

Award Fee Evaluation Period 7 Determination Scorecard

Contractor: Mid-America Conversion Services, LLC (MCS)

Contract: DE-EM0004559

Award Fee Evaluation Period: Period 7, Fiscal Year (FY) 2023 (October 1, 2022 - September 30, 2023)

Basis of Evaluation: Award Fee Plan Revision 11 for MCS

Categories of Performance: Subjective: **\$2,368,057**

PBI: **\$8,557,230**

Award Fee Available: **\$10,925,287**

Award Fee Earned: **\$6,690,321 (61.24%)**

Categories of Performance (Subjective)

Subjective Fee Available: \$2,368,057

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

The overall fee awarded based on these grades is: **\$1,336,598**

Quality: Trending data shows an overall reduction in corrective actions and condition reports open for more than six months and for more than one year. There were 647 Condition Reports entered into the MCS Issues Management System in FY23; 576 were identified by MCS and 71 by the U.S. Department of Energy (DOE); a self-identification rate of 89%. MCS closed 595 Condition reports in FY23. This represents a very active and effective issues management system. The contractor completed a significant number of designs for plant modifications such as lighting upgrades, addition of sprinkler heads, replacement of existing thermal dispersion mass flowmeters, and a new cylinder evacuation header system. These designs were of high quality and will support future production and safety improvements for the facilities. The contractor completed characterization of 632 cylinders that supported the determination of non-polychlorinated biphenyl coated cylinders, which allows those cylinders to be available for processing. The overall effectiveness of policies, plans, and procedures is evident in the contractor safety record and successful completion of critical projects as shown in the monthly DUF6 Project Performance Metrics.

Schedule: MCS continues to perform well in submitting deliverables on-time or ahead of schedule. MCS continued to demonstrate efficient performance at planning, scheduling and execution of maintenance items during the outages and as part of routine operations. Specifically, the contractor has successfully completed installation of a decontamination room at Portsmouth, relining Hydrogen Fluoride (HF) tanks at Paducah, weather capping, and roof repairs. Another significant accomplishment was the completion of 50 gondola car (300 cylinders) shipments of oxide material for disposal ahead of schedule while maintaining steady state conversion operations. MCS was able to achieve 638 cylinders processed towards the MCS FY goal of 709, including the processing of challenging cylinders at both sites.

Cost Control: Billings and project controls reports are accurate and timely. Vouchers continue to be submitted on-time in alignment with the established schedule. At mid-year MCS began to project overruns in FY costs and took immediate and multiple measures to reduce costs (reduce overtime, minimize new hiring for backfills, eliminating higher cost subcontractors by direct hiring) and was able to end the FY costs within the available funding and contract budget. Final FY23 costs were ~\$4M less than budgeted while implementing upgrades above routine operations and maintenance, such as relining HF tanks and Industrial Control System Upgrades. The contractor significantly improved their forecasts throughout the year to within 1.8% of actuals. The contractor cumulative cost index is 1.01.

Management: The operations management team safely maintained the DUF6 Facilities during operations and planned outages throughout the review period. The Total Recordable Cases (TRC) and Days Away, Restricted, or Transferred (DART) rates for FY23 were 0.40 and 0.00, well below the project goal rates of 1.10 for TRC and 0.60 for DART. MCS has worked over 600,000 hours without a recordable injury and over 1,100,000 hours without a DART case. However, the contractor continued to have issues where there was inadequate management and oversight of subcontracted work. Examples of programmatic weakness relative to a lack of senior involvement on large subcontracted work scopes include the noted lack of cohesion and implementation of programmatic IT/cyber group, along with inefficiencies associated with the project controls group being nearly all subcontractors. Additionally, a significant concern arose concerning contractor oversight of subcontracted activities specifically related to an individual requiring extraction from a confined space during HF tank relining activities. MCS management has taken ownership of all these issues and continues to improve performance in these areas at the end of the review period. In addition, MCS management was responsive to an adverse situation by efficiently processing a cylinder that was breached during routine cylinder handling activities.

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

Regulatory Compliance: The Contractor has generally maintained compliance with applicable local, state and federal environmental regulations, regulatory agreements and permits. Notifications and submittals have not exceeded required due dates/timeframes. The Ohio Environmental Protection Agency issued a notice of violation/resolution of violation for not clearly indicating the hazard associated with Resource Conservation and Recovery Act hazardous waste; however, the contractor corrected the issue the same day it was identified. The contractor has demonstrated compliance with DOE requirements found in Title 10 Code of Federal Regulations Part 835 and DOE Order 458.1 despite an incident involving a missing respirator shipment. The contractor implemented corrective actions that included a change to the shipment carrier to allow for improved tracking and management of off-site shipments. DOE identified multiple

Award Fee Evaluation Period 7
Determination Scorecard

Contractor: Mid-America Conversion Services, LLC (MCS)

Contract: DE-EM0004559

failures of the contractor to implement and sustain a compliant Cyber Security Program to protect the DUF6 systems against cyber threats, with a significant number of findings continuing for more than a year. The contractor implemented immediate directed actions and continued to implement the identified corrective actions. The contractor made improvements to the program demonstrating full project focus to correct the issues.

Performance Based Incentives

Performance Based Incentive Fee Available \$8,557,230

PBI 1 - CTS/CER Processing	● Partially Met (62%)
PBI 2 - DUF6 Processing	● Partially Met (38%)
PBI 3 - Safety/Process Improvements	● Partially Met (76%)
PBI 4 - DUF4 Project	● Partially Met (35%)
*Undistributed Fee (DUF4 Pause)	● N/A

Performance Based Incentive Fee Earned: The overall fee awarded is based on completion of the PBI activities is: **\$5,353,722.50.**