

Award Fee Evaluation Period 1 Determination Scorecard

Contractor: Mid-America Conversion Services, LLC.
Contract: DE-EM0004559

Award Fee Evaluation Period: Period 1 (February 1, 2017- September 30, 2017)

Basis of Evaluation: Award Fee Plan for MCS

Categories of Performance: Subjective: \$676,189

PBI: \$1,577,773

Stretch: \$0

Award Fee Available: \$ 2,253,962 **Award Fee Earned: \$1,098,247 (70%)**

Categories of Performance (Subjective)

Subjective Fee Available: \$676,189, available.

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| 1. Quality (20%): |  | Good (75% - \$101,428) |
| 2. Schedule (20%): |  | Satisfactory (50% - \$67,619) |
| 3. Cost Control (20%): |  | Satisfactory (50% - \$67,619) |
| 4. Management (20%): |  | Very Good (90% - \$121,714) |
| 5. Utilization of Small Business (5%): |  | Excellent (100% - \$33,809) |
| 6. Regulatory Compliance (15%): |  | Good (75% - \$76,071) |

The overall fee awarded based on these grades is: **\$468,261.**

Quality: In general, policies, plans, and procedures have been adequate. The Contractor has undertaken a significant revision of plans and procedures in support of their efforts to promote procedure driven operations. MCS has an approved and compliant CAS program and has successfully sought to partner with DOE to ensure that work is being performed safely, securely, and in compliance with all requirements. MCS is now taking a critical look at making improvements to raise the program to the level of excellence that is expected. MCS has a mature and functioning ISMS program. The elements of ISMS/EMS are performing well.

Schedule: MCS has made significant progress in completing activities in support of resumption of conversion operations at Portsmouth, though none of the lines were ready for operation when all 3 were to be ready. MCS's ability to estimate the time needed to complete work, schedule the work and then manage to the established schedule is a weakness. At the end of April, MCS took a 2 week outage at Paducah that was managed as scheduled with little slippage. However, MCS was not able to bring the lines back up as scheduled. During the last quarter of this fiscal year, at best, only three out of the four lines were operating at any given time. MCS performed well in providing deliverables timely and in prompt response to unplanned requests for information. REAs identified in the MCS *Statement of Material Differences* have not been submitted. Without timely submittals, there is no clear project schedule. Off-site shipment of uranium cylinders to FBP and Honeywell was coordinated well and progress was made with minimum disruption to existing operations.

Cost Control: Actual costs in FY 2017 slightly exceeded the spend plan and MCS took aggressive action to minimize the overrun. Delays in submitting REAs has significant impact on determining effectiveness of cost control. The Contractor reported cost savings achieved in FY 2017 of ~\$1M, principally from e-sourcing, negotiated pricing and sales/use tax exemptions. MCS's project controls organization appears to be technically sound. However, due to the inability to timely submit several significant REAs that were identified by MCS as part of their *Statement of Material Differences*, MCS has been unable to provide DOE measurable or accurate data regarding the performance of the contract.

Management: The Contractor was largely successful in managing a significant culture change in Project maintenance and operations in continuing to establish and nurture a robust nuclear safety culture at the two sites. There appears to be a good balance between operational focus and the programmatic aspects of the project. MCS has continued to cultivate a "one project" management mindset. This has included a continuous sharing with the Portsmouth facility of lessons learned from restart activities at Paducah. MCS management teams appear to work well together and provide overall outstanding leadership to revolve multiple technical and budgetary issues. MCS has embraced partnering with DOE and continues to provide focus and leadership in that area. MCS management has been working with the DOE oversight team to focus on aligning goals, improving performance, and improving communication skills.




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. MCS demonstrated aggressive improvements in the area of cybersecurity. MCS continues to work with DOE to identify and resolve procedural and programmatic non-compliances in the field.

Performance Based Incentives (PBI)

PBI Fee Available: \$1,577,773.

- PBI-1 Line Restart (50%)
- PBI-2 Production (40%)
- PBI-3 Process Flow Improvements (10%)

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|  | Partially Met (15% - \$118,333) |
|  | Partially Met (56% - \$353,876) |
|  | Met (100% - \$157,777) |

Performance Based Incentive Fee Earned: The overall fee awarded based on completion of the PBI activities is: **\$629,986.**