

Award Fee Evaluation Period 4 Determination Scorecard

Contractor: Mid-America Conversion Services, LLC.

Contract: DE-EM0004559

Award Fee Evaluation Period: Period 4 (October 1, 2019- September 30, 2020)

Basis of Evaluation: Award Fee Plan for MCS

Categories of Performance: Subjective: \$1,672,691

PBI: \$1,623,581

Stretch: \$0

Award Fee Available: \$3,296,272

Award Fee Earned: \$2,879,477

Categories of Performance (Subjective)

Subjective Fee Available: \$1,672,691, available.

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| 1. Quality (20%): |  | Good |
| 2. Schedule (20%): |  | Very Good |
| 3. Cost Control (20%): |  | Satisfactory |
| 4. Management (20%): |  | Very Good |
| 5. Utilization of Small Business (5%): |  | Excellent |
| 6. Regulatory Compliance (15%): |  | Very Good |

The overall fee awarded based on these grades is: **\$1,329,789.**

Quality: Trending data shows an overall reduction in corrective actions and condition reports open for more than six months and for more than 1 year. There have been 490 condition reports entered into the issues management system in FY20. There were no condition reports categorized as SCAQ identified in FY20. The contractor developed a new procedure for conducting the annual inventory of accountable nuclear materials. MCS also developed new forms for cylinder transfers and inventory that are generated out of the Cylinder Inspection Database. These forms have reduced greatly the transposition of numbers, duplication of data, and time spend transferring data to a paper form. The number of Conduct of Operations/Maintenance issues remain low over the last two quarters when compared to quarters where the plant was not in pandemic protocols. During the quarters when active production was in progress, there were examples of failing to recognize improper maintenance work and attempting to operate a hydrogen generator with prerequisite steps missing. Weaknesses were also evident in shift routines & practices, communications, control of equipment and system status, turnover, and procedure use and compliance. As the number of work/maintenance activities increases and plant operations return to normal, management presence and CONOPS discipline enforcement will be critical to successful future restart operations following the extended pandemic shutdown. Completeness and quality of DUF₄ submittals continued to be less than adequate during this review period, which substantiated concerns regarding design maturity. MCS has adjusted their procurement and design strategy to recover from this deficiency.

Schedule: MCS continues to perform well in submitting deliverables on-time or ahead of schedule. The contractor demonstrated efficient performance at planning/scheduling and execution of maintenance items and return to work plans during the pandemic shutdown. Specifically, the contractor has successfully managed the following significant activities during the review period: addressing need to procure HF detectors when the original source went out of business, significant progress on plant safety and reliability modifications, such as Bulk Hydrogen Backup, initial shipment of oxide for disposal and resolution of the Portsmouth cylinder yard subsidence issue. Less than half of the annual conversion production goal, which had been reduced by 1/3 from the original annual goal, was met by the time the pandemic shutdown eliminated further production in FY 20. MCS slightly exceeds the criteria pertaining to minimizing deferred maintenance and completing scheduled Preventative Maintenance, likely due to impact of the pandemic shutdown.

Cost Control: Billings are accurate and timely. Vouchers continue to be submitted on-time in alignment with the established schedule. MCS developed a variety of new cost savings and has continued to achieve a variety of cost savings from initiatives from past years. Final FY20 costs were ~\$3M below the budgeted costs, reflecting reduction in labor hours as well as an increase in unplanned costs during the pandemic shutdown period. Estimated Costs at Completion costs are forecasted to be in excess of the baseline costs. However, addressing this issue is a priority for MCS, and they are now actively preparing a proposal to reconcile. The current status of this issue is the principal reason for a rating of Satisfactory.

Management: Both production facilities were operated safely, compliantly and routinely throughout the rating period until the pandemic shutdown. The operations management team successfully and safely maintained the DUF₆ Facilities in a shut down and cooled down condition in support of pandemic safety guidelines while concurrently performing TSR and other safety related maintenance and modifications as conditions and resources allowed. MCS continues to meet many of its Performance, Objectives, Measures, and Commitments (POMC) goals but has not met the criteria in this category of performance. The contractor's ability to meet the POMC goals was impacted due to the being under a partial stop work since March 2020 as a result of the pandemic. MCS has improved in managing waste at the Paducah site. Construction debris from ~2008 has now largely been removed to disposal. Legacy equipment disposal is in progress.

Utilization of Small Business: Significantly exceeded or met ambitious contracting goals for utilization of small business.

Regulatory Compliance: Cylinder inspections in the Cylinder Yards were completed ahead of the regulatory due dates. All regulatory required submittals (e.g., KPDES data and reports) have been on time. Both sites continue to in compliance with the DOE NMC&A Orders and the DOE-Approved NMC&A Plans during the review period. The annual material inventory was readily reconciled with NMC&A Accounting.

Performance Based Incentives (PBI)

Performance Based Incentives: (70% of Total Fee)		Total Fee Available: \$12,749,915*			PEB Recommended Fee: \$1,549,688	
PBI	Total Fee Available	Fee Earned Last Rating Period	Fee Lost Last Rating Period	Fee Earned This Rating Period	Fee Lost This Rating Period	Fee Remaining
1.0 PBI-1 CTS/CER	\$ 3,225,000	\$ 325,000	\$ -	\$ 445,250	\$ -	\$ 2,454,750
2.0 PBI-2 DUF6	\$ 3,900,000	\$ 1,050,000	\$ -	\$ 404,438	\$ -	\$ 2,445,562
3.0 PBI-3 Safety/Process Imp.	\$ 4,671,970	\$ 250,000	\$ 350,000	\$ 700,000	\$ -	\$ 3,371,970
4.0 PBI-4 DUF4 Project	\$ 246,310	\$ -	\$ -	\$ -	\$ 73,893	\$ 172,417
Unallocated Fee	\$ 706,635	\$ -	\$ -	\$ -	\$ -	\$ 706,635
	\$ 12,749,915*	\$ 1,625,000	\$ 350,000	\$ 1,549,688	\$ 73,893	\$ 9,151,334

* There is \$417,508 for DUF6 and \$289,127 for DUF4 in unallocated fee that will be distributed in a subsequent PEMP.

Performance Based Incentive Fee Earned: The overall fee awarded is based on completion of the PBI activities is: **\$1,549,688.**