

Sole Source Synopsis

HEU Down-Blending Services and LEU Inventory Management

Solicitation Number: DE-SOL-0007090

May 30, 2014

The Department of Energy's (DOE) National Nuclear Security Administration (NNSA) intends to award a contract to Nuclear Fuel Services, Inc. (NFS), 1205 Banner Hill Rd, Erwin, TN 37650, by means of other than full and open competition pursuant to statutory authority 41 U.S.C. 3304(a)(1), as implemented by the Federal Acquisition Regulation (FAR) Subpart 6.302-1 entitled "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements", in support of the DOE NNSA Office of Fissile Materials Disposition (OFMD), HEU Disposition Program.

This procurement is for down-blending services for a minimum of 13 Metric Tons (MT) of surplus Highly Enriched Uranium (HEU) to be down-blended to Low Enriched Uranium (LEU), up to a total of 20 MT of HEU or high assay LEU may become available for down-blending. The Contractor will chemically process the HEU to prepare it for down-blending, procure necessary diluents, and down-blend the HEU to LEU at a 4.95% assay suitable for use in commercial nuclear power reactors and meet the chemical specification of the Contract, arrange for storage of the Governments LEU, manage the LEU transfers into the uranium market consistent with DOE excess uranium policy and market impact determinations.

In accordance with the attached draft Performance Work Statement (PWS), the work requires the contractor to be capable of processing Category I quantities of HEU and down-blending the HEU to 4.95% Derived LEU, store and manage the LEU and delivery to the NNSA in the form of uranium hexafluoride (UF₆). The contractor will retain a portion of the down-blended material as compensation for the down-blending services. The contract must meet the following requirements: (1) a Nuclear Regulatory Commission license for the storage and processing of HEU; (2) environmental permits for uranium processing; (3) supply processing and storage facilities that satisfy Nuclear Material Safeguards and Security requirements; (4) capability to receive shipments in accordance with the DOE Safe Secure Transportation System; (5) supply a facility clearance for receipt and storage of classified material; (6) an approved Nuclear Material Control and Accountability Program; and (7) a Nuclear Regulatory Commission license or certificate for the storage of LEU. The firm shall also have, or be able to obtain, an affirmative Foreign Ownership, Control, or Influence (FOCI) Determination.

NFS is the only commercial firm in the United States licensed by the Nuclear Regulatory Commission (NRC) capable of down-blending HEU. The applicable North American Industry Classification System (NAICS) Code is 325188, All Other Basic Inorganic Chemical Manufacturing, with a small business size standard of 1,000 employees. The contract period of performance is anticipated to be up to seven years (down-blending to be completed within the first five years of performance).

Interested organizations may submit their capabilities and qualifications to perform the effort in writing to the identified point of contact not later than 3:00 p.m. Mountain Daylight Time on June 16, 2014. Such capabilities/qualifications will be evaluated solely for the purpose of determining whether or not to conduct this procurement on a competitive basis. A determination by the Government not to compete this proposed effort on a full and open competition basis based upon responses to this notice is solely within the discretion of the Government. This is a

notice of intent to award a contract and is not a request for proposal (RFP) and no solicitation is forthcoming. NNSA will not be responsible for any costs incurred in response to this notice. All responsible sources may submit a capability statement which shall be considered by the agency.

The Government does not intend to acquire a commercial item using FAR Part 12.

Oral communications are not acceptable in response to this notice.