

September 28, 2000

The Honorable Jesse Helms  
United States Senator  
310 New Bern Avenue, #122  
Raleigh, NC 27601

Dear Senator Helms:

I am responding to your August 4, 2000, letter to Mr. John Angell, of the Department of Energy, (DOE) in which you request information on behalf of your constituent, Mr. Carl H. Woodard of the Woodard Corporation, regarding nonpayment for contractual services under Nuclear Regulatory Commission (NRC) Contract No. NRC-38-99-289. Because Mr. Woodard's concerns relate to an NRC contract, DOE forwarded your correspondence to our Agency for appropriate action.

NRC entered into a contract with the Woodard Corporation on December 23, 1999. Under this contract, the contractor is required to furnish personnel, facilities, instructional materials and services to prepare and teach the "Emergency Diesel Generator" course (hereinafter referred to as EDG) as ordered by the NRC, using the current NRC EDG course materials. The one-year fixed price of the contract is \$143,750 which is broken down as follows:

\$ 29,650 to develop the training course materials  
\$ 58,100 for two (2) course presentations at \$29,050 each  
\$ 56,000 for optional requirements  
\$143,750 Total

In a May 10, 2000, letter to NRC, the contractor requested a contract increase of \$25,500 for an update of the student manual. NRC denied this request in a June 12, 2000, letter (Enclosure 1), noting that the review and update of the manual was to be a one-time fixed charge under the contract in accordance with Section B.3.3 (d)(1) which states, "the contractor shall also be required to review and update the current NRC EDG course student manual and instructor manual which were last reviewed and updated in May 1998. Particular emphasis in the review shall be concentrated in the area of regulatory requirements, issues and references which are considered in Chapter 8.0 entitled, 'Diesel Generator Applications,' and the Appendices for the current text." The contract stipulates that the Optional Requirements line item would be used to address other changes that may arise during the course of the contract after the initial update of the manual was completed.

NRC has made two (2) payments to the contractor of \$29,050 each for courses presented in May and in August 2000. In addition, in a June 13, 2000, letter to the contractor (Enclosure 2), NRC suspended payment of \$29,650 for development of training course materials pending the

The Honorable Jesse Helms

-2-

completion and submittal to NRC of the student manual update. On September 13, 2000, following receipt of your inquiry, the contractor submitted the remaining updates to the manual and NRC approved payment of \$29,650.

We will continue to work with the contractor to avoid any misunderstandings regarding contract requirements and payment provisions in the future.

I trust this reply responds to your concerns.

Sincerely,

*/RA/*

William D. Travers  
Executive Director  
for Operations

Enclosures:

1. NRC's letter to the Woodard Corporation dated 6/12/00
2. NRC's letter to the Woodard Corporation dated 6/13/00

completion and submittal to NRC of the student manual update. On September 13, 2000, following receipt of your inquiry, the contractor submitted the remaining updates to the manual and NRC approved payment of \$29,650.

We will continue to work with the contractor to avoid any misunderstandings regarding contract requirements and payment provisions in the future.

I trust this reply responds to your concerns.

Sincerely,

*/RA/*

William D. Travers  
Executive Director  
for Operations

Enclosures:

1. NRC's letter to the Woodard Corporation dated 6/12/00
2. NRC's letter to the Woodard Corporation dated 6/13/00

<u>Distribution:</u>	EDO G20000427	WDTravers	CJPaperiello	FJMiraglia, Jr.
	PGNorry	DEDM r/f	JCraig	SBurns/KCyr
	JFunches	EDO r/f	MMace	THagan
	ADM r/f (00-0165)	MSpringer	DCPM r/f	CMB1 r/f
	SECY-CRC-00-0560			

DOCUMENT NAME: ADAMS\EDOG20000427\PACKAGE NO. ML003752325

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

**\*See previous concurrence**

OFFICE:	ADM/DCPM/CMB1	HR/ADTD/STS	OCG	ADM/DCPM/CMB1
NAME:	PDSmith*	SKoscielny*	DEngel*	MHMace*
DATE:	9/15/00	9/15/00	9/15/00	9/18/00
OFFICE:	ADM/DCPM	ADM/OD	DEDM	EDO
NAME:	TFHagan*	MLSpringer	PGNorry	WDTravers
DATE:	9/20/00	9/21/00	9/25/00	9/26/00

OFFICIAL RECORD COPY

OCA  
Rathbun  
09/28/00