



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

August 1, 2000

ICF, Incorporated
ATTN.: Frances M. Schossow
9300 Lee Highway
Fairfax, Virginia 22031

SUBJECT: MODIFICATION No.4 TO TASK ORDER NO. 1 ENTITLED, "REVIEWING THE NONSTANDARD FINANCIAL ASSURANCE SUBMITTALS OF NRC LICENSES" UNDER CONTRACT NO NRC-02-00-001

Dear Ms. Schossow:

In accordance with the Section G.5, Task Order Procedures, of the subject contract, this letter definitizes modification number 4 to Task Order No. 1. This effort shall be performed in accordance with the Contractor's unsolicited proposal dated June 26, 2000, with revised proposal dated July 10, 2000 and July 24, 2000 which is incorporated by reference and made a part of this task order.

The purpose of this modification is to: (1) increase the estimated level of effort by 506 professional hours from 1865 professional hours to 2371 professional hours. This increase is necessary due to the increase in the estimated level of effort required to continue the financial review of the United States Enrichment Corporation's (USEC) from 1225 professional hours to 1731 professional hours. This effort includes increasing the scope of the financial review as indicated on the attached revision to enclosure number 1 to the statement of work; (2) the task order ceiling amount is increased by \$49,963, from \$173,671 to \$223,634; and (3) provide incremental funding in the amount of \$49,963 thereby increasing the obligated amount from \$173,671 to \$223,634. Accordingly, the task order is hereby modified as follows:

The second and fourth paragraphs of the definitization letter are deleted in their entirety and the following is substituted in lieu thereof:

Task Order number 1 shall be in effect from February 9, 2000, through February 8, 2001, with a cost ceiling of \$223,634. The amount of \$205,169 represents reimbursable costs. The amount of \$18,465 represents the fixed fee.

This task order obligates funds in the amount of \$223,634, of which \$205,169 represents reimbursable costs and \$18,465 represents the fixed fee. Accounting data for this task order modification is as follows:

B&R NO.:	05-015-303-120
JOB CODE:	J5305
BOC:	252A
APPN. NO.:	31X0200.060
FFS COMMITMENT NO.:	5000R122
OBLIGATED AMOUNT:	\$49,963

ADM02

Task Order No. 1
NRC-02-00-001
Modification No.4

The issuance of this task order modification does not amend any other terms or conditions of the subject task order.

Please indicate your acceptance of this task order by having an official, who is authorized to bind your organization, execute three (3) copies of this document in the spaces provided and return two copies to the U.S. Nuclear Regulatory Commission, Attn: Mr. Donald King, ADM/DCPM/CMB2, Mail Stop T-7-I-2, Washington, D.C. 20555. You should retain the third copy for your records.

A summary of obligations under this task order, from date of the award through this modification, is given below:

Total FY 00 obligations	\$223,634
Cumulative Total of NRC Obligations	\$223,634

This modification obligates \$49,963 in FY'00 funds.

If you have any questions regarding this matter, please contact me on (301) 415-6731, facsimile (301) 415-8157, or e-mail at DAK1@NRC.GOV.

Sincerely,



Donald A. King, Contracting Officer
Contract Management Branch No.2
Division of Contracts and
Property Management
Office of Administration

ACCEPTED:

Paul E. Bailey
NAME
Senior Vice President
TITLE
8/3/00

MONITORING FINANCIAL STATUS

Objective

Monitor the financial status and, if the credit ratings fall below the investment grade level, perform a detailed financial assessment (in accordance with Task Order #1) to determine whether or not the licensee is capable of maintaining a reliable and economical source of domestic enrichment services.

Technical and Other Special Qualifications Required

To perform the tasks described in the following section, expertise is needed in the following areas: corporate organization and finance, corporate accounting, and corporate credit ratings.

Work Requirements

Task 1 - Monitor Credit Ratings and Financial Status

On a weekly basis, the contractor shall verify the corporate credit rating of the licensee by contacting the S&P's and Moody's services, and provide to the NRC Project Officer a letter report indicating the current ratings and specifically noting any changes in the credit ratings. The contractor should attach any available background information from S&P's and Moody's applicable to the current corporate ratings.

On a quarterly basis, the contractor shall review the licensee's 10-Q and 10-K reports, and identify any significant changes from the previous reporting period in a letter report to the NRC Technical Monitor. Particular emphasis shall be placed on the review of cash flow information and other information that would be directly applicable to the determination of a corporate credit rating.

Task 2 - NRC requires the following additional effort to complete the U.S. Enrichment Corporation (USEC) financial review.

ICF shall prepare a report identifying all the input data and assumptions used in the financial review modeling. This report will be transmitted to USEC for review of the accuracy of the input data and assumptions. This report shall not contain the results of the review or the financial modeling. ICF shall submit the report to the NRC Technical Project Manager no later than five working days from the award of modification number 4 to Task Order No. 1.

ICF shall incorporate additional comments into a third draft of the report. These comments shall include additional sensitivity analyses as directed by the Technical Project Manager of the subtask. ICF shall submit the report to the NRC Technical Project Manager within ten (10) working days from the award of modification number 4 to Task Order No. 1. A final report shall also be provided following incorporation of comments by the subtask Technical Project Manager within ten (10) working days from the receipt of NRC comments on the third draft report.

ICF shall provide analysis of data reflecting various definitions of "economical" and "reliable." The scope of the definitions will be documented by the Technical Project Manager of the subtask. This analysis shall be incorporated into the third draft of the report.

ICF shall prepare a non-proprietary version of the final report. This report should contain information from the final report without reference to specific proprietary information previously provided by USEC. The report should provide a general summary of the results with figures that do not include monetary amounts. ICF shall submit a draft non-proprietary report to the NRC Technical Project Manager within twenty (20) working days from receipt of NRC comments on the third draft report. ICF shall submit a final non-proprietary report to the NRC Technical Project Manager within ten (10) working days from receipt of NRC comments on the draft non-proprietary report.

ICF shall support additional NRC management briefings. This support shall include attendance at briefings and preparation of briefing materials as directed by the subtask Technical Project Manager. ICF should expect two staff to attend two meetings at NRC headquarters.

This task shall continue until modified or suspended by the NRC Contracting Officer.