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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

May 11, 2000

Center for Nuclear Waste
Regulatory Analyses (CNWRA)
Attn: Wesley C. Patrick, President
6220 Culebra Road
PO Drawer 28510
San Antonio, TX 78228-0510

SUBJECT: TASK ORDER NO. 010, Entitled "SURETY ESTIMATION METHODOLOGY FOR GROUND-WATER CORRECTIVE ACTIONS AT TITLE II CONVENTIONAL MILLS" UNDER CONTRACT NO. NRC-02-98-002

Dear Mr. Patrick:

In accordance with the Section G.5, Task Order Procedures, of the subject contract, this letter definitizes Task Order No. 10. This effort shall be performed in accordance with the enclosed Statement of Work and the Contractor's technical proposal dated April 18, 2000, that is incorporated by reference and made a part of this task order.

Task Order number 10 shall be in effect from the May 15, 2000 through March 30, 2001, with a cost ceiling of \$143,414. The amount of \$128,778. represents reimbursable costs, the amount of \$4,334 represents the cost of facilities capital, and the sum of \$10,302 represent the fixed fee.

The obligated amount shall, at no time, exceed the task order ceiling. When and if the amount(s) paid and payable to the Contractor hereunder shall equal the obligated amount, the Contractor shall not be obligated to continue performance of the work unless and until the Contracting Officer shall increase the amount obligated with respect to this task order. Any work undertaken by the Contractor in excess of the obligated amount specified above is done so at the Contractor's sole risk.

This task order obligates funds in the amount of \$40,000 of which \$34,567 represents reimbursable costs, \$2,233 represents the cost of facilities capital, and \$3,200 represents the fixed fee. Accounting data for this task order is as follows:

B&R NO.:	05-015-305-105
JOB CODE:	J5220
BOC:	252A
APPN. NO.:	31X0200.060
FFS NUMBER:	5000R085
OBLIGATED AMOUNT:	\$40,000

Template = ADM-001

ADM02

The following individual is considered to be essential to the successful performance of the work hereunder. [REDACTED]. The Contractor agrees that such personnel shall not be removed from the effort under the task order without compliance with the Contract Clause H.1 Key Personnel.

Your contacts during the course of this task are:

Technical Matters: Jayne Halvorsen, Project Officer, (301) 415-6001
William Ford, Technical Monitor, (301) 415-6630

Contractual Matters: Donald A. King, Contracting Officer (301) 415-6731

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

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-712, Washington, D.C. 20555. You should retain the third copy for your records.

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.

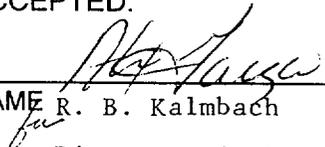
Sincerely,



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

Enclosure:
As stated

ACCEPTED:



NAME R. B. Kalmbach
Director, Contracts

TITLE
May 16, 2000

DATE

STATEMENT OF WORK

PROJECT TITLE: SURETY ESTIMATION METHODOLOGY FOR GROUND-WATER
CORRECTIVE ACTIONS AT TITLE II CONVENTIONAL MILLS

TYPE OF CONTRACT: Non Fee Recoverable
NRC OFFICE: NMSS
NRC PROJECT MANAGER: Jane Halvorsen, (301) 415-6001, jxh@nrc.gov
NRC TECHNICAL MANAGER: William Ford, (301) 415-6630, whf@nrc.gov

1.0 Background

The NRC requires licensees to provide financial assurance for the cost of ground-water corrective actions (restoration) at conventional Title II facilities. Most Title II conventional uranium mills licensed by the NRC have corrective action programs to clean up ground water contaminated by leakage from their uranium mill tailings impoundments. Each corrective action program is based on an NRC approved corrective plan. This plan describes the methods that will be used to clean up the ground water and comply with the ground-water protection standard of the facility's license. The surety should be designed to cover the costs of performing the planned corrective actions until the ground-water protection standards in the facility's license are achieved.

To adequately evaluate a facility's surety the staff must review the cost of implementing the activities in the corrective action plan and the amount of time required to complete the corrective action. To adequately review annual surety updates, the staff should review the effectiveness of the corrective action to determine that the projected time required to complete the corrective action is adequate or if it needs to be revised.

2.0 Objective

The objective will be to develop a methodology that the staff can use to determine if a surety is adequate to cover the costs of complying with the ground-water protection standards at a Title II facility's license. This methodology should be in enough detail that, with minimal revision, it could be used by the staff to develop a standard review plan.

3.0 Technical and Other Special Qualifications Required

Most of the NRC approved corrective action programs involve ground-water cleanup by pumping. A few licensees effect ground-water cleanup by pumping and clean water injection. To evaluate the effectiveness of corrective actions and the reasonableness of time estimates to effect cleanup, it is anticipated that persons with a knowledge of ground water and geochemistry will be required. To evaluate the costs of implementing the corrective actions over the period of projected cleanup, it is anticipated that persons with a knowledge of engineering cost analysis will be required.

In performing the work in this Statement of Work, it is understood that continued interaction will be required between the contractor and the NRC Technical Project Manager (TPM) for the purpose of exchanging information, resolving ambiguities, making timely modifications to the tasks, and maintaining focus on the desired product.

4.0 Work Required

Task 1 Assessment of Technical Issues

Assemble team and review information on representative Title II corrective action plans, sureties, and licenses and become familiar with relevant sections of the NRC regulations (10 CFR 40, Appendix A).

Task 2 Development of Methodology

Subtask 2.1 Development of Technical Methodology

Develop a methodology to evaluate the effectiveness of the corrective action plan and to project the time required for the corrective actions to achieve the ground-water protection plans identified in a license.

Subtask 2.2 Development of Cost Estimation Methodology

Incorporating the "technical methodology", develop an appropriate "cost estimation methodology" to enable the NRC staff to estimate and evaluate the level of financial assurance required to achieve the ground-water protection standards identified in the license.

Task 3 Draft Version of Surety Cost Estimation Methodology

Submit for NRC review a draft report of the surety cost estimation methodology.

Task 4 Respond to NRC Staff Comments and Develop Final Draft

Respond to NRC staff comments, develop final draft, and submit a final version of the surety cost estimation methodology to the NRC.

Task 5 Technology Transfer

Formally brief the NMSS licensing staff and/or State regulators and industry representatives on the developed methodology at NRC headquarters in Maryland. The briefing will include a discussion of the technical bases for estimating the effectiveness of corrective actions and the evaluation of financial assurance. Any analytic methods used in the developed methodology will also be transferred to the NMSS staff as part of the technology transfer.

5.0 Completion Dates

All the following dates are weeks from award of the task order:

Task 1	Assessment of Technical Issues.....	10 wks
Task 2	Development of Methodology.....	23 wks
Task 3	Draft Version of Surety Cost Estimation Methodology.....	28 wks
Task 4	Respond to NRC Staff Comments and Develop Final Draft.....	37 wks
Task 5	Technology Transfer.....	45 wks

6.0 Meetings and Travel

One trip **will** be required to NRC headquarters for the “technology transfer” briefing and one trip **may** be required to access NRC files and meet with NRC staff at NRC headquarters (one person/2days).

7.0 NRC Furnished Material

Copies of the Title II Standard Review Plan and copies of example corrective action plans, and related sureties, surety evaluations, and licenses.

8.0 Contractor Acquired Material

No materials are expected to be acquired under this task order

9.0 Technical Reports

Prepare paper and electronic versions of the draft and final report. Electronic versions of the draft and final reports should be submitted in WordPerfect format so that they can be easily placed in NRC’s Agency-wide Document Access and Management System.

10.0 Monthly Reports

The CNWRA shall submit a Monthly Letter Status Report (MLSR) to the NRC every four week period in accordance with the monthly reporting requirements specified in the overall contract.

The contractor will make periodic oral progress reports by telephone to the NMSS Technical Project Manager through the course of this task. These progress reports shall highlight the current status of the project, any potential difficulties encountered, and a status of effort expended versus budget. These reports should contain information more current than the previously issued monthly letter report, recognizing that such information may be preliminary.

11.0 Technical Direction

William Ford is designated as the NMSS Technical Project Manager for this Task. Jayne Halvorsen is designated as the NRC Project Manager. Technical instruction may not constitute new assignments of work or changes of such a nature as to justify an adjustment in cost or period of performance. Direction, if any, for changes in scope of work, cost, or period of performance will be issued by the NRC Contracting Officer.