



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON D C 20555-0001

December 17 1999

Science Application International Corporation
ATTN: Helena L. Yowell
Senior Contract Representative
20201 Century Boulevard
Germantown, MD 20874

SUBJECT: Contract Disclosure Requirements Under NRC Contract No. NRC-02-95-003
Entitled "Licensing Review Assistance for Fuel Cycle Facilities and Spent Fuel
Storage"

Dear Ms. Yowell:

The Nuclear Regulatory Commission (NRC) has determined that SAIC is in breach of the organizational conflict of interest (COI) provisions as set forth in Contract Section H.1 (NRCAR Clause 2052.209-73(d)), "Contractor Organizational Conflicts of Interest" under NRC Contract No. NRC-04-99-046, entitled "Technical Assistance Support for Clearance of Materials and Equipment." This determination (see enclosed) was rendered due to SAIC's failure to provide immediate and full disclosure of its commercial dose assessment and metal recycling work both during the procurement process of Contract No. NRC-04-99-046 and after award, and SAIC's concurrent work related to dose assessment and metal recycling for both NRC and commercial entities. As a result, SAIC has conflicting roles which may bias its judgment in relation to its work for NRC.

In light of the above determination, I am concerned as to whether this breach of organizational COI requirements under Contract No. NRC-04-99-046 affects only Contract No. NRC-04-99-046, or whether additional breaches of NRC's organizational COI requirements exist under other active contracts between NRC and SAIC.

Contract No. NRC-02-95-003, Section H.4 (NRCAR Clause 2052.209-73 (d) implementing Section 170A of the AEA) requires SAIC to provide an immediate and full disclosure in writing to the Contracting Officer describing any work which presents an organizational conflict of interest with respect to the contract between SAIC and NRC. This would include work SAIC performs as either a contractor or subcontractor for an NRC or Agreement State licensee or applicant which comes within the scope of SAIC's contract with NRC. Section H.4(d)(3) requires the contractor's disclosures, for this task order contract, to include the statement(s) of work, the dollar value of the proposed contract(s), and any other documents that are needed to fully describe the nature of the work to be performed. Furthermore, Section H.4(c)(1), Work for Others, provides that the contractor agrees to forego entering into consulting or other contractual arrangements with any organization that may give rise to a COI with regard to the work being performed under this contract. Finally, Section H.4(c)(3) provides that when a contractor performs work for the NRC under the contract at any NRC licensee or applicant site, the contractor shall neither solicit nor perform work in the same or similar technical area for that

H Yowell SAIC NRC-02-95-003

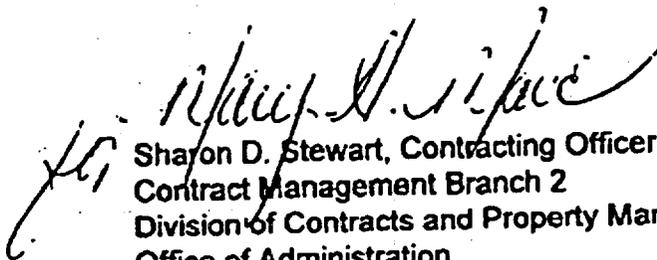
licensee or applicant organization commencing with award of the task order and ending one year after completion of all work under the associated task order

To assure NRC that similar conflicts do not exist under other active contracts, you are requested to perform a comprehensive review of your work for others and make a full and complete disclosure of any and all work in the same or similar technical areas involving licensees (including Agreement State licensees) or applicants which comes within the scope of work (Section C) of Contract No. NRC-02-95-003. Specifically, you are requested to provide me, by noon on Tuesday, January 4, 2000, the following documentation:

1. Statements of work or other documents that describe commercial work SAIC (including any SAIC office or division thereof) has performed and is currently performing involving NRC licensees and/or applicants which comes within the scope of the above referenced contract. Include work descriptions for SAIC's work as a prime contractor or SAIC's work as a team partner with, or subcontractor to, any other prime contractor.
2. Dollar values of the above-described contracts and subcontracts.
3. Dates of awards, periods of performance, and expiration dates of the above-described contracts and subcontracts.

Should you have any questions regarding this matter, please contact Joyce Fields, of my staff, on 301/415-6564.

Sincerely,



Sharon D. Stewart, Contracting Officer
Contract Management Branch 2
Division of Contracts and Property Management
Office of Administration

Enclosure: As stated