

**ORDER FOR SUPPLIES OR SERVICES**

IMPORTANT: Mark all packages and papers with contract and/or order numbers.

BPA NO.

|  |  |   |                |
|--|--|---|----------------|
| 1. DATE OF ORDER<br><b>MAY 9 2009</b>  | 2. CONTRACT NO. (if any)<br>GS23F0060L | 6. SHIP TO:   |                |
| 3. ORDER NO.<br>DR-03-05-030   | MODIFICATION NO.                       | 4. REQUISITION/REFERENCE NO.<br>NRR-05-030  |                |
| 5. ISSUING OFFICE (Address correspondence to)<br>U.S. Nuclear Regulatory Commission<br>Div. of Contracts<br>Attn: Jeffrey R. Mitchell, 301-415-6465<br>Mail Stop T-7-I-2<br>Washington, DC 20555 |  | a. NAME OF CONSIGNEE<br>U.S. Nuclear Regulatory Commission<br>Attn: Mary Ann Ashley |                |
|  |  | b. STREET ADDRESS<br>Mail Stop: 07-H4<br>11555 Rockville Pike                       |                |
|  |  | c. CITY<br>Rockville  | d. STATE<br>MD |
|  |  | e. ZIP CODE<br>20852  |                |

|        |             |
|--------|-------------|
| 7. TO: | f. SHIP VIA |
|--------|-------------|

|  |  |   |
|--|--|---|
| a. NAME OF CONTRACTOR<br>INFORMATION SYSTEMS LABORATORIES, INC | 8. TYPE OF ORDER   |   |
| b. COMPANY NAME<br>ATTN: DR. JAMES F. MEYER                    | <input type="checkbox"/> a. PURCHASE   | <input checked="" type="checkbox"/> b. DELIVERY |
| c. STREET ADDRESS<br>11140 ROCKVILLE PIKE, SUITE 500           | Reference your _____<br>Please furnish the following on the terms and conditions specified on both sides of this order and on the attached sheet, if any, including delivery as indicated.                                     |   |
| d. CITY<br>ROCKVILLE MD 20852                                  | Except for billing instructions on the reverse, this delivery/task order is subject to instructions contained on this side only of this form and is issued subject to the terms and conditions of the above-numbered contract. |   |
| e. STATE   | f. ZIP CODE  |   |

|  |                               |
|--|-------------------------------|
| 9. ACCOUNTING AND APPROPRIATION DATA<br>520-15-113-107 J3229 252A 31x0200.520<br>Obligate \$101,399.00 | 10. REQUISITIONING OFFICE NRR |
|--|-------------------------------|

|   |  |   |  |                         |  |
|---|--|---|--|-------------------------|--|
| 11. BUSINESS CLASSIFICATION (Check appropriate box(es)) |  |   |  | 12. F.O.B. POINT<br>N/A |  |
| <input checked="" type="checkbox"/> a. SMALL            | <input type="checkbox"/> b. OTHER THAN SMALL | <input type="checkbox"/> c. DISADVANTAGED           | <input type="checkbox"/> g. SERVICE-DISABLED VETERAN-OWNED |                         |  |
| <input type="checkbox"/> d. WOMEN-OWNED                 | <input type="checkbox"/> e. HUBZone          | <input type="checkbox"/> f. EMERGING SMALL BUSINESS |  |                         |  |

|               |               |                        |   |                              |
|---------------|---------------|------------------------|---|------------------------------|
| 13. PLACE OF  |               | 14. GOVERNMENT B/L NO. | 15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date) | 16. DISCOUNT TERMS<br>Net 30 |
| a. INSPECTION | b. ACCEPTANCE |                        |   |                              |

17. SCHEDULE (See reverse for Rejections)

| ITEM NO. (A) | SUPPLIES OR SERVICES (B)   | QUANTITY ORDERED (C) | UNIT (D) | UNIT PRICE (E) | AMOUNT (F) | QUANTITY ACCEPTED (G) |
|--------------|--|----------------------|----------|----------------|------------|-----------------------|
|              | The U.S. Nuclear Regulatory Commission (NRC) hereby issues this Delivery Order entitled, "Construction Inspection Program Sample Selection Methodology" to Information Systems Laboratories, Inc. (ISL), per the attached Statement of Work and additional terms and conditions not specified under the Federal Supply Schedule GS-23F-0060L contract. |                      |          |                |            |                       |

|                                     |  |                |                           |  |                           |  |   |
|-------------------------------------|--|----------------|---------------------------|--|---------------------------|--|---|
| SEE BILLING INSTRUCTIONS ON REVERSE | 18. SHIPPING POINT   |                | 19. GROSS SHIPPING WEIGHT |  | 20. INVOICE NO.           |  | 17(h) TOTAL (Cont. pages)<br><br>17(i). GRAND TOTAL |
|                                     | 21. MAIL INVOICE TO:   |                |                           |  |                           |  |   |
|                                     | a. NAME<br>U.S. Nuclear Regulatory Commission<br>Payment Team, Mail Stop T-7-I-2 |                |                           |  |                           |  |   |
|                                     | b. STREET ADDRESS (or P.O. Box)<br>Attn: (DR-03-05-030)                          |                |                           |  |                           |  |   |
| c. CITY<br>Washington               |  | d. STATE<br>DC | e. ZIP CODE<br>20555      |  | f. AMOUNT<br>\$101,399.00 |  |   |

|  |   |
|--|---|
| 22. UNITED STATES OF AMERICA<br>BY (Signature)<br> | 23. NAME (Typed)<br>Sharon D. Stewart<br>Contracting Officer<br>TITLE: CONTRACTING/ORDERING OFFICER |
|--|---|

AUTHORIZED FOR LEGAL REPRODUCTION  
PREVIOUS EDITION NOT USABLE

OPTIONAL FORM 347 (REV. 3/2005)  
ISSUED BY GSA/FAR 48 CFR 53.213(f)

**TEMPLATE - ADM001      SISP REVIEW COMPLETE**

**ADM002**





3) WORK REQUIREMENTS AND SCHEDULE

It shall be the responsibility of the contractor to assign qualified technical staff, employees, and subcontractors, who have the required educational background, experience, or combination thereof, to meet both the technical and regulatory objectives of the work specified in this Statement of Work (SOW). At a minimum the key personnel should have the following skills, training, or experience:

- (1) Extensive knowledge/experience in designing statistical sampling plans using techniques such as stratified sampling and estimation, multi-stage sampling, sequential sampling, acceptance sampling, and discovery sampling.
- (2) Senior Reactor Operator (SRO) level of knowledge
- (3) Familiarity with Advanced Reactor design (concepts) and Probabilistic Risk Assessment (PRA).
- (4) Knowledge of the requirements of 10 CFR Part 52.

The NRC will rely on representation made by the contractor concerning the qualifications of the personnel proposed for assignment to this work including assurance that all information contained in the technical and cost proposals, including resumes and conflict of interest disclosures, is accurate and truthful.

**Task 1**

Review draft IMC- 2503, "ITAAC Inspections", and NUREG-1789, "10 CFR Part 52 Construction Inspection Program Framework Document."

The Contractor shall meet, either in person or by phone, with appropriate NRC staff within two weeks of contract award to discuss any issues relating to scope of work. The Contractor shall prepare questions to be answered by NRC staff and issues to be addressed by NRC staff.

The Contractor shall secure the approval of the NRC before proceeding with Task 2.

**Deliverable(s)**

- (1) The Contractor shall provide the NRC with a list of questions to be answered and issues to be addressed/discussed at above meeting at least one week prior to the meeting.
- (2) Within one week after the meeting the Contractor shall provide to the NRC a letter report on the meeting - including meeting minutes/notes, answers to questions, and notes on discussion topics.

**Task 2.**

After reviewing all of the material provided by the NRC, the Contractor shall define the ITAAC universe or population to be subjected to sampling and then develop a stratification or other appropriate classification approach for optimizing the sample selection. At a minimum the Contractor shall consider the following items or issues in the development of the stratification/classifying scheme for the ITAACs:

- (1) opportunity for inspection,
- (2) difficulty of inspection,
- (3) risk importance of the system, structure, or component (SSC) in PRA,
- (4) consequence of not meeting the ITAAC
- (5) relationship of the ITAAC to or dependence of the ITAAC on a process such as quality assurance (QA),
- (6) importance of the item to safety if it is not included in a PRA, and
- (7) relationship of the ITAAC or SSC to a critical safety function.

The above seven items may be used to develop a risk classification or stratification approach to be used in sample frame construction and stratification.

The Contractor shall consult with the NRC regarding development of strata which are defined in terms of specified level of assurance that the ITAAC are satisfied. The Contractor shall also develop options for NRC to make tradeoffs between and among criteria.

The Contractor shall secure the approval of the NRC before proceeding with Task 3. The Contractor shall meet with the NRC, brief the NRC, or hold a tele-conference with the NRC to gain this approval from the NRC.

**Deliverable(s)**

- (1) The Contractor shall provide the NRC a working description/definition of the ITAAC universe or population to be subjected to sampling.
- (2) The Contractor shall provide the NRC with stratification or classification approach for the ITAAC population in item (1) above.
- (3) The contractor shall provide the NRC with options for tradeoffs among criteria, if applicable.

**Task 3**

Based on the universe/population defined in deliverable (1) of Task 2 and the stratification/ classification approach developed in deliverable (2) of Task 2, the Contractor shall develop a fully stratified ITAAC sampling frame - i.e., a sampling frame in which each ITAAC of deliverable (1) is assigned to one and only stratum/class defined in deliverable (2).

The Contractor shall secure the approval of the NRC before proceeding with Task 4. The Contractor shall meet with the NRC, brief the NRC, or hold a teleconference with the NRC to gain this approval from the NRC.

**Deliverable**

The Contractor shall provide the NRC with a fully stratified ITAAC sampling frame which assigns each item of the ITAAC universe/population to be subject to sampling to a unique stratum/class - i.e., a list of all strata/classes and the ITAACs which belong to each of them. This sampling frame shall be based on the Westinghouse AP1000 Standard Plant Design

**Task 4**

The Contractor shall develop a sampling plan - including appropriate sample size(s), methods of selection, sampling procedures, and appropriate methods of verification - to provide the requisite level of assurance or confidence that the ITAAC are satisfied. It may be necessary that this be done on a stratum-by-stratum basis.

Contractor shall incorporate NUREG-1789, "10 CFR Part 52 Construction Inspection Program Framework Document," and its guidance into the development of the sampling plan/approach for this effort.

The Contractor shall suggest optional approaches in the event it is not feasible or practicable to implement the sampling plan as originally developed and proposed.

The Contractor shall secure the approval of the NRC before proceeding with Task 5. The Contractor shall meet with the NRC, brief the NRC, or hold a tele-conference with the NRC to gain this approval from the NRC.

**Deliverable(s)**

- (1) The Contractor shall provide the NRC with the sampling plan(s) developed for Task 4.
- (2) The Contractor shall brief the NRC on the sampling plan and all of the activities leading up to its development including alternate approaches, if appropriate.
- (3) The Contractor shall provide the NRC with optional approaches, if applicable, and will brief the NRC on these options, if any.

#### Task 5

The Contractor shall develop responses to a list of specific questions from the NRC regarding issues which may have been raised at the above briefing - required in Task 4. The list of questions will be agreed to by the NRC prior to the Contractor's preparation of responses.

The Contractor shall secure the approval of the NRC before proceeding with Task 6. The Contractor shall meet with the NRC, brief the NRC, or hold a tele-conference with the NRC to gain this approval from the NRC

#### Deliverable(s)

The Contractor shall provide to the NRC a letter report detailing responses to any questions or issues raised during the briefing of Task 4. The Contractor shall provide this letter report to the NRC within 10 days after the briefing occurs.

#### Task 6

The Contractor shall select a sample of ITAACs to be used in the Construction Sampling Program - using the approach agreed upon by the Contractor and the NRC. The Contractor shall demonstrate that the sample selected meets the criteria for assuring the required level of confidence that the ITAAC are satisfied. In conjunction with the NRC or using supporting material the Contractor shall estimate the NRC staff resources required to implement the ITAAC sampling program. Since the staff resources of the NRC (NRR) construction inspection program are limited, the completion of Tasks 2 through 6 may be well be an iterative process - with resource estimates and confidence level tradeoffs being made until reasonable levels of confidence and corresponding levels of required inspection staff resources are reached.

#### Deliverable(s)

- (1) The Contractor shall provide to the NRC a report which indicates which ITAAC will be sampled - i.e., selected for verification as part of the construction sampling program - and how many of each type will be examined in the case of ITAAC such as welds, pipes, etc. which occur in large numbers throughout a nuclear power plant.
- (2) The Contractor shall provide an estimate of NRC staff resources required to implement the verification portion of the ITAAC sampling program
- (3) The Contractor shall perform additional estimates of needed resources until an acceptable level of confidence is matched with a manageable level of required inspection staff resources.

#### 4) NRC FURNISHED MATERIAL

Documents required to complete the project will be provided by the NRC Team Leader.

The NRC will provide the Contractor with a copy of the Westinghouse AP1000 Design Control Document.

The NRC will provide the Contractor with a copy of a Federal Aviation Administration (FAA) briefing entitled "FAA Oversight of Aircraft Manufacturer's Quality Assurance Systems for Suppliers" presented to NRC on April 20, 2004. The briefing describes an FAA process for classifying manufacturers and suppliers "according to their potential risk" in order to develop a more efficient approach to selecting manufacturers and suppliers for inspection and audit.

The NRC will provide the Contractor with a copy of Appendix 3 to FAA Order 8120.2C -"Resource Targeting Indicator Assessment Criteria." These criteria are used to classify manufacturing or supply facilities into "risk" groups.

The Contractor will also be provided with a copy of NUREG-1789, "10 CFR Part 52 Construction Inspection Program Framework Document."

5) OTHER APPLICABLE INFORMATION

The work specified in this SOW is not licensee fee recoverable.

6) MEETINGS AND TRAVEL

It is estimated that each month during the effective period of the contract a meeting shall be required at the NRC headquarters located in Rockville, MD.

**DELIVERY ORDER TERMS AND CONDITIONS NOT SPECIFIED IN THE CONTRACT**

**A.1 CONSIDERATION AND OBLIGATION--DELIVERY ORDERS (JUN 1988)**

(a) The total estimated amount of this contract (ceiling) for the products/services ordered, delivered, and accepted under this contract is \$101,399.00. The Contracting Officer may unilaterally increase this amount as necessary for orders to be placed with the contractor during the contract period provided such orders are within any maximum ordering limitation prescribed under this contract.

(b) The amount presently obligated with respect to this contract is \$101,399.00. The Contracting Officer may issue orders for work up to the amount presently obligated. This obligated amount may be unilaterally increased from time to time by the Contracting Officer by written modification to this contract. The obligated amount shall, at no time, exceed the contract ceiling as specified in paragraph a above. 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 contract. Any work undertaken by the Contractor in excess of the obligated amount specified above is done so at the Contractor's sole risk.

**A.2 DURATION OF CONTRACT PERIOD (MAR 1987)**

This contract shall commence on Day of Award and will expire September 1, 2005.

**A.3 PROJECT OFFICER AUTHORITY (FEB 2004)**

(a) The contracting officer's authorized representative hereinafter referred to as the project officer for this contract is:

Name: Mary Ann Ashley

Address: U.S. Nuclear Regulatory Commission  
Mail Stop: O7-H4  
11555 Rockville Pike  
Rockville, MD 20852

Telephone Number: 301-415-1073

(b) Performance of the work under this contract is subject to the technical direction of the NRC project officer. The term technical direction is defined to include the following:

(1) Technical direction to the contractor which shifts work emphasis between areas of work or tasks, authorizes travel which was unanticipated in the Schedule (i.e., travel not contemplated in the Statement of Work (SOW) or changes to specific travel identified in the SOW), fills in details, or otherwise serves to accomplish the contractual SOW.

(2) Provide advice and guidance to the contractor in the preparation of drawings, specifications, or technical portions of the work description.

(3) Review and, where required by the contract, approval of technical reports, drawings, specifications, and technical information to be delivered by the contractor to the Government under the contract.

(c) Technical direction must be within the general statement of work stated in the contract. The project officer does not have the authority to and may not issue any technical direction which:

(1) Constitutes an assignment of work outside the general scope of the contract.

(2) Constitutes a change as defined in the "Changes" clause of this contract.

(3) In any way causes an increase or decrease in the total estimated contract cost, the fixed fee, if any, or the time required for contract performance.

(4) Changes any of the expressed terms, conditions, or specifications of the contract.

(5) Terminates the contract, settles any claim or dispute arising under the contract, or issues any unilateral directive whatever.

(d) All technical directions must be issued in writing by the project officer or must be confirmed by the project officer in writing within ten (10) working days after verbal issuance. A copy of the written direction must be furnished to the contracting officer. A copy of NRC Form 445, Request for Approval of Official Foreign Travel, which has received final approval from the NRC must be furnished to the contracting officer.

(e) The contractor shall proceed promptly with the performance of technical directions duly issued by the project officer in the manner prescribed by this clause and within the project officer's authority under the provisions of this clause.

(f) If, in the opinion of the contractor, any instruction or direction issued by the project officer is within one of the categories as defined in paragraph (c) of this section, the contractor may not proceed but shall notify the contracting officer in writing within five (5) working days after the receipt of any instruction or direction and shall request the contracting officer to modify the contract accordingly. Upon receiving the notification from the contractor, the contracting officer shall issue an appropriate contract modification or advise the contractor in writing that, in the contracting officer's opinion, the technical direction is within the scope of this article and does not constitute a change under the "Changes" clause.

(g) Any unauthorized commitment or direction issued by the project officer may result in an unnecessary delay in the contractor's performance and may even result in the contractor expending funds for unallowable costs under the contract.

(h) A failure of the parties to agree upon the nature of the instruction or direction or upon the contract action to be taken with respect thereto is subject to 52.233.1 . Disputes.

(i) In addition to providing technical direction as defined in paragraph (b) of the section, the project officer shall:

(1) Monitor the contractor's technical progress, including surveillance and assessment of performance, and recommend to the contracting officer changes in requirements. (2) Assist the contractor in the resolution of technical problems encountered during performance.

(3) Review all costs requested for reimbursement by the contractor and submit to the contracting officer recommendations for approval, disapproval, or suspension of payment for supplies and services required under this contract.

(4) Assist the contractor in obtaining the badges for the contractor personnel.

(5) Immediately notify the Security Branch, Division of Facilities and Security (SB/DFS) (via e-mail) when a contractor employee no longer requires access authorization and return of any NRC issued badge to SB/DFS within three days after their termination.

(6) Ensure that all contractor employees that require access to classified Restricted Data or National Security Information or matter, access to sensitive unclassified information (Safeguards, Official Use Only, and Proprietary information) access to sensitive IT systems or data, unescorted access to NRC controlled buildings/space, or unescorted access to protected and vital areas of nuclear power plants receive approval of SB/DFS prior to access in accordance with Management Directive and Handbook 12.3.

**A.4 2052.215-70 KEY PERSONNEL (JAN 1993)**

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



The contractor agrees that personnel may not be removed from the contract work or replaced without compliance with paragraphs (b) and (c) of this section.

(b) If one or more of the key personnel, for whatever reason, becomes, or is expected to become, unavailable for work under this contract for a continuous period exceeding 30 work days, or is expected to devote substantially less effort to the work than indicated in the proposal or initially anticipated, the contractor shall immediately notify the contracting officer and shall, subject to the concurrence of the contracting officer, promptly replace the personnel with personnel of at least substantially equal ability and qualifications.

(c) Each request for approval of substitutions must be in writing and contain a detailed explanation of the circumstances necessitating the proposed substitutions. The request must also contain a complete resume for the proposed substitute and other information requested or needed by the contracting officer to evaluate the

proposed substitution. The contracting officer and the project officer shall evaluate the contractor's request and the contracting officer shall promptly notify the contractor of his or her decision in writing.

(d) If the contracting officer determines that suitable and timely replacement of key personnel who have been reassigned, terminated, or have otherwise become unavailable for the contract work is not reasonably forthcoming, or that the resultant reduction of productive effort would be so substantial as to impair the successful completion of the contract or the service order, the contract may be terminated by the contracting officer for default or for the convenience of the Government, as appropriate. If the contracting officer finds the contractor at fault for the condition, the contract price or fixed fee may be equitably adjusted downward to compensate the Government for any resultant delay, loss, or damage.

#### **A.5 2052.211-72 FINANCIAL STATUS REPORT (OCT 1999)**

The contractor shall provide a monthly Financial Status Report (FSR) to the project officer and the contracting officer. The FSR shall include the acquisition of, or changes in the status of, contractor-held property acquired with government funds valued at the time of purchase at \$50,000 or more. Whenever these types of property changes occur, the contractor shall send a copy of the report to the Chief, Property and Acquisition Oversight Branch, Office of Administration. The report is due within 15 calendar days after the end of the report period and must identify the title of the project, the contract number, the appropriate financial tracking code (e.g., Job Code Number or JCN) specified by the NRC Project Officer, project manager and/or principal investigator, the contract period of performance, and the period covered by the report. Each report must include the following for each discrete task:

- (a) Total estimated contract amount.
- (b) Total funds obligated to date.
- (c) Total costs incurred this reporting period.
- (d) Total costs incurred to date.
- (e) Detail of all direct and indirect costs incurred during the reporting period for the entire contract or each task, if it is a task ordering contract.
- (f) Balance of obligations remaining.
- (g) Balance of funds required to complete contract/task order.
- (h) Contractor Spending Plan (CSP) status: A revised CSP is required with the Financial Status Report whenever the contractor or the contracting officer has reason to believe that the total cost for performance of this contract will be either greater or substantially less than what had been previously estimated.

(1) Projected percentage of completion cumulative through the report period for the project/task order as reflected in the current CSP.

(2) Indicate significant changes in the original CSP projection in either dollars or percentage of completion. Identify the change, the reasons for the change, whether there is any projected overrun, and when additional funds would be required. If there have been no changes to the original NRC-approved CSP projections, a written statement to that effect is sufficient in lieu of submitting a detailed response to item "h".

- (i) Property status:

(1) List property acquired for the project during the month with an acquisition cost between \$500 and \$49,999. Give the item number for the specific piece of equipment.

(2) Provide a separate list of property acquired for the project during the month with an acquisition cost of \$50,000 or more. Provide the following information for each item of property: item description or nomenclature, manufacturer, model number, serial number, acquisition cost, and receipt date. If no property was acquired during the month, include a statement to that effect. The same information must be provided for any component or peripheral equipment which is part of a "system or system unit."

(3) For multi-year projects, in the September monthly financial status report provide a cumulative listing of property with an acquisition cost of \$50,000 or more showing the information specified in paragraph (i)(2) of this clause.

(4) In the final financial status report provide a closeout property report containing the same elements as described above for the monthly financial status reports, for all property purchased with NRC funds regardless of value unless title has been vested in the contractor. If no property was acquired under the contract, provide a statement to that effect. The report should note any property requiring special handling for security, health, safety, or other reasons as part of the report.

(j) Travel status: List the starting and ending dates for each trip, the starting point and destination, and the traveler(s) for each trip.

(k) If the data in this report indicates a need for additional funding beyond that already obligated, this information may only be used as support to the official request for funding required in accordance with the Limitation of Cost (LOC) Clause (FAR 52.232-20) or the Limitation of Funds (LOF) Clause FAR 52.232-22.

#### **A.6 2052.211-71 TECHNICAL PROGRESS REPORT (JAN 1993)**

The contractor shall provide a monthly Technical Progress Report to the project officer and the contracting officer. The report is due within 15 calendar days after the end of the report period and must identify the title of the project, the contract number, appropriate financial tracking code specified by the NRC Project Officer, project manager and/or principal investigator, the contract period of performance, and the period covered by the report. Each report must include the following for each discrete task/task order:

(a) A listing of the efforts completed during the period, and milestones reached or, if missed, an explanation provided;

(b) Any problems or delays encountered or anticipated and recommendations for resolution. If the recommended resolution involves a contract modification, e.g., change in work requirements, level of effort (cost) or schedule delay, the contractor shall submit a separate letter to the contracting officer identifying the required change and estimated cost impact.

(c) A summary of progress to date; and

(d) Plans for the next reporting period.

#### **A.7 2052.209-72 CONTRACTOR ORGANIZATIONAL CONFLICTS OF INTEREST (JAN 1993)**

(a) Purpose. The primary purpose of this clause is to aid in ensuring that the contractor:

(1) Is not placed in a conflicting role because of current or planned interests (financial, contractual, organizational, or otherwise) which relate to the work under this contract; and

(2) Does not obtain an unfair competitive advantage over other parties by virtue of its performance of this contract.

(b) Scope. The restrictions described apply to performance or participation by the contractor, as defined in 48 CFR 2009.570-2 in the activities covered by this clause.

(c) Work for others.

(1) Notwithstanding any other provision of this contract, during the term of this contract, the contractor agrees to forego entering into consulting or other contractual arrangements with any firm or organization the result of which may give rise to a conflict of interest with respect to the work being performed under this contract. The contractor shall ensure that all employees under this contract abide by the provision of this clause. If the contractor has reason to believe, with respect to itself or any employee, that any proposed consultant or other contractual arrangement with any firm or organization may involve a potential conflict of interest, the contractor shall obtain the written approval of the contracting officer before the execution of such contractual arrangement.

(2) The contractor may not represent, assist, or otherwise support an NRC licensee or applicant undergoing an NRC audit, inspection, or review where the activities that are the subject of the audit, inspection, or review are the same as or substantially similar to the services within the scope of this contract (or task order as appropriate) except where the NRC licensee or applicant requires the contractor's support to explain or defend the contractor's prior work for the utility or other entity which NRC questions.

(3) When the contractor performs work for the NRC under this 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 licensee or applicant organization for a period commencing with the award of the task order or beginning of work on the site (if not a task order contract) and ending one year after completion of all work under the associated task order, or last time at the site (if not a task order contract).

(4) When the contractor performs work for the NRC under this contract at any NRC licensee or applicant site,

(i) The contractor may not solicit work at that site for that licensee or applicant during the period of performance of the task order or the contract, as appropriate.

(ii) The contractor may not perform work at that site for that licensee or applicant during the period of performance of the task order or the contract, as appropriate, and for one year thereafter.

(iii) Notwithstanding the foregoing, the contracting officer may authorize the contractor to solicit or perform this type of work (except work in the same or similar technical area) if the contracting officer determines that the situation will not pose a potential for technical bias or unfair competitive advantage.

(d) Disclosure after award.

(1) The contractor warrants that to the best of its knowledge and belief, and except as otherwise set forth in this contract, that it does not have any organizational conflicts of interest as defined in 48 CFR 2009.570-2.

(2) The contractor agrees that if, after award, it discovers organizational conflicts of interest with respect to this contract, it shall make an immediate and full disclosure in writing to the contracting officer. This statement must include a description of the action which the contractor has taken or proposes to take to avoid or mitigate

such conflicts. The NRC may, however, terminate the contract if termination is in the best interest of the Government.

(3) It is recognized that the scope of work of a task-order-type contract necessarily encompasses a broad spectrum of activities. Consequently, if this is a task-order-type contract, the contractor agrees that it will disclose all proposed new work involving NRC licensees or applicants which comes within the scope of work of the underlying contract. Further, if this contract involves work at a licensee or applicant site, the contractor agrees to exercise diligence to discover and disclose any new work at that licensee or applicant site. This disclosure must be made before the submission of a bid or proposal to the utility or other regulated entity and must be received by the NRC at least 15 days before the proposed award date in any event, unless a written justification demonstrating urgency and due diligence to discover and disclose is provided by the contractor and approved by the contracting officer. The disclosure must include the statement of work, the dollar value of the proposed contract, and any other documents that are needed to fully describe the proposed work for the regulated utility or other regulated entity. NRC may deny approval of the disclosed work only when the NRC has issued a task order which includes the technical area and, if site-specific, the site, or has plans to issue a task order which includes the technical area and, if site-specific, the site, or when the work violates paragraphs (c)(2), (c)(3) or (c)(4) of this section.

(e) Access to and use of information.

(1) If in the performance of this contract, the contractor obtains access to information, such as NRC plans, policies, reports, studies, financial plans, internal data protected by the Privacy Act of 1974 (5 U.S.C. Section 552a (1988)), or the Freedom of Information Act (5 U.S.C. Section 552 (1986)), the contractor agrees not to:

(i) Use this information for any private purpose until the information has been released to the public;

(ii) Compete for work for the Commission based on the information for a period of six months after either the completion of this contract or the release of the information to the public, whichever is first;

(iii) Submit an unsolicited proposal to the Government based on the information until one year after the release of the information to the public; or

(iv) Release the information without prior written approval by the contracting officer unless the information has previously been released to the public by the NRC.

(2) In addition, the contractor agrees that, to the extent it receives or is given access to proprietary data, data protected by the Privacy Act of 1974 (5 U.S.C. Section 552a (1988)), or the Freedom of Information Act (5 U.S.C. Section 552 (1986)), or other confidential or privileged technical, business, or financial information under this contract, the contractor shall treat the information in accordance with restrictions placed on use of the information.

(3) Subject to patent and security provisions of this contract, the contractor shall have the right to use technical data it produces under this contract for private purposes provided that all requirements of this contract have been met.

(f) Subcontracts. Except as provided in 48 CFR 209.570-2, the contractor shall include this clause, including this paragraph, in subcontracts of any tier. The terms contract, contractor, and contracting officer, must be appropriately modified to preserve the Government's rights.

(g) Remedies. For breach of any of the above restrictions, or for intentional nondisclosure or misrepresentation of any relevant interest required to be disclosed concerning this contract or for such erroneous representations that necessarily imply bad faith, the Government may terminate the contract for default, disqualify the contractor from subsequent contractual efforts, and pursue other remedies permitted by law or this contract.

(h) Waiver. A request for waiver under this clause must be directed in writing to the contracting officer in accordance with the procedures outlined in 48 CFR 2009.570-9.

(i) Follow-on effort. The contractor shall be ineligible to participate in NRC contracts, subcontracts, or proposals therefor (solicited or unsolicited), which stem directly from the contractor's performance of work under this contract. Furthermore, unless so directed in writing by the contracting officer, the contractor may not perform any technical consulting or management support services work or evaluation activities under this contract on any of its products or services or the products or services of another firm if the contractor has been substantially involved in the development or marketing of the products or services.

(1) If the contractor, under this contract, prepares a complete or essentially complete statement of work or specifications, the contractor is not eligible to perform or participate in the initial contractual effort which is based on the statement of work or specifications. The contractor may not incorporate its products or services in the statement of work or specifications unless so directed in writing by the contracting officer, in which case the restrictions in this paragraph do not apply.

(2) Nothing in this paragraph precludes the contractor from offering or selling its standard commercial items to the Government.

#### **A.8 52.232-7 PAYMENTS UNDER TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS (DEC 2002)**

The Government will pay the Contractor as follows upon the submission of invoices or vouchers approved by the Contracting Officer:

(a) Hourly rate. (1) The amounts shall be computed by multiplying the appropriate hourly rates prescribed in the Schedule by the number of direct labor hours performed. The rates shall include wages, indirect costs, general and administrative expense, and profit. Fractional parts of an hour shall be payable on a prorated basis. Vouchers may be submitted once each month (or at more frequent intervals, if approved by the Contracting Officer), to the Contracting Officer or designee. The Contractor shall substantiate vouchers by evidence of actual payment and by individual daily job timecards, or other substantiation approved by the Contracting Officer. Promptly after receipt of each substantiated voucher, the Government shall, except as otherwise provided in this contract, and subject to the terms of (e) below, pay the voucher as approved by the Contracting Officer.

(2) Unless otherwise prescribed in the Schedule, the Contracting Officer shall withhold 5 percent of the amounts due under this paragraph (a), but the total amount withheld shall not exceed \$50,000. The amounts withheld shall be retained until the execution and delivery of a release by the Contractor as provided in paragraph (f) below.

(3) Unless the Schedule prescribes otherwise, the hourly rates in the Schedule shall not be varied by virtue of the Contractor having performed work on an overtime basis. If no overtime rates are provided in the Schedule and overtime work is approved in advance by the Contracting Officer, overtime rates shall be negotiated. Failure to agree upon these overtime rates shall be treated as a dispute under the Disputes clause of this contract. If the Schedule provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by the Contracting Officer.

(b) Materials and subcontracts. (1) The Contracting Officer will determine allowable costs of direct materials in accordance with Subpart 31.2 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract. Direct materials, as used in this clause, are those materials that enter directly into the end product, or that are used or consumed directly in connection with the furnishing of the end product.

(2) The Contractor may include reasonable and allocable material handling costs in the charge for material to the extent they are clearly excluded from the hourly rate. Material handling costs are comprised of indirect costs, including, when appropriate, general and administrative expense allocated to direct materials in accordance with the Contractor's usual accounting practices consistent with Subpart 31.2 of the FAR.

(3) The Government will reimburse the Contractor for supplies and services purchased directly for the contract when the Contractor--

(i) Has made payments of cash, checks, or other forms of payment for these purchased supplies or services; or

(ii) Will make these payments determined due-- (A) In accordance with the terms and conditions of a subcontract or invoice; and (B) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government.

(4)(i) The Government will reimburse the Contractor for costs of subcontracts that are authorized under the subcontracts clause of this contract, provided that the costs are consistent with paragraph (b)(5) of this clause.

(ii) The Government will limit reimbursable costs in connection with subcontracts to the amounts paid for supplies and services purchased directly for the contract when the Contractor has made or will make payments determined due of cash, checks, or other forms of payment to the subcontractor-- (A) In accordance with the terms and conditions of a subcontract or invoice; and (B) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government.

(iii) The Government will not reimburse the Contractor for any costs arising from the letting, administration, or supervision of performance of the subcontract, if the costs are included in the hourly rates payable under paragraph (a)(1) of this clause.

(5) To the extent able, the Contractor shall-

(i) Obtain materials at the most advantageous prices available with due regard to securing prompt delivery of satisfactory materials; and

(ii) Take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and other benefits. When unable to take advantage of the benefits, the Contractor shall promptly notify the Contracting Officer and give the reasons. The Contractor shall give credit to the Government for cash and trade discounts, rebates, scrap, commissions, and other amounts that have accrued to the benefit of the Contractor, or would have accrued except for the fault or neglect of the Contractor. The Contractor shall not deduct from gross costs the benefits lost without fault or neglect on the part of the Contractor, or lost through fault of the Government.

(c) Total cost. It is estimated that the total cost to the Government for the performance of this contract shall not exceed the ceiling price set forth in the Schedule and the Contractor agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this contract within such ceiling price. If at any time the Contractor has reason to believe that the hourly rate payments and material costs that will accrue in performing this contract in the next succeeding 30 days, if added to all other payments and costs previously accrued, will exceed 85 percent of the ceiling price in the Schedule, the Contractor shall notify the Contracting Officer giving a revised estimate of the total price to the Government for performing this contract with supporting reasons and documentation. If at any time during performing this contract, the Contractor has reason to believe that the total price to the Government for performing this contract will be substantially greater or less than the then stated ceiling price, the Contractor shall so notify the Contracting Officer, giving a revised estimate of the total price for performing this contract, with supporting reasons and documentation. If at any time during performing this contract, the Government has reason to believe that the work to be required in performing this contract will be substantially greater or less than the stated ceiling price, the Contracting Officer

will so advise the Contractor, giving the then revised estimate of the total amount of effort to be required under the contract.

(d) Ceiling price. The Government shall not be obligated to pay the Contractor any amount in excess of the ceiling price in the Schedule, and the Contractor shall not be obligated to continue performance if to do so would exceed the ceiling price set forth in the Schedule, unless and until the Contracting Officer shall have notified the Contractor in writing that the ceiling price has been increased and shall have specified in the notice a revised ceiling that shall constitute the ceiling price for performance under this contract. When and to the extent that the ceiling price set forth in the Schedule has been increased, any hours expended and material costs incurred by the Contractor in excess of the ceiling price before the increase shall be allowable to the same extent as if the hours expended and material costs had been incurred after the increase in the ceiling price.

(e) Audit. At any time before final payment under this contract the Contracting Officer may request audit of the invoices or vouchers and substantiating material. Each payment previously made shall be subject to reduction to the extent of amounts, on preceding invoices or vouchers, that are found by the Contracting Officer not to have been properly payable and shall also be subject to reduction for overpayments or to increase for underpayments. Upon receipt and approval of the voucher or invoice designated by the Contractor as the "completion voucher" or "completion invoice" and substantiating material, and upon compliance by the Contractor with all terms of this contract (including, without limitation, terms relating to patents and the terms of (f) and (g) below, the Government shall promptly pay any balance due the Contractor. The completion invoice or voucher, and substantiating material, shall be submitted by the Contractor as promptly as practicable following completion of the work under this contract, but in no event later than 1 year (or such longer period as the Contracting Officer may approve in writing) from the date of completion.

(f) Assignment. The Contractor, and each assignee under an assignment entered into under this contract and in effect at the time of final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract, a release discharging the Government, its officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions:

(1) Specified claims in stated amounts, or in estimated amounts if the amounts are not susceptible of exact statement by the Contractor.

(2) Claims, together with reasonable incidental expenses, based upon the liabilities of the Contractor to third parties arising out of performing this contract, that are not known to the Contractor on the date of the execution of the release, and of which the Contractor gives notice in writing to the Contracting Officer not more than 6 years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier.

(3) Claims for reimbursement of costs (other than expenses of the Contractor by reason of its indemnification of the Government against patent liability), including reasonable incidental expenses, incurred by the Contractor under the terms of this contract relating to patents.

(g) Refunds. The Contractor agrees that any refunds, rebates, or credits (including any related interest) accruing to or received by the Contractor or any assignee, that arise under the materials portion of this contract and for which the Contractor has received reimbursement, shall be paid by the Contractor to the Government. The Contractor and each assignee, under an assignment entered into under this contract and in effect at the time of final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract, an assignment to the Government of such refunds, rebates, or credits (including any interest) in form and substance satisfactory to the Contracting Officer.

(h) Interim payments. (1) Interim payments made prior to the final payment under the contract are contract financing payments. Contract financing payments are not subject to the interest penalty provisions of the Prompt Payment Act.

(2) The designated payment office will make interim payments for contract financing on the 30TH day after the designated billing office receives a proper payment request. In the event that the Government requires an audit or other review of a specific payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the specified due date.

#### **A.9 NRC ACQUISITION CLAUSES - (NRCAR) 48 CFR CH. 20**

#### **A.10 OTHER APPLICABLE CLAUSES**

See Addendum for the following in full text (if checked)

52.216-18, Ordering

52.216-19, Order Limitations

52.216-22, Indefinite Quantity

52.217-6, Option for Increased Quantity

52.217-7, Option for Increased Quantity Separately Priced Line Item

52.217-8, Option to Extend Services

52.217-9, Option to Extend the Term of the Contract

#### **A.11 SEAT BELTS**

Contractors, subcontractors, and grantees, are encouraged to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented, or personally owned vehicles.

#### **A.12 COMPLIANCE WITH U.S. IMMIGRATION LAWS AND REGULATIONS**

NRC contractors are responsible to ensure that their alien personnel are not in violation of United States Immigration and Naturalization (INS) laws and regulations, including employment authorization documents and visa requirements. Each alien employee of the Contractor must be lawfully admitted for permanent residence as evidenced by Alien Registration Receipt Card Form 1-151 or must present other evidence from the Immigration and Naturalization Services that employment will not affect his/her immigration status. The INS Office of Business Liaison (OBL) provides information to contractors to help them understand the employment eligibility verification process for non-US citizens. This information can be found on the INS website, <http://www.ins.usdoj.gov/graphics/services/employerinfo/index.htm#obl>.

The NRC reserves the right to deny or withdraw Contractor use or access to NRC facilities or its equipment/services, and/or take any number of contract administrative actions (e.g., disallow costs, terminate for cause) should the Contractor violate the Contractor's responsibility under this clause.

(End of Clause)