



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

JAN 31 2002

Information Systems Laboratories, Inc.
ATTN: Mr. James F. Meyer
Vice President & Manager
11140 Rockville Pike, Suite 500
Rockville, MD 20852

Subject: TASK ORDER NO. 2, ENTITLED, "GUIDANCE FOR PERFORMANCE-BASED
REGULATION " UNDER CONTRACT NO. NRC-04-01-067

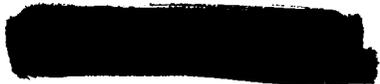
In accordance with Section G.4, Task Order Procedures, of the subject contract, this letter definitizes Task Order No. 2. This effort shall be performed in accordance with the enclosed Statement of Work.

Task Order No. 2 shall be in effect from February 1, 2002 through December 31, 2002, with a cost ceiling of \$80,475.00. The amount of \$74,860.00 represents the total estimated reimbursable cost, and the amount of \$5,615.00 represents the fixed fee.

Accounting data for this task order is as follows:

B&R No.: 26015110197
Job Code: Y6406
BOC Code: 252A
APPN No.: 31X0200.260
OBLIGATED AMOUNT: \$80,475.00

The following individual(s) are considered to be essential to the successful performance of the work hereunder:



The Contractor agrees that such personnel shall not be removed from the effort under the task order without compliance with Contract Clause H.1, Key Personnel.

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

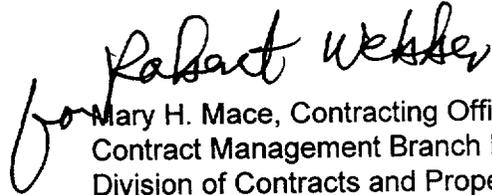
Your contacts during the course of this task are:

Technical Matters: N. Prasad Kadambi
Technical Monitor
(301) 415-5896

Contractual Matters: Anita Hughes
Contract Specialist
(301) 415-6526

Please indicate your acceptance of this task order by having an official who is authorized to bind your organization, execute three copies of this document in the spaces provided below and return two copies to the Contract Specialist. You should retain the third copy for your records. If you have any questions regarding the subject modification, please contact Anita Hughes, Contract Specialist on (301) 415-6526.

Sincerely,

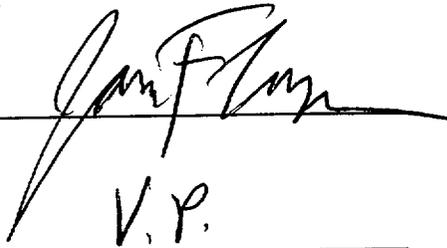


Mary H. Mace, Contracting Officer
Contract Management Branch No. 1
Division of Contracts and Property Management
Office of Administration

Enclosure: As stated

ACCEPTED:

NAME



V.P.

TITLE

DATE

1/31/02

STATEMENT OF WORK
Task Order No. 02 Under Job Code Y-6406
Contract No. NRC-04-01-067

TITLE: ASSESS AND IMPROVE REGULATORY EFFECTIVENESS

TASK ORDER 2 TITLE: GUIDANCE FOR PERFORMANCE-BASED REGULATION

Project Manager: Sidney Feld, RES - (301)-415-6193
Technical Monitor: N. Prasad Kadambi, RES - (301) 415-5896
Designated Alternate: George F. Lanik, RES - (301) 415-7490

Background

The Division of Systems Analysis and Regulatory Effectiveness (DSARE), Office of Nuclear Regulatory Research (RES) is responsible for RES's program to Assess and Improve Regulatory Effectiveness. This program includes the following three activities: (1) perform regulatory effectiveness reviews; (2) support the development and implementation of high-level performance-based guidelines; and (3) develop the technical basis and identify opportunities to reduce unnecessary regulatory burden.

The staff has developed and tested the feasibility of high-level performance-based guidelines. These guidelines are designed to identify and assess the viability of making elements of the regulatory framework performance-based. In general, a performance-based regulatory approach focuses on results as the primary basis for regulatory decision-making and as such allows licensees flexibility in meeting a regulatory requirement. This in turn, can result in a more efficient and effective regulatory process.

In addition, In SECY-01-205, the staff committed to the Commission that a guidance document would be prepared in the form of a NUREG/BR to implement the high-level performance-based guidelines, and that this document would be referenced in MD 6.3, "The Rulemaking Process". The NUREG/BR would provide needed guidance to the staff for implementing performance-based approaches on an agency-wide basis.

Objective

The objective of this Task Order is to support DSARE in the development of a NUREG/BR document which provides guidance for performance-based regulation.

Work Requirements

Task Order 2: The contractor shall prepare a guidance document in the format of a NUREG/BR as provided in NUREG-0650, "Preparing NUREG-Series Publications." The content of the NUREG/BR will be worked out under the direction of the Technical Monitor such that it provides effective guidance to NRC staff in implementing the high-level performance-based guidelines (see SECY-00-0191, "High-Level Guidelines for Performance-Based Activities") for each of the

arenas of activity. In addition, the contractor shall support staff in presentations to ACRS (sub-committee and full committee), to the public at workshops that may be held by the staff, and in documents prepared for the Commission. The support shall also include deliberations within the staff, such as the Performance-Based Regulation Working Group. The nature of the support will be to provide timely updates of the NUREG/BR as it evolves toward the final product to be submitted to the Commission in September 2002.

Technical and Other Special Qualifications Required

Personnel must be familiar with the derivation and bases for the guidelines described in SECY-00-0191 ("High-Level Guidelines for Performance-Based Activities"), and have had experience in applying these guidelines to specific regulations. In addition, they must be familiar with the Commission papers issued on performance-based regulatory approaches (viz., SECY-98-132, SECY-99-176, SECY-00-0191 and SECY-01-0205), as well as the White Paper on "Risk-Informed and Performance-Based Regulation". Finally, based on previous performance, personnel must have demonstrated the capability to deal with complex technical issues and identify innovative approaches to regulatory issues.

Level of Effort

The estimated level of effort is 650 staff-hours per year, including project management time. Contractor effort is expected to be equally distributed between personnel in the senior executive and senior engineer job categories. The use of subcontractors is not anticipated.

Period of Performance

Task Order No. 2 shall commence on February 1, 2002, and expire on December 31, 2002.

Schedule of Deliverables

<u>Task</u>	<u>Completion Date</u>
1. First draft of NUREG/BR entitled "Guidance for Performance-Based Regulation", in support of ACRS sub-committee.	February 28, 2002
2. Second draft of NUREG/BR entitled "Guidance for Performance-Based Regulation", in support of ACRS full-committee.	March 29, 2002
3. Prepare presentation material based on NUREG/BR for possible presentation and discussion at a public workshop.	April 30, 2002
4. Final draft of NUREG/BR in support of Commission paper.	June 28, 2002

Meetings

The contractor and the NRC will meet at NRC Headquarters at 11545 Rockville Pike, Rockville, MD for two-hours, twice every month during the task order's period of performance. The date and time of the meetings will be coordinated between the NRC and the contractor.

NRC Furnished Materials/Equipment

The NRC shall provide the contractor with internet addresses of relevant documents or copies of such documents if they are not available on the internet for use under this task order:

Financial and Technical Status Reports

The contractor shall submit reports in accordance with Sections F.3 and F.4 of the basic contract within 15 calendar days after end of the report period.