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Senior Contracts
Manager ██████████
(Office)
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██████████

September 27, 2023

FFPO-SPR-23-0127

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Contracting Officer
U.S. Department of Energy
Strategic Petroleum Reserve
Project Management Office
900 Commerce Road East
New Orleans, LA 70123

Subject: Contract DE-FE0011020; Compensation Increase Plan Request for the Period Commencing October 1, 2023 through September 30, 2024, Rev. 2

Reference: FFPO-SPR-23-0109, *Compensation Increase Plan Request*, dated August 7, 2023
FFPO-SPR-23-0123, *Compensation Increase Plan Request, Rev. 1*, dated August 30, 2023
DOE letter SPR-23-0023, *Response to Contract DE-FE0011020; Compensation Increase Plan Request for the Period Commencing October 1, 2023, through September 30, 2024*, dated September 19, 2023.

Dear ██████████:

As directed, Fluor Federal Petroleum Operations, LLC (FFPO) respectfully provides the attached **revised** Compensation Increase Plan (CIP) for the period October 1, 2023 through September 30, 2024, in accordance with the requirements of prime contract Section A, the *Advanced Understanding on Certain Contractor Costs*. The changes made to this plan have been marked in bold throughout this document.

Requested Investments

Based on July 31, 2023, salaries **for all employees (Base and LE 2)**, the approximate cost of funding requested for the period October 1, 2023 through September 30, 2024, is as follows:

Compensation Increase Plan	FY24	
Pay for Performance (Merit) Fund:	3.5%	\$2,921,110.96
Promotion/Adjustment Fund (Exempt/Nonexempt):	0.5%	\$417,301.56
Total:	4%	\$3,338,412.52



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Pay for Performance, Promotion and Adjustment Funding

FFPO requests a Merit fund of **\$2,921,110.96 (3.5%** of total labor costs) to reward past performance.

FFPO requests a Promotion fund of **\$208,650.78 (0.25%** of total labor costs). This fund will only be utilized for internal promotions as they arise throughout the year.

FFPO requests an Adjustment fund of **\$208,650.78 (0.25%** of total labor costs). This fund will address internal equity, career path growth, market parity and compliance concerns. This requirement has increased to correct pay inequities for minority and female employees, as identified by our external vendor, OutSolve.

In FY24, FFPO salary structures will be adjusted upwards by 2.6% as recommended by WorldatWork.

The requested promotion and adjustment funding will **be insufficient to** allow FFPO to continue efforts to retain critical skills and maintain internal equity.

FFPO would like to continue the practice of combining the promotion and adjustment funds as needed.

Justification and CIP Requirements

Please see correspondences FFPO-SPR-23-0123 FY24 (dated 08/30/2023); and FFPO-SPR-23-0109 (dated 8/7/2023) for full justification of this request.

Conclusion

FFPO remains committed to maintaining a transparent, equitable, and competitive total compensation program that is cost-conscious with DOE requirements, while also supporting the FFPO Compensation Increase Plan and the SPR/DOE mission objectives.

FFPO respectfully requests your authorization to provide salary increases in FY24 totaling \$3,338,412.52, which increases the labor budget by 4%. Based on the Advanced Understanding and Contract Modification 038 regarding CIP submittals, CIP request is consistent with the FY24 AOP and the instruction provided by DOE.

