

March 19, 1998

MEMORANDUM TO: John J. Surmeier, Acting Chief
Resource Management Branch
Program Management, Policy Development
and Analysis Staff, NMSS

FROM: Robert C. Pierson, Chief
Special Projects Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

SUBJECT: MODIFICATION NO. 3 TO STATEMENT OF WORK
FOR TASK ORDER NO. 8 UNDER CONTRACT NO. 02-95-002

Task order number 8 under contract number 02-95-002 is in place to assist in a high priority need for technical assistance for evaluation of the financial strength and credit-worthiness of potential bidders for the United States Enrichment Corporation. The proposed modification number 3 to the Statement of Work for this task order is attached. The purpose of this modification is to modify Subtask B and to add an authorization for travel other than locally by the contractor under section number 9.0. The issuance of these modifications would not amend any other terms and conditions of the task order. Because of the urgent and high priority need of this modification, your expedited action on this request would be appreciated.

Attachment: As stated

DISTRIBUTION:

NRC File Center

PUBLIC

Region IV

NMSS r/f

FCSS r/f

FCLB r/f

PKinney

T. Wenck

[G:\02-95-00.kjh]

OFC	FSPB	E	FSPB	E	FSPB	
NAME	KHardin:ij	<i>[Signature]</i>	D Martin	<i>[Signature]</i>	RPierson	
DATE	3/19/98		3/19/98		3/1/98	

111
DF03

000024

p & c - 1 Contracts

9803260055 980319
PDR CONTR
NRC-02-95-002 PDR

ORg-NMSS

98-62
NRC FILE CENTER COPY

MODIFICATION NO. 3 TO STATEMENT OF WORK
FOR TASK ORDER NO. 8
UNDER CONTRACT NO. 02-95-002

The Statement of Work is modified according to the following:

Section 6.0. Scope of Work

Subtask B: The contractor will evaluate the financial strength and credit-worthiness of potential successor organizations to USEC if commercial bond ratings are not available or if the organizations do not qualify for an investment grade commercial rating. The contractor will review the bid packages in order to provide technical assistance to staff for all potential successor organizations to USEC. The staff anticipates the actual evaluations for financial strength and credit-worthiness, if needed, will be performed in a very short period of time (two weeks or less), and that from 1 to 3 entities will require evaluation. These evaluations should encompass assessments of business risk, competitive position, financial risk and financial flexibility, primarily through application of standard techniques for assessment of credit-worthiness as applied in determination of bond ratings by investment banking organizations.

The evaluations performed by the contractor should make use of information and data produced as a result of the financial analysis that will be performed by J.P. Morgan, on behalf of the U.S. Treasury and USEC, in connection with similar findings that are required to be made by those parties in connection with privatization approval, and submitted to NRC in support of certificate issuance.

The contractor will review and evaluate the financial criteria to be developed and used by Standard and Poor's in evaluating an investment credit rating for a company in its infancy and determine that it is comparable to the NRC Standard Review Plan criteria.

Section 9.0. Meetings and Travel

It is expected that there will be as many as twelve meetings between the contractor and NRC staff. This should be readily accommodated because of the proximity of the contractor's office and NRC offices in Rockville, Maryland.

Three to four contractor staff are expected to travel to New York to meet with other agencies' financial advisors and credit investment ratings organizations one to three times.