



Department of Energy
National Nuclear Security Administration
MOX Project Management Office
Savannah River Site
P.O. Box A
Aiken, South Carolina 29802



October 10, 2018

Mr. Rex Norton
Vice President, Contracts and Supply Chain Management
CB&I AREVA MOX Services, LLC
Savannah River Site
P.O. Box 7097
Aiken, SC 29804-7097

SUBJECT: Contract DE-AC02-99CH10888 (Mixed Oxide Fuel Fabrication Facility),
Notice of Termination

Dear Mr. Norton:

In accordance with Contract Section I, Federal Acquisition Regulation (FAR) 52.249-6 Termination (Cost-Reimbursement) (May 2004), NNSA hereby issues this Notice of Termination (Notice). This Notice terminates the contract in its entirety, and is effective immediately. Pursuant to Federal Acquisition Regulation (FAR) 49.102(b), this Notice is also being provided to Orano and McDermott, as guarantors of the contractor. This is consistent with the October 9, 2018 ruling by the U.S. Court of Appeals for the Fourth Circuit granting a stay of the district court's injunction that prohibited termination and ceasing of construction. NNSA's action follows the certification submitted to the Congressional defense committees by the Secretary of Energy in May 2018 and the partial stop work order that began the contract termination process.

This notice will begin the process of winding down construction operations and preserving existing structures associated with the MOX facilities. The current workforce will refocus their efforts on preserving the construction site in a safe and secure manner. Materials and equipment will be inventoried and all design documents will be carefully catalogued to preserve the nuclear pedigree of this investment for any possible reuse. Per the instructions below, the Department will receive your termination plan in 30 days, including subcontract close-out schedules and workforce retention and reduction plans. Over the next four months the site will seal openings, restock equipment and materials, and install necessary temporary lighting to support maintenance and surveillance of the facility. All future actions relating to the MOX facility will comply with all applicable environmental and regulatory requirements.

NNSA is committed to ensuring that the dedicated and skilled workforce on this project is fully supported as we proceed with this action. There is a significant need for this talented team at Savannah River to support the wide range of nuclear security and environmental missions in the FY 2019 budget. We will work with you and your leadership team to ensure that you are fully aware of all opportunities to minimize any adverse impacts to the dedicated staff on the project.

NA-APM-19-0003

The Contractor shall immediately proceed as described in this Notice and its two attachments, FAR 52.249-6 Termination (Cost-Reimbursement) (May 2004), other termination-related provisions of the contract, and any subsequent direction from the Contracting Officer. The Contractor shall not delete or destroy any files, correspondence, records, data, or any other information (regardless of form or storage medium) produced or funded under the contract.

(a) *Effective date of termination.* You are hereby notified that Contract DE-AC02-99CH10888 (“the contract”) is terminated completely for the Government’s convenience under the clause entitled FAR 52.249-6 Termination (Cost-Reimbursement) (May 2004). The termination is effective immediately upon receipt of this Notice.

(b) *Cessation of work and notification to immediate subcontractors.* You shall take the following steps:

(1) Stop all work, make no further shipments, and place no further orders relating to the contract, except for--

(i) The requirements described in the MFFF Termination Statement of Work (SOW) at Attachment (1). The Contractor shall complete the SOW and discontinue costs associated with the contract as rapidly as practicable.

(ii) Work-in-process or other materials that you may wish to retain for your own account -- the Contractor is encouraged to propose a price for any such equipment or materials; or

(iii) Work-in-process that the Contracting Officer authorizes you to continue

(A) for safety precautions;

(B) to clear or avoid damage to materials, equipment, and facilities;

(C) to avoid immediate complete spoilage of work-in-process having a definite commercial value; or

(D) to prevent any other undue loss to the Government. (If you believe this authorization is necessary or advisable, immediately notify the Contracting Officer by telephone or personal conference and obtain instructions.)

(2) Keep adequate records of your compliance with subparagraph (b)(1) of this section showing the--

(i) Date you received the Notice of Termination;

(ii) Effective date of the termination; and

(iii) Extent of completion of performance on the effective date.

(3) Furnish notice of termination to each immediate subcontractor and supplier that will be affected by this termination. In the notice--

(i) Specify your Government contract number;

(ii) State whether the contract has been terminated completely or partially;

(iii) Provide instructions to stop all work, make no further shipments, place no further orders, and terminate all subcontracts under the contract, subject to the exceptions in subparagraph (b)(1) of this section;

(iv) Provide instructions to submit any settlement proposal promptly; and

(v) Request that similar notices and instructions be given to its immediate subcontractors.

(4) Notify the Contracting Officer of all pending legal proceedings that are based on subcontracts or purchase orders under the contract, or in which a lien has been or may be placed against termination inventory to be reported to the Government. Also, promptly notify the Contracting Officer of any such proceedings that are filed after receipt of this Notice.

(5) Take any other action required by the Contracting Officer or under the Termination clause in the contract.

(c) *Termination inventory.*

(1) As instructed by the Contracting Officer, transfer title and deliver to the Government all termination inventory, including subcontractor termination inventory that you have the right to take.

(2) To settle your proposal, it will be necessary to establish that all prime and subcontractor termination inventory has been properly accounted for. For detailed information, see FAR Part 45.

(d) *Settlements with subcontractors.* You remain liable to your subcontractors and suppliers for proposals arising because of the termination of their subcontracts or orders. You are requested to resolve these settlement proposals as promptly as possible. For purposes of reimbursement by the Government, settlements will be governed by the provisions of FAR Part 49.

(e) *Completed end items.*

(1) Notify the Contracting Officer of the number of items completed under the contract and still on hand and arrange for their delivery or other disposal (see FAR 49.205).

(2) Invoice acceptable completed end items under the contract in the usual way and do not include them in the settlement proposal.

(f) *Patents.* If required by the contract, promptly forward the following to the Contracting Officer:

(1) Disclosure of all inventions, discoveries, and patent applications made in the performance of the contract.

(2) Instruments of license or assignment on all inventions, discoveries, and patent applications made in the performance of the contract.

(g) *Employees affected.*

(1) If this termination, together with other outstanding terminations, will necessitate a significant reduction in your work force, you are urged to--

(i) Promptly inform the local State Employment Service of your reduction-in-force schedule in numbers and occupations, so that the Service can take timely action in assisting displaced workers;

(ii) Give affected employees maximum practical advance notice of the employment reduction and inform them of the facilities and services available to them through the local State Employment Service offices;

(iii) Advise affected employees to file applications with the State Employment Service to qualify for unemployment insurance, if necessary;

(iv) Inform officials of local unions having agreements with you of the impending reduction-in-force; and

(v) Inform the local Chamber of Commerce and other appropriate organizations which are prepared to offer practical assistance in finding employment for displaced workers of the impending reduction-in-force.

(2) If practicable, urge subcontractors to take similar actions to those described in subparagraph (1) of this section.

(h) *Administrative.* The contract administration office named in the contract will identify the Contracting Officer who will be in charge of the settlement of this termination and who will, upon request, provide the necessary settlement forms. However, NNSA may subsequently change the responsible Contracting Officer by providing written notice to the Contractor. Matters not covered by this notice should be brought to the attention of the undersigned.

(i) *TTFA.* Pursuant to the Technology Transfer Fee Agreement (TTFA), contract Section J, Attachment 14, paragraph 4.4, DOE does not renounce its rights in and use of the technology covered by the TTFA. Therefore, MOX Services shall:

- Provide NNSA a document which lists all technology identified in Appendix 2 of the TTFA, as referenced on page J.14.11 of the Contract;
- Provide NNSA a detailed list and supporting basis of understanding for all technology, information, structures, systems and components not included in either Appendix 1 or 2 but which the contractor believes are covered by the TTFA;
- Submit any and all invention disclosures for intellectual property developed under the contract; and
- Provide NNSA a document which includes a detailed list and supporting basis for purchased project technology, information, structures, systems and components which the contractor would be interested in purchasing, regardless of whether they are covered by the TTFA.

(j) *Unallowable Costs.* NNSA reserves all rights with respect to reviewing and determining the allowability of costs incurred under the contract, whether incurred prior to or after the date of this Notice.

If you have any questions or comments, please contact Lance Nyman at (803) 952-2020.

Sincerely,



Geary Pyles

Procuring Contracting Officer
NNSA Office of Acquisition and
Project Management

NA-APM-19-0003

Attachments:

- (1) Termination Statement of Work (SOW)
- (2) Fence line Sketch

cc:

R. Raines, NA-APM-1
K. Hamilton, NA-APM-2
O. Voss, NA-APM-10
K. Gallegos, NA-APM-10
S. Cannon, NA-APM-1.4
L. Nyman, NA-APM-1.4
S. Hamlett, NA-APM-1.4
A. Rischbieter, NA-APM-1.4
M. Noone, NNSA-SRFO
D. Del Vecchio, MOX Services

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G. Rousseau, MOX Services
R. Ridgeway, MOX Services
P. Whittingham, MOX Services
R. Ector, MOX Services
S. Shakir, Orano
P. Mifsud, Orano
M. McSwain, Orano
D. Dickson, McDermott
MOXPMODCA@srs.gov

Please acknowledge receipt of this notice as provided below.

Acknowledgment of Notice

The undersigned acknowledges receipt of a signed copy of this notice on _____, 20___. Two signed copies of this notice are returned.

(Name of Contractor)

By _____
(Name)

(Title)