a milestone date of 12/8/03.
7. Complete PVT's	Complete by: Milestone Date – 100%	10%	9/30/02	
8. Start P1		N/A	12/08/03	Start P1 is described by a separate classified document.

***Numbers defined in other documents.

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 targets and inventories of finished products, product materials, fuel oil, spare parts, etc. will be TBD for A/B and TBD for Side Armor for fiscal year 2002. If agreed upon work scope is accomplished for less, unearned fee from the tasks above can be earned at the rate of 20 cents for each dollar saved. Fee earned cannot exceed the total fee available for this incentive. Cost savings may be applied to additional work scope, if agreed to in advance by DOE-ID (through Change Control Board action). If agreed upon work scope exceeds target costs, earned fee resulting from this measure may be deducted at the rate of a 20 cents for each dollar that target costs are exceeded up to the maximum available incentive fee under this measure for FY02. All changes to milestones above must be approved by DOE-ID (through Change Control Board Action). A reduction of \$5,000 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.)*

Completion of A1, S1, D1 and PVT are defined in a separate classified document.

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 funding for this activity is part of BBWI's FY 2002 DOD and other Federal Agency budget as documented in the approved FY 2002 Detailed Work Plan. The contractor is required to provide documentation to DOE-ID at the end of each fiscal year to verify any fee determination. The DOE-ID Chief Financial Office and the SMC DOE-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 DOE-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) Change Control Board will review all events seen as significant and make recommendations to the contracting officer for contract, budget, and work scope changes.

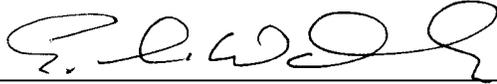
**SECTION 6
SIGNATURES**



W. N. Sato
Assistant Manager
Technology Programs & Operations

10/16/01

Date



L. Watkins
Vice President
BBWI Nuclear Programs & Site Operations

10/16/01

Date