

2. AMENDMENT/MODIFICATION NO. M227	3. EFFECTIVE DATE 3/10/2005	4. REQUISITION/PURCHASE REQ. NO. NMS-02-012 3/23/05	5. PROJECT NO. (if applicable)
6. ISSUED BY U.S. Nuclear Regulatory Commission Div of Contracts Two White Flint North - MS T-7-I-2 Contract Management Branch No. 3 Washington, DC 20555	CODE 3100	7. ADMINISTERED BY (if other than Item 6) U.S. Nuclear Regulatory Commission Div of Contracts Two White Flint North - MS T-7-I-2 Contract Management Branch No. 3 Washington, DC 20555	CODE 3100

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)  SOUTHWEST RESEARCH INSTITUTE INC  6220 CULEBRA RD  SAN ANTONIO TX 782388510	(X)	9A. AMENDMENT OF SOLICITATION NO.
		9B. DATED (SEE ITEM 11)
		10A. MODIFICATION OF CONTRACT/ORDER NO. NRC-02-02-012
	X	10B. DATED (SEE ITEM 13) 10-15-1987

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended,  is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (if required) n/a

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
X	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: N/A
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor  is not,  is required to sign this document and return \_\_\_\_\_ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible)  
Please see attached pages.

Duns #: 007936842

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)	15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
	(Signature of person authorized to sign)		Barbara D. Meehan	BY <i>Barbara D. Meehan</i> (Signature of Contracting Officer)	04-14-2005

TEMPLATE - ADM001

SISP REVIEW COMPLETE

ADM002

The purpose of this modification is to incorporate revised Attachment 16, "Procedures for Using the Center for Nuclear Waste Regulatory Analyses, for Work for the Nuclear Regulatory Commission and Others, Within its Areas of Special Competency". Accordingly, the following change is made:

Attachment 16 is revised to show a change in internal NRC procedures as shown in the attached new version of Attachment 16 dated 4/2005.

All other terms and conditions of this contract, including the ceiling amount for the second renewal period of \$86,213,679.00, remain the same.

A summary of new obligations for the third renewal period of this contract is given below:

Job Code D1035 (HLW)

FY03 obligation amount: \$14,426,867.34

FY03 deobligation amount: \$123,000

FY04 obligation amount: \$16,240,538.85

FY04 deobligation amount: \$350,000

FY05 obligation amount: \$9,160,000

Cumulative total of NRC obligations for JC D1035 (HLW) \$39,354,406.19.

Job Code J5226 (PFS)

FY03 obligation amount: \$265,000

FY04 obligation amount: \$100,000

FY04 deobligation amount: \$75,000

Cumulative total of NRC obligations for JC J5226 (PFS) \$290,000.

Job Code J5410 (INEEL ISFSI-2)

FY03 obligation amount: \$352,032

FY04 obligation amount: \$320,000

Cumulative total of NRC obligations for JC J5410 (INEEL) \$672,032

Job Code J5434 (Tunnel Fire)

FY03 obligation amount: \$31,002

Cumulative total of NRC obligations for JC J5434 (Tunnel Fire) \$31,002

Job Code J5390 (Diablo Canyon)

FY03 obligation amount \$400,000

FY04 obligation amount \$85,000

FY04 deobligation amount \$60,000

Cumulative total of NRC obligations for JC J5390 (Diablo Canyon) \$425,000

Job Code J5501 (Humboldt Bay)

FY04 obligation amount \$540,000

FY05 obligation amount \$396,975

Cumulative total of NRC obligations for JC J5501 (Humboldt Bay) \$936,975

This modification does not obligate funds.

PROCEDURES FOR USING THE CENTER FOR NUCLEAR  
WASTE REGULATORY ANALYSES, FOR WORK FOR  
THE NUCLEAR REGULATORY COMMISSION  
AND OTHERS, WITHIN ITS AREAS  
OF SPECIAL COMPETENCY

1. INTRODUCTION

On October 15, 1987, the Nuclear Regulatory Commission (NRC) contracted with Southwest Research Institute (SwRI) to establish the Center for Nuclear Waste Regulatory Analyses (CNWRA or the Center) as a Federally Funded Research and Development Center (FFRDC). The Center was established to provide long-term continuity and conflict-of-interest-free technical assistance and research for NRC, in support of its High-Level Waste Management (HLWM) Program, under the Nuclear Waste Policy Act (NWPA), as amended. The Center is operated as a separate business unit of SwRI, a private, not-for-profit organization. NRC is the sole sponsor of the Center. As the sole sponsor, it is NRC's responsibility to maintain funding continuity, to help ensure Center management and NRC staff goals of achieving and maintaining both a high degree of technical competence and efficient use of technical resources.

It is in the interest of both NRC and the Center to maintain contractual continuity (scope of work and schedules) and funding stability, consistent with program needs, Department of Energy (DOE) schedules for development and operation of a high-level waste (HLW) repository, and budget appropriations. Although contractual continuity and stability of funding are essential, they cannot always be guaranteed. Some year-to-year variation in funding and scope must be anticipated. Center capabilities can make a contribution to entities other than NRC, and to technical areas other than HLW (both within and outside NRC). Therefore, to alleviate the impact of year-to-year variations, it is desirable for the Center to perform work for others, within its areas of special competency. Further, it is anticipated that work for others will broaden staff knowledge and experience, provide opportunity to broaden and deepen the Center's core expertise that is used in service to NRC, and provide for more efficient use of Center resources, when NRC's HLWM requirements do not fully use the time and talents of core Center staff.

Work for others must be conducted in accordance with applicable Office of Federal Procurement Policy (OFPP) guidance, Federal Acquisition Regulations (FAR), and other pertinent rules and procedures. Nothing in these implementing procedures is intended to alter the requirements of such rules and procedures.

## 2. PURPOSE AND SCOPE

The purpose of this document is to establish the responsibilities and procedures whereby the Center may obtain authorization from its sponsor, NRC, to perform work for others that is related to its primary purpose, scope, mission or special competency, and to ensure that:

- (1) Opportunities for the Center to conduct work, within its areas of special competency, for NRC, outside the HLWM Program, or for any non-sponsor organization, are identified;
- (2) The anticipated benefits of such situations are maximized;
- (3) Possible adverse impacts of such use are properly evaluated and either avoided or effectively mitigated;
- (4) Appropriate review of, and decision-making on, requests for such work, are provided in a timely manner; and
- (5) The Center avoids conflicts of interest in performing such work.

Except as provided in the paragraph below, the scope of these procedures extends to all FFRDC work conducted for organizations other than the sponsor and for work for its sponsor, within its areas of special competency, but outside its primary mission (i.e., NRC's HLWM Program, under the NWPA). However, in order to avoid the potential for conflict of interest, the Center shall not undertake any work under these procedures for DOE, contractors under the DOE nuclear waste program, and States and affected Tribes that may participate in the process of siting, developing, designing, licensing, operating, or decommissioning the HLW repository, or associated interim storage facilities or sites.

Please refer to contract clause H.16.3 which provides for limited exceptions to the use of these procedures.

## 3. DEFINITIONS

- 3.1 Charter - The document that established the requirement for the Center and delineates the purpose, mission, general scope of effort, and role of the Center as an FFRDC. The Center is chartered to provide sustained high-quality technical assistance and research in support of NRC's HLWM Program, under the NWPA.
- 3.2 Core Center Staff - All full-time permanent staff members of the CNWRA, exclusive of clerical support staff.
- 3.3 Non-sponsor - Any organization, inside or outside the Federal Government, that funds specific work to be performed by the Center but is not a party to the sponsoring agreement (FAR Subsection 35.017(b)).

- 3.4 NRC CNWRA Program Manager - The individual contractually responsible for: overall day-to-day program performance of the CNWRA's operations; integration of work assigned to the Center; evaluation of the overall performance of the Center, and recommending approval, disapproval, or suspension of costs requested for reimbursement by the Center.
- 3.5 NRC CNWRA Deputy Program Manager - The individual contractually designated to assist/act for the NRC CNWRA Program Manager.
- 3.6 NRC Program Element Manager - The Contracting Officer's authorized representative for administering the technical aspects of an entire element.
- 3.7 Special Competency - A special or unique capability, including qualitative aspects, developed incidental to the primary functions of the Center, to meet some special need.
- 3.8 Sponsor - The executive agency that manages, administers, monitors, funds, and is responsible for the overall use of an FFRDC (see FAR Subsection 35.017(b)). In this case, the sponsor is NRC.
- 3.9 Work for Others - Any work, conducted under applicable policies and procedures of the OFPP and the FAR and the provisions of the NRC contract with SwRI for operation of the Center, other than that conducted: (i) for its sponsor, in accordance with its current Charter, or (ii) within the SwRI Internal Research and Development Program. In accordance with OFPP procedures and the FAR, work for others must satisfy one of two criteria: (i) the work must clearly fall within the purpose, mission, and general scope of effort established for the Center; or (ii) the work must be within one or more areas of special competency of the Center.

#### 4. RESPONSIBILITIES

- 4.1 The President of the Center is responsible for ensuring implementation of these procedures at CNWRA.
- 4.2 Center management is responsible for identifying and evaluating opportunities to conduct work for others, wherein such opportunities achieve the goals delineated in the "Introduction" to these procedures, and is also responsible for assessing and avoiding or mitigating any potential impacts that may result from any assignment of CNWRA personnel to conduct work for others.
- 4.3 Center management will ensure that a proper evaluation is performed of each request to conduct work for others, will assess related impacts and any potential conflict of interest, and will submit to the NRC Contracting Officer and the NRC CNWRA Program Manager, all information and analyses required herein, in accordance with these procedures.
- 4.4 The Work for Others Committee (WFOC) of the Center Review Group (CRG),

which includes the NRC Contracting Officer, a representative from OGC, and the Deputy Program Manager, is responsible for evaluating the Center's request for authorization to perform work for others, against the procedures contained herein and against the FAR criteria; for making recommendation to the Director, Division of High-Level Waste Repository Safety (HLWRS), on the disposition of the request; and for assuring that total Center effort for work for others does not exceed 30% for non-government work of the Center's total fiscal year funding without prior notification to the Commission.

- 4.5 The NRC CNWRA Deputy Program Manager is responsible for the timely evaluation of each request from the Center to perform work for others; for conferring about such work with NRC's Technical Sponsors; for obtaining approval from the Director, HLWRS to implement the CRG's recommendation; for promptly informing the NRC Contracting Officer of the results of the evaluation; and for updating the ADAMS database to ensure that it includes all approved work, after the NRC Contracting Officer has provided authorization to the Center.
- 4.6 The NRC Contracting Officer is responsible for providing all contractual direction to the Center and is the only individual who can provide such direction and who can authorize the Center to perform work for others; for monitoring work for others by fiscal year and alerting the WFOC if the combined efforts associated with work for other approaches 30% for non-government work of the Center's total fiscal year funding; and for ensuring compliance with the constraints and criteria applicable to work placed with the Center, as provided in FAR Subsections 6.303, 17.504(e) and 35.017-3.
- 4.7 Any Federal agency proposing work to be performed, through an interagency agreement, within the Center's areas of special competency is responsible for making the determination required by FAR Subsections 17.504 and 17.503, and for providing, to the NRC Contracting Officer, documentation that the requested work would not place the FFRDC in direct competition with domestic private industry, as required by FAR Subsection 17.504(e) and a justification as required by FAR Subsection 6.303.

## 5. PROCEDURES

The extent of the Center's participation in work for others will depend on the nature of the work and when it is to be performed, capabilities of the Center, and availability of Center resources. A written request for the Center to perform work for others within its areas of special competency may be initiated in one of three ways:

- a. NRC could request Center assistance to perform work that is not directly related to NRC's HLWM Program under the NWPA;
- b. An organization other than NRC could request Center assistance to perform work that is related to the NWPA; or

- c. An organization other than NRC could request Center assistance to perform work that is not directly related to the NWPA.

Work falling within these categories must be covered by one or more of the Center's areas of "special competency," and must be evaluated by NRC, and authorized by the Contracting Officer. The following process provides the mechanism for obtaining NRC's authorization to perform such work.

For the Center to perform work beyond that covered in its contract with NRC, the requesting U.S. Federal agency must concurrently submit to the NRC Contracting Officer and to the Center, for evaluation, a detailed statement of work, including scope, proposed period of performance, and estimated level of efforts. If the requesting organization is other than a U.S. Federal agency, these materials will be submitted to the NRC Contracting Officer by the CNWRA. In addition to the above, should the requesting organization be a U.S. Federal agency, it shall provide to the NRC Contracting Officer, a justification, as required by FAR Subsection 6.303, for other than full and open competition, and documentation, as required by FAR Subsection 17.504(e), supporting the finding that the work will not place the Center in direct competition with domestic private industry.

Should the requesting organization reside within NRC, the NRC CNWRA Deputy Program Manager shall forward the request for assistance, with the approval of the Director, HLWRS, to the NRC Contracting Officer. The NRC Contracting Officer will review this request, and prepare the necessary documentation as required by FAR 6.303. Upon approval of such documentation by the NRC Competition Advocate, the NRC Contracting Officer will forward NRC's request for assistance to the Center.

In accordance with Section H.12, Other Contracts - Prior Notification, under the contract, the Center will evaluate the request for proposal and, if interested in performing the work, will request written authorization from the NRC Contracting Officer (with a concurrent copy to NRC's CNWRA Program Manager) for acceptance. The Center's written request to perform work for others, either inside or outside of the NRC, must be accompanied by a justification for performing the work, that addresses each of the criteria listed below:

1. The requested work is within the domain of one of the Center's "special competency" areas, consistent with FAR Subsection 35.017-3.
2. The requested work has undergone a conflict of interest review, and a determination has been made that the conduct of the proposed work would be in accordance with NRC's conflict of interest requirements. (The NRC staff will conduct the conflict-of-interest review and make the subsequent determination for work performed for NRC.)
3. The requested work will not negatively impact the long-term stability of staff and funding at the CNWRA and would, preferably, increase that stability. The expertise, including labor hours and other resources required to conduct the

work, should be delineated.

4. The requested work would not materially reduce the effectiveness of the CNWRA in carrying out its primary mission to provide support to NRC's HLWM Program (i.e., would not significantly impact costs, scope, or schedule of NWPA work assigned to the Center by NRC).
5. The requested work would augment or help to maintain capabilities, technologies, management methods, and technical expertise of importance to NRC and its HLW mission.

Costs related to preparing justifications for performing work and to developing proposals in response to NRC request would be included in the Center's overhead pool. Costs for responding to requests for work from outside NRC will be borne by Southwest Research Institute (SwRI) and will not be reimbursed by NRC.

Upon receipt of the Center's request for authorization to perform the work, the NRC CNWRA Deputy Program Manager will distribute copies of the request and the justification to members of the WFOC. A meeting will be scheduled to review the request and to make a recommendation as soon as possible, but with a goal of 10 calendar days from the date of receipt. All justifications will be evaluated and authorized, based on the requirements in the FAR, restrictions in NRC's contract with SwRI for operation of the Center, these procedures, and the priorities of the currently approved program and the proposed work.

Assuming that the justification package, as submitted, is complete, the WFOC will arrive at a decision at that meeting as to whether to recommend approval of authorization to the Center to accept the work. The NRC CNWRA Deputy Program Manager will submit the WFOC's recommendation, with the approval of the Director, HLWRS to the NRC Contracting Officer. For work outside of the NRC not exceeding \$50,000, the approval of the Director, HLWRS is not required. The NRC Contracting Officer will determine whether the requested action is in compliance with the FAR and the contract terms and conditions, and will seek resolution of any contractual issues raised by the Center's request. After resolution, the NRC Contracting Officer will inform the Center of NRC's decision. The NRC CNWRA Deputy Program Manager, after the Contracting Officer has provided authorization to the Center, will update the ADAMS database to ensure that it includes all approved work.

For work for others, authorized by the NRC Contracting Officer, the Center will establish individual financial and labor resource tracking accounts. Center management, the NRC Contracting Officer, and the NRC CNWRA Program Manager will ensure overhead and management costs are properly distributed. Proposals for NRC work, that include the technical scope, schedules, and required resources, once accepted by the NRC Division requesting the work, will be incorporated into NRC's contract with SwRI and will become contractually binding.

In addition to management of the Center's NWPA work for NRC, the NRC staff will provide technical and direct management oversight of NRC work not performed under



the NWPA, and to the extent practical (under Management and Staffing Award Fee Evaluation Criteria, e.g., the Center's ability to manage work for others without impacting NRC's HLWM Program), will consider Center performance on such work during the CRG's award fee determination. Technical and direct management oversight of non-NRC work will be provided by the requesting organization, and will not be considered by the CRG as part of the Center's award fee evaluation.

Day-to-day technical and financial management of approved programs/projects will be performed by the Center and the requesting organization. Potential or actual impacts on HLWM Program work at the Center will be noted in the MAJOR PROBLEMS section of the Center's Program Managers Periodic Report. At the NRC/CNWRA Annual Program Reviews, the President of the Center will advise NRC on the extent of ongoing work for others. A brief assessment of potential adverse impacts, if any, on the NRC HLWM Program, will be provided.

The NRC Contracting Officer will monitor the funding provided to the Center to perform work for others and will inform the CRG if the total fiscal year funding for such efforts approaches 30% for non-government work of the Center's total fiscal year funding. The CRG will recommend approval of requests to perform work for others that would cause total fiscal year funding for such work at the Center to exceed 30% for non-government work only in exceptional circumstances. If such approval is recommended, the NRC CNWRA Program Manager will so inform the Commission, prior to submitting the recommendation to the Contracting Officer for review and authorization.

6. ALTERNATIVE PROCEDURE FOR APPROVAL OF REQUESTS BY NRC FOR PRESENTATIONS BY CNWRA STAFF

The NRC Contracting Officer may authorize the Center to perform work for others when the Center is requested by other NRC offices to present papers relating to work that the Center has performed under this contract. Documentation will be placed in the file indicating that the five criteria cited above have been met.

7. RECORDS

The results of evaluations conducted in accordance with this procedure, as well as the evaluation material supporting the results, shall be documented and retained in the project files at the Center and NRC.