

Award Fee Evaluation Period 5 Determination Scorecard

Contractor: BWXT Conversion Services, LLC. (BWCS)

Contract: DE-AC30-11CC40015

I Award Fee Evaluation Period: Period 5 (October 1, 2015- September 30, 2016)

Basis of Evaluation: Award Fee Plans for BWCS

Categories of Performance: Subjective: \$1,422,695

PBI: \$4,492,928

Stretch: \$0

Award Fee Available: \$ 5,458,084 **Award Fee Earned: \$3,819,288 (70%)**

Categories of Performance Award Fee

Award Fee Area Adjectival Ratings

Base Fee Available: \$1,422,695, available.

1. Quality (15%):
2. Schedule (15%):
3. Cost Control (30%):
4. Management (20%):
5. Utilization of Small Business (5%)
6. Regulatory Compliance (15%)

- Good (75% - \$160,054)
- Satisfactory (50% - \$106,702)
- Very Good (90% - \$384,127)
- Good (75% - \$213,404)
- Excellent (100% - \$71,135)
- Good (75% - \$160,053)

The overall fee awarded based on these grades is: **\$1,095,475.**

Quality: In general, policies, plans, and procedures have been adequate. BWCS has undertaken a significant revision of plans and procedures in support of their efforts to promote procedure driven operations. Efforts are needed to maintain progress in ensuring the cultural change becomes permanent. Further, the number of condition (issue) reports generated by BWCS at both sites continued to increase throughout the latter part of the fiscal year, suggesting that the work force is utilizing the proper process to address non-conforming conditions and allow the development and implementation of comprehensive corrective actions. This trending suggests that the desired change in safety culture is occurring. BWCS also eliminated several fire impairments, some of which were well over a year old and successfully completed transition to the Globalized Harmonized System for communication of hazardous chemicals as required.

Schedule: Conversion operations were suspended in Quarter 1 and remained suspended throughout the fiscal year. Continued efforts are needed to restore conversion operations. Further, BWCS failed to submit on time several contract deliverables and only submitted them after notification by DOE of their delinquency.

Cost Control: BWCS's actual costs did not exceed either the annual or the cumulative Contract Budget Base through the end of FY 2016. Actual costs are within 1% of the cumulative Contract Budget Base. This was accomplished in spite of a significant increase in labor expenditures in FY 2016 in support of the returning the plants to operations under the new operating approach. Additionally, BWCS was able to demonstrate more than \$2M in cost savings or avoidances through actions such as the use of E-sourcing, identifying sales tax exemptions, and switching to in-house QA inspections.

Management: BWCS was largely successful in managing a significant culture change in Project maintenance and operations, though evident lapses occurred showing that additional management effort is required. It should also be noted that BWCS completed several high hazard activities and should be commended on its development of the video surveillance methods for the HF Tank inspections, significantly reducing the risk to the worker. Throughout this period, BWCS also met its DART and TRC goals. Further, the final quarter of this rating period has shown significant management effort in meeting contractual requirements, focusing on managing the project and programs, ensuring work is done correctly. While there is still work to be accomplished, BWCS management team is working in the right direction and it is reflected in the project starting to act as a single organization. It should be noted that if not for the suspension of work in the first quarter of the rating period that resulted from BWCS's premature restart efforts, the rating in this area would be higher.

Utilization of Small Business: BWCS exceeded the overall annual goal for utilization of small businesses by 18%, achieving 70% utilization. Additionally BWCS met or exceeded each of the socio-economic subcategory goals.

Regulatory Compliance: There were no Notice of Violation (NOV) associated with work performed this rating period. Further, BWCS successfully modified the air permit at Paducah to support increased production rates. Provided acceptable support for completion of a Toxicity Reduction Evaluation (TRE) in response to sampling results at Outfall 17 at Paducah. BWCS has not yet come into compliance with requirements in DOE Order 205.1B and NIST cyber security requirements; however, BWCS is taking both mitigative and corrective actions to remedy this situation. BWCS was very successful in developing and implementing their STARRT Card program, including the use of reverse briefings.

Performance Based Incentives Fee

Award Fee Area Field Verified Ratings

Performance Based Incentive Fee Available: \$4,492,928.

Quarter 1 PBIs (\$897,786 Available)

- DUF6 Conversion Production (\$67/MT)

Partially Met (\$66,263)

Quarter 2-4 PBIs (\$3,137,603 Available)

- PBI-1 Corrective Action Implementation (30%)
- PBI-2 Issues Management (10%)
- PBI-3 Condition Reports (25%)
- PBI-4 Plant Restart (35%)

Partially Met (90% - \$847,153)
 Met (100% - \$313,760)
 Partially Met (90% - \$705,961)
 Partially Met (72% - \$790,676)

Quarter 2-4 Loss of Fee Due associate with DUF6 Conversion as reflected in the Award Fee plan (\$457,539)

Performance Based Incentive Fee Earned: The overall fee awarded is based on completion of the PBI activities is: **\$2,723,813.**