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Pre-Proposal Conference

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UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

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OFFICE OF NEW REACTORS

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PRE-PROPOSAL CONFERENCE

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TECHNICAL ASSISTANCE IN SUPPORT OF DESIGN

CERTIFICATION, ESP, COL AND ENVIRONMENTAL REVIEW

ACTIVITIES RELATING TO NEW REACTOR LICENSE

APPLICATIONS

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TUESDAY, MAY 1, 2007

The Conference convened at 9:30 a.m. in the  
NRC Auditorium at NRC Headquarters, 11545 Rockville  
Pike, Rockville, Maryland, Robert Fretz presiding.

PRESENT:

- ROBERT FRETZ
- ROBIN BAUM, ESQ.
- DON KING
- KALA SHANKAR
- CHARLES WILLBANKS
- JOSEPH COLACCINO
- JERRY WILSON
- BARRY ZALCMAN

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P-R-O-C-E-E-D-I-N-G-S

(9:35 a.m.)

1  
2  
3 MR. FRETZ: I'd like to start out - I'll  
4 start from left to right. First we have Robin Baum,  
5 who's from the Office of General Counsel. Don King,  
6 from the Division of Contracts. Kala Shankar, from  
7 the Division of Contracts. Charles Willbanks, Office  
8 of New Reactors. Joe Colaccino, Office of New  
9 Reactors. Jerry Wilson, he's from the Office of New  
10 Reactors. And then, finally, Barry Zalcman, and he's  
11 also from the Office of New Reactors.

12 I'd first like to introduce Don King from  
13 Division of Contracts, who will provide some opening  
14 remarks about the meeting and to help facilitate the  
15 meeting. Don?

16 MR. KING: Thank you, Bob. Good morning.  
17 As Bob mentioned, I'm the branch chief for the  
18 Contract Management Branch of the Division of  
19 Contracts here at the NRC. And my branch has the  
20 responsibility for the acquisition process. The  
21 purpose of our meeting today is to afford interested  
22 parties an opportunity to present questions and  
23 clarify uncertainties regarding the solicitation.  
24 Thank you in advance for your email questions that  
25 came in before the conference concerning those areas

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1 of uncertainty, which, in your opinion required  
2 clarification or correction.

3 Later this morning we will provide  
4 responses to those questions, some of which are  
5 administrative, some are technical in nature, and some  
6 concerning organizational conflict of interest. As  
7 mentioned in the solicitation, receipt of late  
8 questions may result in questions not being answered  
9 during this conference, although they will be  
10 considered per necessary amendments to the  
11 solicitation. At the end of the Q and A period, you  
12 will be afforded an opportunity to ask further  
13 questions, some which may not be responded to this  
14 morning, but will be considered - will be included in  
15 later amendments if necessary.

16 In addition this morning, the New Reactor  
17 Technical Office personnel will provide a technical  
18 presentation to you. One of the individuals who's not  
19 here this morning for introduction is Mauricio Rivera.  
20 He's our NRC small business program manager. Mr.  
21 Rivera can be reached, if you like, at 301-415-7160.  
22 His email address is mxv@nrc.gov. We would also like  
23 to invite you to go to our Website, nrc.gov, and click  
24 on business with the NRC to get further information on  
25 small business. In addition, an NRC contracting

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1 officer has set up under the federal business  
2 opportunities Website - we call it "Fed. Bus. Ops.,"  
3 which is at fbo.gov - an interested vendors list for  
4 this solicitation. This list was set up to assist  
5 with subcontracting opportunities, and as of this  
6 morning, we had thirty five firms that had registered.

7 I'd like to go over a few guidelines now  
8 for this morning's presentation. During the  
9 presentation and during the Q and A, we ask that you  
10 not ask questions during that time, but wait until  
11 afterwards. The presentation and Q and A will be  
12 followed up with a thirty to sixty minute period for  
13 questions and answers. We'd also like to ask you if  
14 you would, please, write down questions that you have  
15 this morning that we have not covered, so that we can  
16 provide you with a response later. Finally, at the  
17 conclusion of the conference, you're requested to  
18 gather your possessions and to vacate the room as soon  
19 as possible. We'll have escorts for you.

20 Now I'd like to present Bob Fretz again,  
21 who'll introduce the technical presenters.

22 MR. FRETZ: I believe we've already  
23 introduced our head table, but now I'd like to  
24 introduce Bill Borchardt, who's the director of the  
25 Office of New Reactors, and he'd like to say a few

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1 things before we get started. Bill?

2 MR. BORCHARDT: Thank you Bob. Good  
3 morning everyone, and thanks for your interest in this  
4 very important activity. As most of you probably  
5 know, nuclear energy accounts for about twenty percent  
6 of the electrical supply in this country. It's been  
7 over twenty years since a generating company has  
8 ordered a new reactor, and because of the Energy  
9 Policy Act and the increasing electricity demand in  
10 the country, there's a level of interest that many of  
11 us didn't predict ten years ago for construction of  
12 new plants.

13 This map gives you an idea of where many  
14 of those plants were going to be built. Beginning in  
15 October of this year, we'll begin to receive the first  
16 - as many as nineteen combined license applications  
17 that will be submitted to the NRC for approval to  
18 build and operate a new nuclear power plant somewhere  
19 in the country. This is an incredibly important  
20 activity for the NRC, but also for the nation as a  
21 whole. For many reasons that you're all aware of,  
22 from energy diversity to national security, this is an  
23 activity that has the interest of the American public,  
24 the congress, and all of us in this room.

25 It's an incredibly challenging activity

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1 also, since this is something that we haven't done in  
2 the NRC for many years, and because of the importance  
3 of maintaining the safety of the currently operating  
4 104 reactors, the agency decided over a year ago to  
5 create a new Office of New Reactors. And we are in  
6 the process of staffing up to in excess of 350 people  
7 in this new office. And our activities will be  
8 supplemented by a significant contracting effort,  
9 which is the subject of today's activity.

10 So again, I just wanted to thank you for  
11 your interest, let you know how very important this is  
12 to the agency that we do these activities in a very  
13 technically complete, safety-focused way, but also in  
14 a manner that accommodates the schedules that these  
15 generating companies need to meet in order to get  
16 electricity on the grid. Many of them are talking  
17 about a need in their service areas of having  
18 electricity on the grid by 2015. The time line to  
19 build a plant is four to five years. We're in 2007  
20 now, so you can see there is not a time period of  
21 years and years to do these reviews, but a need for us  
22 to be very timely and precise in the work that we do.

23 So next I'm going to turn it over to Jerry  
24 Wilson, who's going to go through a little more detail  
25 about the challenges in front of us, but again, thank

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1 you very much and I hope you have a fruitful next hour  
2 or so.

3 MR. WILSON: Thank you Bill. I'm Jerry  
4 Wilson, I'm with the Office of New Reactors, and I'm  
5 one of the authors of the licensing processes in Part  
6 52, which I'm going to speak about this morning. As  
7 Bill mentioned, we have several challenges facing us  
8 with these new applications that are coming. One of  
9 which, we're anticipating the plants will be built  
10 more rapidly, and also that they're going to use  
11 modular construction techniques, and by that I mean  
12 they'll build portions of the plant away from the  
13 actual location where the plant's going to be, and  
14 then lift those portions of the plant in. That's  
15 going to challenge our verification activities.

16 Also, as you see, we're expecting that  
17 some of these modules and long-lead components are  
18 going to be fabricated outside the United States. In  
19 addition, we're expecting that certain work is going  
20 to be completed before the official authorization for  
21 construction. The Commission is in the process of  
22 revising its licensing process for authorizing limited  
23 work prior to the issuance of a combined license. I  
24 expect that that final rule-making will be completed  
25 within a few months. The key elements of it are that

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1 we're changing the definition of construction, which  
2 means that there will be a number of preparation  
3 activities that perspective applicants can complete  
4 without getting an authorization from the NRC, and  
5 they can also do some limited amount of safety-related  
6 construction prior to receipt of a combined license.

7 Now if we look at - from a high level -  
8 what does it take to get approval to build and operate  
9 a nuclear plant. Well, you need to get your nuclear  
10 plant design approved. The site where you're going to  
11 locate it needs to be approved. You need to disclose  
12 the environmental impacts from that construction and  
13 operation. You need to review the operational  
14 programs, emergency planning, security, fire  
15 protection, the list goes on. We need to verify that  
16 the applicant is qualified to build and operate a  
17 nuclear plant. That's both technical qualifications  
18 and financial qualifications. And we need to verify  
19 that the applicant has done what they said they were  
20 going to do.

21 Now, within Part 52, we have a variety of  
22 licensing processes. The focus of which is our  
23 combined license process, which is shorthand for  
24 combined construction permit and operating license  
25 with conditions. And as Mr. Borhardt mentioned, we

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1 expect that all of these applicants will be applying  
2 for a combined license, and maybe referencing other  
3 licensing processes, design certifications, and early  
4 site permits. Now, some of you are probably aware  
5 that Part 52 is in the process of being updated. I  
6 expect that that's going to be completed within a  
7 couple of months. In that update, we've done a number  
8 of clarifications we believe will facilitate the  
9 process of both applying for and reviewing  
10 applications for combined licenses. And in there we  
11 have a number of enhancements, that, from the  
12 perspective of these applicants - the key one is  
13 probably the last one there on your list - is reducing  
14 financial risk, and we're doing that by making our  
15 process more predictable.

16 So, with that, I have a chart here that  
17 shows how some of these pieces fit together. The  
18 point being that, at the moment, we're expecting all  
19 of the combined license applicants to reference a  
20 design certification. Some of them may reference an  
21 early site permit. If not, we'll review that siting  
22 and environmental impact information as part of the  
23 combined license application. If and when the  
24 combined license is issued, the applicant will begin  
25 construction of the plant, will have to do their

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1 verification of that construction effort, and we will  
2 also be doing our verification. Once we are convinced  
3 that the plant has been built in accordance with the  
4 approved design and the operational programs are in  
5 place, the Commission will authorize operation.

6 Key points there on the bottom of the  
7 slide that I was mentioning were licensing decisions  
8 finalized before major construction begins,  
9 inspections using an ITAAC, which are pre-determined  
10 inspection procedures and acceptance criteria, and  
11 that there may be limited work authorized before we  
12 issue a combined license. Now with that, I'll turn  
13 this over to Joe Colaccino, and he'll talk about our  
14 strategies for proceeding with this work effort.

15 MR. COLACCINO: Good morning everybody. My  
16 name is Joe Colaccino. I wear two hats right now, and  
17 for the last six months I've worn the acting branch  
18 chief in the contract planning and management branch.  
19 And as Bill said, we're standing up a new  
20 organization. Part of that strategy in the new  
21 organization was that we knew that we would need a  
22 focused organization to handle all the technical  
23 assistance activities that would support the office.  
24 As he alluded to, we had a lot of work to do. And we  
25 had to insure that we made our decisions as we would

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1 if a technical staff was doing it, insure we  
2 maintained safety and quality in our decision making,  
3 and in our work that we did.

4 But do it within the schedules that we  
5 had. In recognition of what the Energy Policy Act did  
6 was really - offered a number of incentives for  
7 potential applicants to apply by the end of 2008.  
8 That's really why you're seeing the big wave of COL  
9 applicants, that they're coming in. One of the  
10 milestones in the Energy Policy Act says that they've  
11 got to have their application in and, I believe,  
12 docketed by the end of 2008. My other hat is the  
13 branch chief, and it's my permanent hat, of one of the  
14 project branches within the Division of New Reactor  
15 Licensing. And I'm very interested, as a branch chief  
16 of the project branch, what the contracting branch is  
17 doing. So I feel like I'm in a unique position within  
18 the organization.

19 And just to take a second - this  
20 information's not really reflective - this slide is -  
21 what the NRC has done over the last year and a half in  
22 preparation for these combined license applications  
23 has been nothing short of incredible. All the efforts  
24 that have gone in with development of the  
25 infrastructure has been, in my career here,

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1       unprecedented. And a lot of those are now available  
2       for you all to look at on the Web. And two in  
3       particular that I'm fond of is our update to the  
4       standard review plan. For those of you who have been  
5       with the NRC for a long time, this is a document that  
6       had not been updated for a generation. But now it's  
7       out there. And it really sets the groundwork for the  
8       staff reviews, of how we're going to review all these  
9       applications that are coming in.

10               We've also provided significant guidance  
11       to the applicants that are coming in by updating our  
12       application guidance. Both of those are available on  
13       the NRC Website for you to look at. And really, the  
14       standard review plan gives you the scope of work that,  
15       when you put them all together, I think it totals  
16       about 3000 pages, of how the staff will conduct its  
17       review. And I know many of you are familiar with how  
18       that's done. Also, what we've done, in order to  
19       insure safety and quality, is gone to the applicants,  
20       or potential applicants, and told them that, in the  
21       time frame that you want us to do this, we have to  
22       look at doing this a new way. A way that was not done  
23       with the initial fleet of reactors.

24               And really focused more on  
25       standardization, and standardization of submittals.

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1 One of the things that Part 52 does, it allows us to  
2 certify a design, which is quite frankly the bulk of  
3 the technical work that is done. The design  
4 certification reviews are very large reviews, as you  
5 probably understand, taking up many staff - over a  
6 hundred staff FTE over a couple of years. It's a very  
7 comprehensive review. It's probably the biggest  
8 reviews that we do. But then to make sure that the  
9 industry understood that these reviews would be the  
10 basis of what we were going to have in our COL  
11 applications, that they would reference these reviews.

12 And I've got a figure that will better  
13 characterize that in the next slide. At the same  
14 time, the other thing that we've done is, as Bill  
15 said, we created a new office. We took - essentially  
16 we started with the Office of Nuclear Reactor  
17 Regulation, and we split the resources in the offices,  
18 and now both offices are hiring. You'll hear Bill say  
19 a lot, "Both offices will succeed, have to succeed."  
20 And the way both offices are succeeding is to build up  
21 the staff levels in both NRR and NRO. And so we're on  
22 a very aggressive recruiting campaign. As, quite  
23 frankly, the rest of the industry is.

24 Who knows, some of you are probably on  
25 that same recruiting campaign in anticipation of

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1 potential work. But at the same time, we recognize,  
2 and that's one of the reasons that we're here today,  
3 is that, given the way that the applications are  
4 coming in within the time frame, we're going to  
5 probably need some help. And this isn't like - I  
6 don't know if any of you all were involved in license  
7 renewal, where we have one application coming in and  
8 we have - the staff has a period of time in which to  
9 do that and to really develop their process. We're  
10 working on several parallel paths at the same time.  
11 So we coined the design center review approach. We  
12 documented it in a RIS, which RIS's number - it  
13 escapes me right now.

14 We updated it in a RIS just released in  
15 the last couple of weeks. Also, we're doing an  
16 incredible amount of planning for these reviews. How  
17 do we utilize the staff? How do we utilize the  
18 technical assistance that we know that we'll need to  
19 do these reviews? How we're disciplining all of our  
20 reviews on, really, the pieces that need to be  
21 reviewed. And subsequent reviews relied upon earlier  
22 work, and this is the concept of the reference COL and  
23 the subsequent COL, which I'll talk about here.

24 This is a figure. Some people aren't very  
25 fond of this figure. I kind of like it. If you do it

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1 in PowerPoint - actually, the gentleman who did it  
2 really liked PowerPoint and these little blocks  
3 bounce. But I'm not that sophisticated. But what you  
4 see here really is the concept of design center review  
5 approach where we'll make one decision and it will  
6 really apply to multiple applications. On top, the  
7 design certification review in its piece, which is a  
8 review done by the staff. And that's a review of the  
9 design of the facility. You can look at it as really  
10 - as essentially the nuclear island, although there's  
11 - we're having an interesting interaction I think,  
12 externally, as more COL applicants are interacting  
13 with vendors. The vendors want to put more stuff into  
14 the design certification, and the vendors want to push  
15 more stuff into COL.

16 It's a very healthy dialogue and  
17 competition that we're not really essentially involved  
18 with. But once the certification is completed, they  
19 go through a rule-making process. That's the public  
20 interaction process of the design certification.  
21 What's happening now is that, as we're going in rule-  
22 making on designs that are - once we're reviewing  
23 designs that are in progress, which we have for the -  
24 we're looking at four designs, as you saw in that  
25 picture before. ESPWR, currently in review. EPR,

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1 which is about to start review at the end of the year.  
2 And two potential re-certifications that are amended  
3 certifications that are now allowed by the updated  
4 Part 52 rules, being ABWR and AP1000.

5 You have all those activities going on  
6 with the certification in parallel to all the COLs  
7 that are being evaluated right now. Which is a very  
8 challenging scenario. And so another reason for the  
9 design centered review approach. But essentially what  
10 it is is, the first COL that comes in - we ask to  
11 designate - we ask first for all the COLs that are  
12 getting together and referencing one design, like the  
13 AP1000, for example. We ask them to form a design  
14 center working group. And they did. They've all  
15 formed design center working groups. And then we say,  
16 pick a reference.

17 And so for AP1000, I believe, they picked  
18 Bellefonte as their reference. I think that's right.  
19 So the staff is going to conduct that review. In  
20 parallel with that review, we will look at the  
21 subsequent - all the other AP1000s that come in our  
22 subsequent COLs. And all the COLs coming in are  
23 apparently - they're standardized. They're many parts  
24 of a combined license application that we feel, and  
25 the applicants feel you can actually standardize.

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1 There are some pieces that can't be, obviously, like  
2 the site-specific portions. Those would be carried on  
3 in parallel to the COL reviews. But the important  
4 thing is here is that if we make a decision on a  
5 reference and it carries over to a subsequent, then we  
6 should be able to make the same decision on the  
7 subsequent, unless there's some peculiarities to the  
8 site that cascade into what - that impact that  
9 decision.

10 So this is a very important concept. It's  
11 going allow us to - we feel - to do these reviews on  
12 a more focused manner, better schedule. But there is  
13 a catch. And the catch is that the COL applicants  
14 coming in have to maintain rigorous standardization.  
15 They have to make sure that all their applications are  
16 consistent. Because if they're not, they are actually  
17 on a different track. And so we'll have to conduct a  
18 separate review if there are some differences in that.  
19 And so that's prompted some discipline, and some  
20 discussions that I'm not privy to. But I understand  
21 in just hearing anecdotally they're quite interesting.

22 So that's really - I wanted to give you a  
23 sense for what the design center review approach and  
24 how we're doing that. And this is going on for all  
25 four of the design centers. And as I said, there are

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1 designs that are certified right now, AP1000, ESPWR.  
2 But they will be looking. They're making changes. As  
3 they've talked with their vendors - as the vendors  
4 have talked with the potential COL applicants.  
5 They're making changes and they want those factored  
6 into the design certification or amended  
7 certification. The reason is that last block over  
8 there. Those things called the mandatory hearing.

9           Everyone wants their rule-making finished  
10 on the certification or re-certification before you go  
11 to mandatory hearing. Because when you in a  
12 certification and when you have a certified design,  
13 and it has - when it completes its rule-making, it  
14 achieves something that we call finality. And then  
15 it's not a part of the mandatory hearing process. So  
16 that's really all I wanted to say. I just wanted to  
17 give you a sense of how we were going to do these  
18 reviews. And so I'm going to turn it back over to  
19 Bob. Thank you.

20           MR. FRETZ: I'd like to reintroduce Don  
21 King, who has a few comments about small businesses.

22           MR. KING: As I mentioned earlier, our  
23 manager for small business is not here today. But he  
24 wanted me to emphasize to you that the agency has  
25 major goals, and we've shown those goals in our

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1 solicitation at a smaller level. But for the agency  
2 for 2007 for small business total, we're striving to  
3 have 53.1 percent of our procurements as small  
4 business. Small disadvantaged businesses, at least  
5 25.1 percent, women-owned small businesses, at least  
6 12.7 percent, HUBs-owned business three percent, and  
7 small disadvantaged, veteran-owned small businesses at  
8 least three percent.

9 And that's why we emphasize in the  
10 solicitation that we have you, as much as possible,  
11 look at how you can integrate small businesses or  
12 large businesses into your solicitation, and for small  
13 businesses to participate. And as you know, we have  
14 one contract from the solicitation that will be set  
15 aside for small business.

16 MR. FRETZ: I guess now we're finished with  
17 our formal presentations and getting, I guess, into  
18 the meatier aspects of this meeting, and Charles  
19 Willbanks and Kala Shankar will be going over some of  
20 the questions that you have provided ahead of time.  
21 And with that, I'll introduce Kala and Charles.

22 MR. WILLBANKS: As Don mentioned during his  
23 opening comments, the questions were divided in three  
24 areas. Technical, OCI, and business. And I'm going to  
25 go over the technical questions. These are the

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1 questions that were received through close of business  
2 on Friday. There's a group of ten here. I'll read  
3 these and you can cogitate what they mean - at the end  
4 of our session today, you can ask for clarifications.

5 First question: What are the typical  
6 expected task-scope, resource requirements and  
7 durations? What proportion of the tasks will be part  
8 of a long-term schedule permitting early notice of NRC  
9 reviewer resource needs versus short, several weeks or  
10 less, or reactive needs?

11 Answer: This is a task ordering contract,  
12 and as more information is determined, it will  
13 influence the number and duration of the task orders.  
14 In general, the task orders will be tied to the SRP  
15 sections requiring external review.

16 Question two: The skill matrix in  
17 attachment eleven, based on NUREG 0800, only grossly  
18 correlates to the skill listings of RFP section C.  
19 Clarify your expectations for the alignment of the  
20 section C candidates in the matrix.

21 Answer: Each task order will specify the  
22 expertise required to perform the review. The  
23 offeror's proposal should insure depth and breadth of  
24 resources that cover the skill sets and the technical  
25 areas in section five of the statement of work.

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1           Question three: For the labor categories  
2 specified under section L.9, level of effort, please  
3 clarify the differences between technical reviewers  
4 and subject matter experts. Subject matter experts,  
5 in general, will provide review of more complex  
6 issues. Technical reviewers will support more routine  
7 issues. Offerors will have to determine, based on  
8 their judgement, how the work will be divided between  
9 the labor categories.

10           Question: This question is related to the  
11 need for a contractor to provide wide-ranging  
12 technical and scientific staff. Can bidders identify  
13 specific tasks to the SOW and propose work only for  
14 that task and identify the skill sets needed only for  
15 that task, instead of a complete bid for all of the  
16 six listed tasks? No. Offerors should respond to all  
17 the full solicitation requirements.

18           Section C7.2 indicates that progress  
19 reports will be required every two weeks by email,  
20 while F3 requires one monthly. Which is correct?  
21 These are two separate reports. Section C7.2 refers  
22 to the task order progress report, and section F3  
23 refers to the contract progress report. Section 5.2A  
24 is the category engineering and technical disciplines,  
25 the same as category technical reviewers, indicated in

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1 section L.9. Engineering and technical disciplines,  
2 would encompass the majority of areas needed to be a  
3 technical reviewer.

4 Section 5.2B. Is the category specialized  
5 technical areas the same as category subject matter  
6 experts indicated in section L.9? These areas inter-  
7 relate with those listed in 5.2A. They may involve  
8 either subject matter experts or technical reviewers.  
9 Sections 5.2A and 5.2B are the disciplines and  
10 technical areas listed expected to cover all the  
11 scopes expected in the task orders? For example,  
12 quality assurance, security, waste management, and  
13 reactor maintenance are not listed. Should they be?  
14 The list is not all-inclusive. Section 5.2 is a list  
15 of identified areas at the time of RFP development.  
16 Task orders may potentially define additional  
17 requirements.

18 Section L15.D1, for demonstrating  
19 technical qualifications of staff, states that the  
20 offeror shall provide resumes and complete the skill  
21 sets matrix, attachment 11. The evaluation criteria  
22 in section M2 refers to the skill sets matrix and the  
23 NRC's program areas delineated in section C, paragraph  
24 5.2 of the statement of work. Most of the program  
25 areas are not included in the skill sets matrix. Do

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1 you expect the offerors to construct a second matrix  
2 to demonstrate qualifications in those program areas,  
3 or is the one skill sets matrix sufficient?

4 The skill sets matrix is primarily related  
5 to ESRP sections that may require review and the types  
6 of skills required. The areas delineated in section  
7 C5.2 are major areas of expertise that provide  
8 additional guidance to contractors for the technical  
9 requirements. No additional matrix is required.

10 Section L15.D3, project manager plan,  
11 discusses the organization's planned technical and  
12 management approach. Section M.2C, project management  
13 plan, focuses on the project plan and quality control  
14 plan. Can you clarify your desire to see a technical  
15 approach presented in the section, and if desired, the  
16 level of detail? The project management plan includes  
17 the technical and management approach, as well as the  
18 quality control panel. The offeror needs to determine  
19 the proper detail that best represents its strengths  
20 and capabilities.

21 MR. KING: Okay, we'll move on to some of  
22 the administrative type questions. The first three  
23 questions I have here are related. So that everyone  
24 knows that their question has been identified, I'll  
25 read all three, just so you know. Question one. An

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1 earned value management system is more typically  
2 applied to capital projects or large technical  
3 projects involving extensive PERT networks and Gantt  
4 chart schedules. It can be labor and cost-intensive  
5 with only marginal benefit to managers when applied to  
6 task order type activities. Can you describe the  
7 NRC's vision for its application to these contracts?  
8 Would an EEMS require eventual certification in all  
9 areas?

10 Question two: If the NRC were to require  
11 contractors to prepare an earned value management  
12 system plan to comply with the section H1, would the  
13 NRC issue a task order covering the preparation of the  
14 plan? And the last one is three, which is, section  
15 H.1C discusses the integrated baseline review. Can  
16 you elaborate on which particular management system  
17 tools or processes this review will focus and whether  
18 they will be done at the contract level or task level?

19 The answer to all three is that the  
20 solicitation has been amended to delete H152.34-4,  
21 earned value management system.

22 Questions four, five, six, and seven deal  
23 with security. First question, H.14, security. This  
24 section references attached form 187. Please provide  
25 the document. Question five, section H15, security

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1 requirements for access to classified matters or  
2 information, the requirement for contractor personnel  
3 to hold either a Q or L security clearance seems  
4 unnecessarily restrictive. Applicant personnel  
5 developing and submitting design information may not  
6 possess such clearances. Please define what types of  
7 classified matter or information will need to be  
8 accessed by the contractor. And please clarify what  
9 security provisions will apply to the contract.

10 Question six: With regard to RFP section  
11 H15, security requirements for access to classified  
12 matter or information, do security clearances need to  
13 be in place in order to qualify to submit a bid, or  
14 should the proposed personnel be eligible for security  
15 clearances and individual applications be processed at  
16 a later date, after contract award? Furthermore, does  
17 every individual involved in the proposal need to be  
18 eligible for clearance, irrespective of plan  
19 involvement and technical discipline.

20 And question seven: Section H17, security  
21 requirements and information technology approval.  
22 This section indicates that the NRC sponsoring office  
23 will make a determination of the level, if any, of IT  
24 approval required for all individual work and under  
25 this contract. How does NRC envision providing

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1 documents to the contract for review under the  
2 contract?

3 And the answer to all four of those  
4 questions are, the solicitation has been amended to  
5 delete all of those security provisions. Next  
6 question, section L.9. Level of effort. Does the NRC  
7 intend to obtain contracted technical support with  
8 respect to the MH1USAPWR design. And question nine is  
9 also similar. We are aware of ongoing pre-proposal  
10 activities for the Mitsubishi USAPWR, as well as the  
11 notice provided by TXU of its intent to submit a COLA  
12 based on this technology in late 2008. In support of  
13 this design, is the scope of this design included in  
14 the scope of the RFP. If so, please clarify the  
15 relevant sections of the document.

16 The MHUSAPWR design falls outside the  
17 scope of the solicitation. NRC will make a  
18 determination at a later date as to how to proceed  
19 with the requirement for the MH1USAPWR design. Next  
20 question, section L15E. Cost proposal instruction.  
21 Please confirm that Offerors have the option of  
22 submitting proposals for less than three design  
23 centers. Yes, the Offerors have the option of  
24 submitting for less than three design centers.

25 Question eleven. As an alternate to the

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1 proposed cost plus fixed fee structure described in  
2 the RFP, would NRC consider a fixed unit rate/GSA rate  
3 schedule approach? This would substantially reduce  
4 the administrative effort required. The answer is the  
5 NRC has determined that a cost reimbursement contract  
6 best fits this requirement. Therefore, GSA prices are  
7 not applicable. In addition, the successful bidder  
8 must have an approved accounting system for tracking  
9 of calls for reimbursement contracts.

10 Next question, section L.10 of the RFP  
11 meetings and travel, provides not to exceed travel  
12 costs per reactor design center per year. And it has  
13 several sub-questions. One is A) are the travel costs  
14 estimates listed in the RFP intended to be actual  
15 costs, or are the estimates to be inclusive of company  
16 burden rates? B) Is the \$1400 estimate listed in the  
17 RFP intended to be for round-trip airfare only, or  
18 should this be used as the total cost estimate per  
19 trip? C) Does the NRC expect a travel breakdown, such  
20 as number of trips, number of days per trip, airfare,  
21 per diem, etcetera, or can the offeror use the number  
22 listed in the RFP for each reactor design center as  
23 the ceiling for estimated travel costs?

24 Our response, the travel estimates in  
25 section L.10 is to provide a uniform assumption for

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1 the preparation of the cost proposal. The not-to-  
2 exceed amount stated in L.10 shall be used to  
3 represent total travel costs. Actual travel locations  
4 will be determined at the time of task order award.  
5 The selected contractor will submit a cost-proposal in  
6 response to task order requests for proposals, which  
7 would be evaluated by the NRC.

8 Response to question B, about the \$1400,  
9 that's the total cost per trip. In response to C, at  
10 this time, a breakdown is not necessary. See response  
11 to question 12A above. Use the figures shown in the  
12 RFP for each reactor design center as the ceiling for  
13 estimated travel costs. Note that the estimates  
14 provided in L.10 is the not-to-exceed travel costs for  
15 one year. As stated in that section, the Offerors are  
16 asked to assume travel cost is the same amounts for  
17 years two through five.

18 Next question, section L.19 presents the  
19 NRC's estimates for the total effort for the project  
20 by reactor type. For purposes of costing, should this  
21 level of effort be evenly distributed over the five-  
22 year period of performance. And we answer yes. Next  
23 question, in section L.15E, the next to last bullet  
24 instructs the Offerors to express the level of effort,  
25 data, and staff hours for each category and level of

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1 management, technical, and support staff personnel,  
2 presumably the categories of those specified in L.9.  
3 What are the levels? And the answer is lead engineer,  
4 senior engineer, and junior engineer.

5 MS. SHANKAR: Question fifteen, section  
6 L.15B states that the offeror must submit in two  
7 separate and distinct parts. However, there is a  
8 section C, written, technical, and management  
9 proposal. Are there in fact three parts to the  
10 offeror submittal? The answer is yes. The offerors  
11 shall submit their offers in three parts. Part one is  
12 a solicitation package/offer. Part two is a technical  
13 proposal, and part three is your cost.

14 Question sixteen. Would NRC consider  
15 granting an extension to the proposal due date until  
16 June 1, 2007? At the present time, a time extension  
17 to the proposal due date is not anticipated. Question  
18 seventeen. What should be the assumed contract start  
19 date for planning purposes? That would be August  
20 13<sup>th</sup>, 2007. Are small businesses allowed to submit  
21 their own proposal in addition to teaming with the  
22 prime contractor on their proposal? Yes, they can.

23 Question nineteen. How may a single  
24 person consulting company participate in the  
25 application review process? The answer to that, a

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1 single person consulting company may respond to the  
2 solicitation or consider pursuing  
3 subcontractor/consultant opportunities with larger  
4 companies. As Don mentioned earlier, we have posted  
5 the interested vendors list on Fed. Bus. Ops., so I  
6 would encourage you all to take a look at that to look  
7 for possible teaming opportunities.

8 Question twenty. If the offeror owns a  
9 small business but submitting a bid for any of the  
10 other non-small business set aside reactor design  
11 centers, then there are two questions, A and B. I'm  
12 going to read the question and the answer to that. Is  
13 there a need to prepare a small business  
14 subcontracting plan, even though it is stated on page  
15 L7 of the RFB that a small business participation  
16 narrative is not required. The answer to that, as  
17 stated in page L7 of the RFB, Offerors other than  
18 small businesses are required to provide a narrative  
19 discussion of their plan for utilization of all  
20 categories of small business. Part B to that  
21 question, how would a small business offering services  
22 for one of the non-small business set aside reactor  
23 design centers, that is, AP1000, EPR, and ESBWR, be  
24 evaluated for evaluation criteria D of section M2 of  
25 the RFB. The answer to that, all Offerors would be

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1 evaluated based on the composition of the team and  
2 percentage of work proposed to be performed by small  
3 businesses.

4 The next question. Are small businesses  
5 required to provide costing for all four centers, or  
6 can they choose to bid only on the set aside center?  
7 Yes, they can choose to bid only on the set aside  
8 center. It's entirely up to them whether they want to  
9 submit on just that or on all four. The next  
10 question, is a small business category to be one of  
11 the four vendors? Such a intention was indicated in  
12 the description dated April 4<sup>th</sup> at the Fed. Bus. Ops.  
13 Website - I assume they're referring here to the pre-  
14 solicitation notice - however, such was not mentioned  
15 in the RFP or related attachments. The answer to  
16 that, section L3 of the solicitation states that the  
17 ABWR design center has been set aside for small  
18 business.

19 Question twenty three. Section M. The  
20 worth of small business participation is designated as  
21 ten points. The point values of other evaluation  
22 factors have not been provided. Do you intend to  
23 provide that information? The answer to that, section  
24 M2, office of solicitation designates points for each  
25 of the stated evaluation criteria. Next question.

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1 NRC requires a single technical proposal, but will  
2 award full contracts, one corresponding to each design  
3 center. Please confirm that proposals will be  
4 evaluated against the criteria with respect to  
5 individual design centers. That is, the Offerors are  
6 not necessarily expected to describe the capabilities  
7 relative to all design.

8 The answer to that. The statement of work  
9 for all design centers are identical in nature, as is  
10 the nature of work expected to be performed under each  
11 of the four design centers. Proposals will be rated  
12 in accordance with the criteria stated in section M2.  
13 Offerors may include all pertinent information that  
14 applied to the stated evaluation criteria, but are not  
15 necessarily expected to describe the capabilities  
16 relative to each design.

17 The next question. Under section L.14 of  
18 the RFP, the NRC specifies the requirement to submit  
19 only one technical proposal, even if multiple reactor  
20 design centers are being proposed for consideration.  
21 If more than one reactor design center is being  
22 proposed - it's a two part question - part A, should  
23 the technical proposal cover page identify the  
24 specific reactor design centers. The answer to that,  
25 it's up to the offeror to determine whether or not to

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1 specify this information on the cover page. We don't  
2 require it. Part B, would the NRC prefer if one  
3 package containing a single technical proposal and  
4 multiple cost proposals, or two? Should the offeror  
5 provide a complete submittal package per each reactor  
6 design center, or one package containing a technical  
7 and multiple additional packages containing the cost  
8 proposals for various reactor design centers  
9 separately?

10 The answer to that, as stated in sections  
11 L.15D and L.15E, please provide one package containing  
12 a single technical proposal for multiple reactor  
13 design centers and multiple cost proposals. The next  
14 question, twenty six. Section L.15D2 prescribes  
15 attachment eight, which is a qualification statement,  
16 as the format for response. It imposes a time horizon  
17 of the past three years and constrains the response to  
18 contracts of similar size and scope. So the answer to  
19 that - and, well, there's one more part to that  
20 question, where they say, moreover, by restricting  
21 corporate experience to the past three years, it seems  
22 that you are unduly restricting competition. The  
23 answer to that, the solicitation will be amended to  
24 expand this to five years. If an offeror has  
25 corporate experience, projects have commenced before

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1 five years, whose performance carried over into the  
2 five years, this is acceptable to present as well.

3 And as I said, we will amend the  
4 solicitation to reflect this. The next question. For  
5 a team of companies, is attachment eight,  
6 qualification statement, meant to be submitted for the  
7 lead company or all companies on the team, including  
8 small businesses? The answer to that, this attachment  
9 must be filled out for all companies on the team. The  
10 last of the business questions, are there any  
11 provisions would preclude use of a qualified  
12 subcontractor that is located in Ontario, Canada? Are  
13 there any additional regulations that we should be  
14 aware of regarding use of a qualified consultant or  
15 subcontractor that's located in Canada?

16 The answer to that, there are currently no  
17 provisions that would preclude use of a qualified  
18 subcontractor located in Canada. With that, I turn it  
19 over to Robin Baum, who will go over questions  
20 pertaining to organizational conflicts of interest.  
21 Thank you.

22 MS. BAUM: Thank you, Kala, and good  
23 morning. Can everyone hear me adequately? I do not  
24 like microphones, it goes back to singing a song at  
25 age six. I just don't like them. If for some reason

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1 I should trail or you - just put a hand up and then  
2 I'll know to kind of refocus myself back toward the  
3 mic if I have for some reason stepped away. I'd like  
4 to say a few things to you regarding organizational  
5 conflict of interest before I answer the questions  
6 that have been submitted.

7 The NRC as a regulator is very concerned  
8 about organizational conflict of interest. Our  
9 responsibilities emanate from our enabling  
10 legislation, which is the Atomic Energy Act of 1954 as  
11 amended, section 170A is the organizational conflict  
12 of interest section. From that statute, we have  
13 implementing regulations, a number of which are  
14 included in the solicitation package that you all  
15 have. I'd like to re-emphasize to you if you haven't  
16 already paid close attention to it, within section H  
17 of your solicitation, H.3, I believe it is, is the  
18 organizational conflicts of interest clause, the terms  
19 of conditions of which an offeror and ultimately a  
20 successful contractor will have to abide by in terms  
21 of the terms and conditions.

22 Now, attachment ten to your solicitation  
23 also contains excerpts of NRC's organizational  
24 conflicts of interest, rules and regulations. The  
25 information in attachment ten is very important to you

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1 because it provides definitions. It provides  
2 guidance. It provides example situations to you of  
3 different scenarios for organizational conflict of  
4 interest. However, the examples are not all  
5 inclusive. I want to emphasize to you that conflict  
6 of interest determinations are not made routinely on  
7 any cookie cutter type of basis. They are all made on  
8 a case by case basis.

9           Within attachment ten, I'm going to read  
10 a particular paragraph to you that emphasizes the  
11 importance of what I just said. It's located on  
12 attachment ten, page one, within the scope of the  
13 policy. 2009.57D-1 of attachment ten, which is a part  
14 of NRC's Nuclear Regulatory Commission Acquisition  
15 Regulations - by the way, those are also found in  
16 48CFR part 2009. Contractor conflict of interest  
17 determinations cannot be made automatically or  
18 routinely. The application of sound judgement on  
19 virtually a case by case basis is necessary if the  
20 policy is to be applied to satisfy the overall public  
21 interest. It is not possible to prescribe, in  
22 advance, a specific method or set of criteria which  
23 would serve to identify and resolve all of the  
24 contractor conflict of interest situations that might  
25 arise.

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1           However, examples are provided in these  
2 regulations to guide application of this policy  
3 guidance. The ultimate test, if you will, is as  
4 follows. Might the contractor, if awarded the  
5 contract, be placed in a position where its judgement  
6 may be biased, or where it may have an unfair  
7 competitive advantage? So this emphasizes and  
8 highlights to you that the NRC looks at each  
9 situation, literally, on a case by case basis.

10           Before I get into the questions, I also  
11 want to emphasize to you that within section K of the  
12 solicitation, the representations and certifications,  
13 section K.5 is the contractor organizational conflict  
14 of interest representation that the contractor submits  
15 with its proposal. It starts out by saying, I  
16 represent to the best of my knowledge and belief, and  
17 it goes on to say, that the award to - and that would  
18 be the contractor submitting the proposal with this  
19 representation and certification - the award to blank  
20 of a contract or a modification of an existing  
21 contract, does or does not involve situations or  
22 relationships of the type set forth in 48CFR2009570-  
23 3B.

24           That reference that I just cited to you is  
25 within attachment A. And I have also placed the

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1 standards of that reference on a one page sheet of  
2 paper, which will be available to you to pick up from  
3 the front table at the conclusion of this conference.  
4 This one page piece of paper reiterates five  
5 situations in attachment ten. What is NRC  
6 considering, and what is K.5 asking the company to  
7 certify to? There's five little Roman numerals, again  
8 within attachment ten. Is the offeror or contractor,  
9 Roman numeral one, is the offeror or contractor  
10 providing advice and recommendations to the NRC in th  
11 same technical area where it is also providing  
12 consulting assistance to any organization regulated by  
13 NRC?

14 That's the first standard that we look at,  
15 same technical area. The technical areas are set  
16 forth in section five of the statement of work of your  
17 solicitation. The second area is what we call "same  
18 or similar matter." Is the offeror or contractor  
19 providing advice and recommendations to the NRC on the  
20 same or similar matter on which it is also providing  
21 assistance to any organization regulated by NRC? For  
22 example, a same or similar matter would be, and again,  
23 this is one example, a particular combined operating  
24 license application.

25 The third Roman numeral discusses review

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1 and evaluation of a contractor's own work. And it  
2 reads as follows: Where the offeror or contractor  
3 evaluates its own products or services, or has been  
4 substantially involved in the development or marketing  
5 of the products or services of another entity? The  
6 fourth Roman numeral standard reads as follows: Where  
7 the award of a contract would result in placing the  
8 offeror or contractor in a conflicting role, in which  
9 its judgement may be biased in relation to its work  
10 for the NRC. What I just read to you, subcategory  
11 Roman numeral small 4, is very broad. It could be a  
12 variety of conflicting roles that we look at on a case  
13 by case basis.

14 For example, it could involve some type of  
15 financial tie, if you will. Finally, and fifth, where  
16 the offeror or contractor solicits or performs work at  
17 an applicant or licensee site while performing work in  
18 the same technical area for NRC at the same site.  
19 Organizational conflict of interest problem there.  
20 Again, these five standards are set forth for you  
21 within attachment ten. And there will be a one page  
22 reproduction for you available at the front table if  
23 you would like to have the single page for easy  
24 reference.

25 One other thing before I answer the

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1 questions for you. Also within page ten are  
2 definitions. Within the definitions section, the  
3 third definition is the definition of contractor. And  
4 I urge you to look at that and read it very carefully.  
5 The NRC recognizes no firewalls between companies, its  
6 parents, its divisions, its subsidiaries.  
7 Specifically, the regulatory definition of contractor  
8 reads as follows: Contractor means any person, firm,  
9 unincorporated association, joint venture, co-sponsor,  
10 partnership, corporation, affiliates thereof, or their  
11 successors in interest, including their chief  
12 executives, directors, key personnel, proposed  
13 consultants, or subcontractors, which are a party to  
14 a contract with the NRC.

15 So I can't emphasize to you enough that  
16 the regulations and the agency looks at the term  
17 contractor as an umbrella, all-inclusive definition.  
18 With those few words, I will now answer the question  
19 that have come in to us in the organizational conflict  
20 of interest area.

21 Question one is a general question with  
22 four parts. I'm going to read you the general  
23 portion, give you the answer that applies to all four  
24 parts, and then I'll tell you what the four parts were  
25 that the person who submitted the question identified

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1 as sub parts. Question one: Section H.3, contractor  
2 organizational conflict of interest. If an offeror is  
3 supporting an applicant or vendor in another area,  
4 unrelated to new reactors, would that offeror be  
5 eligible to support NRC in reviewing the same  
6 company's DC, design center, combined operating  
7 license, or ESP application?

8 The answer, again, case by case basis.  
9 This would depend on a variety of circumstances, as  
10 these matters are not determined routinely or in any  
11 blanket fashion. The agency would consider factors  
12 such as the proposed nature of the commercial work,  
13 the dollar value of the proposed commercial work,  
14 potential for concurrent site work, even, perhaps,  
15 under section H.C4 of the solicitation - even if some  
16 of the work may be technically dissimilar going on at  
17 the same site, case by case basis for all of these  
18 determinations.

19 The four sub-scenarios that the person who  
20 submitted the question - read as follows: A) What if  
21 the offeror provides extensive support to applicant or  
22 a vendor in another nuclear-related matter? It would  
23 be the agency's case by case determination, depending  
24 on things that we look at, such as the proposed scope  
25 of work, dollar value of the proposed effort, period

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1 of performance, is it concurrent, is there concurrent  
2 site work, perhaps going to be ongoing? The second  
3 sub-scenario, what if the offeror provides or has  
4 provided a small amount of support to applicants or  
5 vendors in another nuclear-related matter? Again, I  
6 must emphasize to you the determination would be on a  
7 case by case basis, depending on the facts presented.

8 The third scenario, what if the offeror  
9 provides a small amount of support to the applicant or  
10 vendor in an area unrelated to nuclear power? Once  
11 again, it will be a case by case determination. What  
12 is a small amount of support? What is the area  
13 unrelated to nuclear power? We have to look at the  
14 facts and circumstances of what the proposed  
15 commercial work would be. And finally, the fourth  
16 scenario presented, what if the offeror subcontractor  
17 or consultant supports an applicant or vendor in  
18 another nuclear-related or non-nuclear matter? And  
19 again, I must point you to that all inclusive  
20 definition of contractor. Because it does include the  
21 contractors, subcontractors, and consultants. We do  
22 not recognize any firewalls under our regulations.

23 Question two: It was presented with an  
24 assumption. An offeror has already signed an  
25 agreement to provide combined operating license

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1 application services in support of a specific nuclear  
2 utility. The agreement is general, with specific  
3 scope to be established by future task orders. No  
4 task orders have been generated as yet. Would the NRC  
5 now agree that it is premature for it, the NRC, to  
6 make a ruling now, or have an opinion regarding a  
7 conflict of interest in this situation until each  
8 specific task order is issued? The answer is no, we  
9 would not agree that is premature at this time.

10 For example, if a utility is planning on  
11 a combined operating license application for a  
12 particular design. For example, the AP1000, then an  
13 offeror may not concurrently provide technical support  
14 services to NRC in connection with that AP1000 design  
15 center. And again, I must refer you to the one page  
16 that is sitting up here that is also within attachment  
17 ten to your solicitation. Same technical area, same  
18 or similar matter type issues.

19 Question three: Regarding section ten of  
20 the RFP. The offerors are required to provide names  
21 of former NRC employees who will be involved on any  
22 given task order. What criteria will the NRC utilize  
23 in determining whether such an intention constitutes  
24 a conflict of interest. Again, the RFP requests only  
25 the names. In any event, such information cannot be

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1 provided until specific task orders are generated. So  
2 does the NRC expect any response to this stipulation  
3 in the May 18<sup>th</sup> proposal submittals? The answer is  
4 that section L.16 of the solicitation requires resumes  
5 of proposed personnel to be submitted with your  
6 proposals. The criteria we will look at, are, again,  
7 same technical areas, same or similar matter, is there  
8 review of one's own work product?

9           The five Roman numeral items that you will  
10 find on the one page, reproduced again in attachment  
11 ten. We will look at those different things. Again,  
12 and in addition, federal government post employment  
13 restrictions, under Title 18USC207 will be looked at  
14 as well. If you're proposing former NRC employees who  
15 have retired from this agency, they are aware, but  
16 I'll emphasize here for you, that they need to be in  
17 touch with NRC's designated agency ethics official  
18 staff - which is Mr. John Szabo of OGC - for post-  
19 employment restriction considerations.

20           The next question, can you discuss or  
21 compare the technical merit of a business that  
22 exclusively accepts work from NRC versus businesses  
23 that have previously, currently, or plan to  
24 concurrently offer the same technical services to  
25 electric utilities or reactor vendors? And then

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1 there's another question in this regard as well. What  
2 would you look for in the proposal, whereby that  
3 business can advantageously present itself as free of  
4 COI issues, and/or burdensome waivers, if that  
5 business is committed to the work for sixty months,  
6 life of the contract, and will not be enticed away to  
7 richer commercial contracts? Which locations in the  
8 proposal should this information be placed to receive  
9 maximum point rating during evaluations?

10           Concerning all of this, we need to point  
11 out that it is up to the offeror to determine how it  
12 wishes to present itself in response to this  
13 solicitation. Current and/or planned work for  
14 electric utilities and reactor vendors may give rise  
15 to organizational conflicts of interest. The best  
16 advice I can give you is to carefully look at H.3, the  
17 conflict of interest clause in the solicitation, pay  
18 careful attention to everything within attachment ten.  
19 Which, again, is the guidance, the definitions, the  
20 examples. Once again, the five standards that are  
21 also within attachment ten, again, which I've  
22 summarized for you on the one page which is available  
23 at the front table.

24           Those are all the organizational conflict  
25 of interest questions that I have at this time. Have

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1 there been any others that have come in?

2 MR. FRETZ: I believe Kala has one more  
3 item before we move on.

4 MS. SHANKAR: I just wanted to remind  
5 everyone that I plan to issue an amendment which will  
6 have all of the Q and As posted on Fed. Bus. Ops., so  
7 you should be able to download that within the next  
8 day or two. Thanks.

9 MR. KING: At this time we would like to  
10 offer the floor for questions. We have microphones on  
11 both sides of the room.

12 MR. JUPITER: My name is Clyde Jupiter,  
13 with Jupiter Corporation. I believe I heard you  
14 correctly that in the cost proposal, that as the NRC  
15 estimate of hours required for the work, and I believe  
16 I heard you say that the NRC would consider a bidder  
17 using a smaller number of hours compared to the NRC  
18 estimate. If that's the case, then how do you compare  
19 the different bids?

20 MR. KING: Could we get you to write that?  
21 Have you written that down already? Okay, and we will  
22 respond to that one.

23 MR. ZEITOUN: My name is Abe Zeitoun from  
24 SC&A. In L2, there is a clause saying that the  
25 government may elect or award a single delivery.

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1 Order contract or task order contract award multiple  
2 delivery order. However, you know, let's go with this  
3 anyway. However, in the second one, L3, it says the  
4 government contemplates award a full task order  
5 contract. Can you elaborate on the difference between  
6 the two?

7 MS. SHANKAR: Well, what you see in L3 is  
8 what it is. We plan to award full contracts as a  
9 result of the solicitation. One of them is set aside  
10 for small businesses, and the other three are full and  
11 open. And a small business could come in and win one  
12 of those two, because it's full and open. Does that  
13 answer your question?

14 MR. ZEITOUN: Are you saying that there is  
15 a possibility that two contracts can go, one business  
16 and one large? Combining all the centers for the  
17 large businesses?

18 MS. SHANKAR: No, for each one of the  
19 design centers, we hope to award one contract.

20 MR. ZEITOUN: Okay.

21 MS. SHANKAR: So there'll be one award made  
22 for AP1000, one for ESBWR, one for ABWR, and so on and  
23 so forth.

24 MR. ZEITOUN: Okay, so -

25 MS. SHANKAR: One for each reactor design

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1 center. And the ABWR is the one that's set aside for  
2 a small business.

3 MR. ZEITOUN: I understand. Thanks.

4 MR. FRETZ: I think we're going to go ahead  
5 and take this time - we've got a number of questions  
6 that we have from the field. We're going to take  
7 maybe ab out a ten minute break. We'll reconvene in  
8 ten minutes. That'll give you a chance to stretch  
9 and it'll give us a chance to look over the questions  
10 and kind of provide a better answer. So we'll  
11 reconvene at about a couple minutes after eleven  
12 o'clock. Thanks.

13 (Whereupon, the above-entitled matter went  
14 off the record for several minutes).

15 MR. FRETZ: Okay, I want to thank everybody  
16 for submitting their questions. One of the things the  
17 - the staff has had a chance to sit down and take a  
18 look at some of these questions, and I believe what  
19 we've decided to do at this time is rather than give  
20 you a rather quick answer, what we would like to do is  
21 read the question for everyone's benefit. I think  
22 there are a couple we may answer, but we've elected to  
23 defer those questions for our amendment to the RFP.  
24 We'd like to take those questions back and carefully  
25 consider them. I believe there are a couple questions

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1 that we would like the person who submitted the  
2 question maybe to come up after the meeting.

3 We'd like to make sure we understand your  
4 question so we can answer it in the right way. I  
5 believe Kala and Don and Robin have questions they  
6 would like to go ahead and read out loud so everyone  
7 understands what the questions are, and then they can  
8 provide their comments one way or the other. Okay,  
9 thank you.

10 MS. SHANKAR: Okay, one of the questions  
11 was, will the PowerPoint presentation be available -  
12 the one that you just saw up here. Yes, we will post  
13 that when we amend the solicitation. We'll PDF that  
14 document and post it. The next question, how does the  
15 project officer, PM - I assume it's project manager -  
16 of this contract interface with the NRC's MS project  
17 PM efforts for the new reactors? The next question,  
18 regarding an improved accounting system for tracking,  
19 cost reimbursable expenses, by when does such a system  
20 need to be approved?

21 Next question, will the evaluation of a  
22 small business offer under evaluation factor D give  
23 more points if the offeror includes other categories  
24 of small businesses - example, HUBS owned - besides  
25 itself? The next one, will NRC allow a large business

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1 to subcontract to a small business for the set aside  
2 award? The questions that I'm about to read now, if  
3 whoever wrote those questions, if you could please  
4 come up and talk to me after I'm done, that would be  
5 very helpful, because I just want to make sure that I  
6 understood the question correctly.

7           The first one, the RFP calls for a step by  
8 step review process as opposed to the collaborative  
9 approach taken on the recent license renewal guidance  
10 document update. Which delivered more than the  
11 expected content ahead of a very tight schedule? Why?  
12 What are the OCR reporting requirements? The next one  
13 - it's a cost-proposal question. If the NRC accepts  
14 bids for laborers that are less than the NRC estimated  
15 hours, how will the bids be compared? Next one. NRC  
16 has spent years preparing for new reactor applications  
17 and has staffed the entire Office of New Reactors with  
18 many technical branches and full time staff. The RFP  
19 calls for the contractor to have largely parallel  
20 capabilities that will be tapped through scores of  
21 task orders. Does the NRC envision issuing one or  
22 more initial task orders to establish the special  
23 management systems and management infrastructure that  
24 would be used to support scores or hundreds of task  
25 orders?

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1                   Next one. What numbers of task orders are  
2                   expected to be issued per year? And has the  
3                   percentage of small business participation been  
4                   factored into this procurement? It seems that the  
5                   small business goals can greatly increase the cost and  
6                   extend the performance time frames. There's one more  
7                   question on the same card. How does the RFP address  
8                   subs and consultants bidding under multiple prime  
9                   contractors? The concern is that multiple awards  
10                  involving the same subcontractors could overwhelm the  
11                  combined resources of all involved. That is, is  
12                  subcontractor/consultant exclusivity required?

13                  L2 and L3 need to be explained. L2 states  
14                  that the government could award a single delivery,  
15                  while L3 contemplates award of four task ordering  
16                  contracts. Which one is correct? Also, can one  
17                  company be awarded more than one contract? Thank you.  
18                  Are there any more cards?

19                  MR. KING: Okay, we're just about finished  
20                  up, and I just want to re-emphasize one more date that  
21                  Kala mentioned earlier. We're projecting our award  
22                  date August 13<sup>th</sup> of '07. Keep in mind that that's  
23                  around that time period. Should we have some issues  
24                  that we have to deal with, it may not be exactly on  
25                  the 13<sup>th</sup>, but that's our goal, is to shoot for the

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1 13<sup>th</sup>. Okay, if there's no more questions, Robin?

2 MS. BAUM: Hello again. Back to  
3 organizational conflict of interest. Question. You  
4 stated as an example that an offeror helping a utility  
5 provide a combined operating license application for  
6 an AP1000 cannot support NRC in connection with that  
7 AP1000 design. Could the same company support NRC in  
8 connection with another design? The answer to that is  
9 that it depends on what work that company is otherwise  
10 performing. The answer would be yes, the same company  
11 could support NRC in connection with another design,  
12 provided that that offeror is not helping a utility  
13 prepare a combined operating license application for  
14 that same design.

15 We get into same technical area, same or  
16 similar matter issues with regard to this particular  
17 question. I realize that all of the material, the  
18 reading material in section H.3 and attachment ten can  
19 be quite onerous, but I urge you to set aside some  
20 time, put attachment ten next to section H.3 and read  
21 those sections very carefully. Another question that  
22 came was, what are the organizational conflict of  
23 interest reporting requirements? Those are found in  
24 section H.3 of your solicitation, which will  
25 ultimately find itself verbatim into any contract

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1 award.

2 Section H.3, subsection C, presents all  
3 the requirements for work for others, meaning work for  
4 other entities, otherwise than NRC. And section D is  
5 called disclosure after award. The contractor has  
6 continuing disclosure obligations after award of a  
7 contract, as well as disclosure obligations during the  
8 contract. In subsection C of H.3, the work for others  
9 section, when you read it, you will see that it says,  
10 if the contractor has reason to believe with respect  
11 to itself or any employee that any proposed consultant  
12 or other contractual arrangement with any firm or  
13 organization may involve a potential conflict of  
14 interest, the contract shall obtain the written  
15 approval of the contracting officer before the  
16 execution of such contractual arrangement.

17 That is one example of a reporting  
18 requirement. Other reporting requirements are  
19 contained in that same section, H.3, of your  
20 solicitation, subsection D, disclosure after award.  
21 Yes, an offeror will sign the section K.5  
22 certification that I mentioned to you earlier, which  
23 represents that the offeror does not have any of the  
24 five scenarios on this one page. Please don't forget  
25 it from the front table if you wish to have it before

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1 you leave. But in addition to that, the obligation  
2 continues after award. Again, those obligations are  
3 referenced in subsection D of H.3, contractor  
4 organizational conflicts of interest of your  
5 solicitation.

6 In addition to the contractor warranting,  
7 to the best of its knowledge and belief, when it  
8 proposes that it does not have any conflict of  
9 interest relationships, subsection two of that section  
10 D emphasizes that the contractor agrees that if, after  
11 award, it discovers organizational conflicts of  
12 interest with respects to the contract, it will make  
13 an immediate and full disclosure, in writing, to the  
14 contracting officer. This statement must include a  
15 description of the action, which the contractor has  
16 taken or proposes to take to avoid or mitigate the  
17 conflict. When such disclosure is made regarding a  
18 potential piece of work that the contractor is going  
19 to propose to enter into commercially, need to  
20 disclose to the contracting officer the nature of that  
21 work, the dollar value of that work, the period of  
22 performance. All of those particulars, so that the  
23 the contracting officer can make a determination  
24 whether or not it conflicts with the statement of work  
25 in the NRC contract or, if it's done much earlier in

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1 time, the solicitation.

2 Right now we're still in the solicitation  
3 phase. Please read section H.3 carefully, in its  
4 entirety. Please read everything in attachment ten,  
5 which gives you the definitions, the policy guidance,  
6 and at least nine or ten question and answer examples  
7 that are not inclusive of every conflict of interest  
8 situation that may arise, but certainly those are nine  
9 or ten situations for which guidance is presented,  
10 because those types of questions come up very often.

11 MR. BAIONE: Hi Robin. I'm Al Baione with  
12 Perot Systems. With regard to the reporting  
13 requirements, how do they flow down to subcontractors  
14 under a prime?

15 MS. BAUM: Well, they - the subcontractors  
16 are expected to disclose to the prime contractor what  
17 it is doing in the same technical areas, same or  
18 similar matter, where there may be any of the  
19 situations presented on this one piece of paper.  
20 Again, the word contractor is viewed as an umbrella.  
21 It includes all the subs, it includes all the  
22 consultants, so there is the obligation there on the  
23 part of the subcontractor as well as the contractor.  
24 Did I answer the question for you?

25 MR. KING: Thank you, Robin. Okay, that

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1 concludes our pre-proposal conference for today. And  
2 don't forget that if you had a question that Kala  
3 mentioned, please come up and talk with her about it.  
4 Thank you very much.

5 MR. FRETZ: I have one housekeeping item.  
6 I know many expressed a desire to get a copy of the  
7 attendance list. We're in the process of - we have  
8 fifteen copies right now. We're getting more copies  
9 made. They should be available shortly. So if we  
10 maybe have one representative from each company maybe  
11 take one. I have fifteen to start out with. If you  
12 maybe just stand by for a few minutes and we'll have  
13 additional copies available.

14 As I say, we're coming with about another  
15 fifty copies, so they should be here shortly.

16 (Whereupon, the above-entitled matter was  
17 concluded at 11:22 a.m.)

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