ORDER FOR SUPPLIES OR SERVICES

PAGE 1 OF 13 PAGES

IMPORTANT: Mark all packages and papers with contract and/or order numbers. BPA NO.

1. DATE OF ORDER: SEP 26 2007
2. CONTRACT NO. (If any): GS23F0060L
3. ORDER NO.: DR-03-07-047 MODIFICATION NO.:
4. REQUISITION/REFERENCE NO.: NRR-07-047
5. ISSUING OFFICE (Address correspondence to):
U.S. Nuclear Regulatory Commission
Div. of Contracts
Attn: Jeffrey R. Mitchell, 301-415-6465
Mail Stop T-7-I-2
Washington, DC 20555

6. SHIP TO:
a. NAME OF CONSIGNEE: U.S. Nuclear Regulatory Commission
b. STREET ADDRESS: Attn: Alesha Bellinger
Mail Stop: O13-E19
11555 Rockville Pike
c. CITY: Rockville d. STATE: MD e. ZIP CODE: 20852
f. SHIP VIA

7. TO:
a. NAME OF CONTRACTOR: INFORMATION SYSTEMS LABORATORIES, INC
ISL
b. COMPANY NAME: ATTN: DR. JAMES F. MEYER
c. STREET ADDRESS: 11140 ROCKVILLE PIKE, SUITE 500
d. CITY: ROCKVILLE e. STATE: MD f. ZIP CODE: 20852

8. TYPE OF ORDER
[ ] a. PURCHASE
REFERENCE YOUR _____
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.
[X] b. DELIVERY
Except for billing instructions on the reverse, this delivery 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.

9. ACCOUNTING AND APPROPRIATION DATA $305,200.00
720-15-112-130 J-4047 252A 31x0200.720 Obligate $232,400
720-15-112-130 J-4088 252A 31x0200.720 Obligate $27,800
720-15-112-134 J-4089 252A 31x0200.720 Obligate $45,000

10. REQUISITIONING OFFICE NRR

11. BUSINESS CLASSIFICATION (Check appropriate box(es))
[X] a. SMALL [ ] b. OTHER THAN SMALL [ ] c. DISADVANTAGED [ ] g. SERVICE-DISABLED VETERAN-OWNED
[ ] d. WOMEN-OWNED [ ] e. HUBZone [ ] f. EMERGING SMALLBUSINESS

12. F.O.B. POINT: N/A

13. PLACE OF
a. INSPECTION
b. ACCEPTANCE

14. GOVERNMENT B/L NO.

15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date): As Stated

16. DISCOUNT TERMS: Net 30

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 contractor shall provide the U.S. Nuclear Regulatory Commission with "Technical Assistance for review of License Renewal Applications and Update of License Renewal Guidance Documents" in accordance with the Statement of Work and additional Terms and Conditions attached to this Labor Hour type Contract. Attachment No. 1: Statement of Work Attachment No. 2: Subpart 2009.5 OCOI ORCA.GOV reps and certs incorporated by reference. Contractors DUNS: 107928806 Please indicate your acceptance of this Contract: Signature: [signature] Title: Senior V.P. Date: 9/26/07					

SEE BILLING INSTRUCTIONS ON REVERSE

18. SHIPPING POINT
19. GROSS SHIPPING WEIGHT
20. INVOICE NO.
21. MAIL INVOICE TO:
a. NAME: U.S. Nuclear Regulatory Commission
Payment Team, Mail Stop T-7-I-2
b. STREET ADDRESS (or P.O. Box): Attn: (DR-03-07-047)
c. CITY: Washington d. STATE: DC e. ZIP CODE: 20555

17(h) TOTAL (Cont. pages)
17(i). GRAND TOTAL

22. UNITED STATES OF AMERICA BY (Signature): [signature]
23. NAME (Typed): Donald A. King
Contracting Officer
TITLE: CONTRACTING/ORDERING OFFICER

AUTHORIZED FOR LOCAL REPRODUCTION
PREVIOUS EDITION NOT USABLE

OPTIONAL FORM 347 (REV. 4/2006)
PRESCRIBED BY GSA/FAR 48 CFR 53.213(f)

TEMPLATE - ADM002 SUNSI REVIEW COMPLETE OCT 31 2007 ADM002

SUPPLEMENTAL INVOICING INFORMATION

If desired, this order (or copy thereof) may be used by the Contractor as the Contractor's invoice, instead of a separate invoice, provided the following statement, (signed and dated) is on (or attached to) the order: "Payment is requested in the amount of $_____. No other invoice will be submitted." However, if the Contractor wishes to submit an invoice, the following information must be provided: contract number (if any), order number, item number(s), description of supplies or services, sizes, quantities, unit prices, and extended totals. Prepaid shipping costs will be indicated as a separate item on the invoice. Where shipping costs exceed $10 (except for parcel post), the billing must be supported by a bill of lading or receipt. When several orders are invoiced to an ordering activity during the same billing period, consolidated periodic billings are encouraged.

RECEIVING REPORT

Quantity in the "Quantity Accepted" column on the face of this order has been: ☐ inspected, ☐ accepted, ☐ received by me and conforms to contract. Items listed below have been rejected for the reasons indicated.

SHIPMENT NUMBER	PARTIAL		DATE RECEIVED	SIGNATURE OF AUTHORIZED U.S. GOV'T REP.	DATE
	FINAL				
TOTAL CONTAINERS		GROSS WEIGHT	RECEIVED AT	TITLE	

REPORT OF REJECTIONS

ITEM NO.	SUPPLIES OR SERVICES	UNIT	QUANTITY REJECTED	REASON FOR REJECTION

TASK ORDER TERMS AND CONDITIONS

NOT SPECIFIED IN THE CONTRACT

A.1 NRC Acquisition Clauses - (NRCAR) 48 CFR Ch. 20

A.2 PRICE/COST SCHEDULE

CLIN	LABOR CATEGORY	EST. HOURS	RATE	EST. TOTAL
001	Engineering Fellow	[redacted]		$81,685.5
002	Sr. Executive			$22,733.10
003	Sr. Executive 2			$23,817.30
004	Principal Engineer			$205,851.80
005	Principal Engineer 2			$88,202.60
006	Sr. Engineer			$66,989.00
007	Engineer			$70,950.00
008	Lead Scientist			$29,326.20
009	Subject Matter Expert			$35,230.00
010	Admin Specialist 2			$1,959.00
011	Admin Specialist 3			$2,972.40
012	Travel (Not-to-Exceed) (Est.)			$13,272.96
012a	Travel General and Administration (24.5%)			
		ESTIMATED TOTAL		$642,989.86

A.3 CONSIDERATION AND OBLIGATION--COST REIMBURSEMENT (JUN 1988)

(a) The total estimated cost to the Government for full performance under this contract is $642,989.86.

TASK	JCN (JOB CODE)	CEILING
1	J-4047	$396,163.34
2	J-4088	$171,989.14
3	J-4089	$74,837.38

(b) The amount obligated by the Government with respect to this contract is $305,200.00.

TASK	JCN (JOB CODE)	OBLIGATIONS
1	J-4047	$232,400.00
2	J-4088	$27,800.00
3	J-4089	$45,000.00

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.4 DURATION OF CONTRACT PERIOD (MAR 1987)

This contract shall commence on 10/01/2007 and will expire 12/31/2009.

A.5 2052.209-71 CONTRACTOR ORGANIZATIONAL CONFLICTS OF INTEREST (REPRESENTATION) (OCT 1999)

I represent to the best of my knowledge and belief that:

The award to Information Systems Laboratories, Inc. of a contract or the modification of an existing contract does / / does not / X / involve situations or relationships of the type set forth in 48 CFR 2009.570-3(b).

(a) If the representation, as completed, indicates that situations or relationships of the type set forth in 48 CFR 2009.570-3(b) are involved, or the contracting officer otherwise determines that potential organizational conflicts of interest exist, the offeror shall provide a statement in writing which describes in a concise manner all relevant factors bearing on his representation to the contracting officer. If the contracting officer determines that organizational conflicts exist, the following actions may be taken:

(1) Impose appropriate conditions which avoid such conflicts,

(2) Disqualify the offeror, or

(3) Determine that it is otherwise in the best interest of the United States to seek award of the contract under the waiver provisions of 48 CFR 2009-570-9.

(b) The refusal to provide the representation required by 48 CFR 2009.570-4(b), or upon request of the contracting officer, the facts required by 48 CFR 2009.570-3(b), must result in disqualification of the offeror for award.

A.6 2052.215-71 PROJECT OFFICER AUTHORITY (NOVEMBER 2006)

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

Name: Alesha Bellinger, Project Officer

Address: Mail Stop: O13-E19
11555 Rockville Pike
Rockville, MD 20852

Telephone Number: 301-415-0596

TECHNICAL MONITORS:

Task 1 - Stanley Gardocki, Telephone No.: (301) 415-1023, Mail Stop O-11A11, E-mail Address: SJG1@nrc.gov

Task 2 - Robert Palla, Telephone No.: (301) 415-1095, Mail Stop, O-10H4, E-mail Address: RLP3@nrc.gov

Task 3 - Jennifer Davis, Telephone No.: (301) 415-3835, Mail Stop, O-11F, E-mail Address:

JXD10@nrc.gov.

NOTE: Technical Monitors do not have any Project Officer Authority. There role is to assist in technical matters.

(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.

(7) For contracts for the design, development, maintenance or operation of Privacy Act Systems of Records, obtain from the contractor as part of closeout procedures, written certification that the contractor has returned to NRC, transferred to the successor contractor, or destroyed at the end of the contract in accordance with instructions provided by the NRC Systems Manager for Privacy Act Systems of Records, all records (electronic or paper) which were created, compiled, obtained or maintained under the contract.

A.7 2052.215-70 KEY PERSONNEL (JAN 1993)

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

[redacted] [redacted]

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 con-currence 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.8 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 2009.570-2, 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.9 52.232-7 PAYMENTS UNDER TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS (FEB 2007)

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

(a) Hourly rate.

(1) Hourly rate means the rate(s) prescribed in the contract for payment for labor that meets the labor category qualifications of a labor category specified in the contract that are--

(i) Performed by the Contractor;

(ii) Performed by the subcontractors; or

(iii) Transferred between divisions, subsidiaries, or affiliates of the Contractor under a common control.

(2) The amounts shall be computed by multiplying the appropriate hourly rates prescribed in the Schedule by the number of direct labor hours performed.

(3) The hourly rates shall be paid for all labor performed on the contract that meets the labor qualifications specified in the contract. Labor hours incurred to perform tasks for which labor qualifications were specified in the contract will not be paid to the extent the work is performed by employees that do not meet the qualifications specified in the contract, unless specifically authorized by the Contracting Officer.

(4) The hourly rates shall include wages, indirect costs, general and administrative expense, and profit. Fractional parts of an hour shall be payable on a prorated basis.

(5) Vouchers may be submitted once each month (or at more frequent intervals, if approved by the Contracting Officer), to the Contracting Officer or authorized representative. The Contractor shall substantiate vouchers (including any subcontractor hours reimbursed at the hourly rate in the schedule) by evidence of actual payment and by--

(i) Individual daily job timekeeping records;

(ii) Records that verify the employees meet the qualifications for the labor categories specified in the contract; or

(iii) Other substantiation approved by the Contracting Officer.

(6) Promptly after receipt of each substantiated voucher, the Government shall, except as otherwise provided in this contract, and subject to the terms of paragraph (e) of this clause, pay the voucher as approved by the Contracting Officer or authorized representative.

(7) Unless otherwise prescribed in the Schedule, the Contracting Officer may unilaterally issue a contract modification requiring the Contractor to withhold amounts from its billings until a reserve is set aside in an amount that the Contracting Officer considers necessary to protect the Government's interests. The Contracting Officer may require a withhold of 5 percent of the amounts due under paragraph (a) of this clause, but the total amount withheld for the contract shall not exceed $50,000. The amounts withheld shall be retained until the Contractor executes and delivers the release required by paragraph (g) of this clause.

(8) 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.

(1) For the purposes of this clause--

(i) Direct materials means 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 or service.

(ii) Materials means--

(A) Direct materials, including supplies transferred between divisions, subsidiaries, or affiliates of the Contractor under a common control;

(B) Subcontracts for supplies and incidental services for which there is not a labor category specified in the contract;

(C) Other direct costs (e.g., incidental services for which there is not a labor category specified in the contract, travel, computer usage charges, etc.); and

(D) Applicable indirect costs.

(2) If the Contractor furnishes its own materials that meet the definition of a commercial item at 2.101, the price to be paid for such materials shall not exceed the Contractor's established catalog or market price, adjusted to reflect the--

(i) Quantities being acquired; and

(ii) Actual cost of any modifications necessary because of contract requirements.

(3) Except as provided for in paragraph (b)(2) of this clause, the Government will reimburse the Contractor for allowable cost of materials provided the Contractor--

(i) Has made payments for materials in accordance with the terms and conditions of the agreement or invoice; or

(ii) Ordinarily makes these payments within 30 days of the submission of the Contractor's payment request to the Government and such payment is in accordance with the terms and conditions of the agreement or invoice.

(4) Payment for materials is subject to the Allowable Cost and Payment clause of this contract. The Contracting Officer will determine allowable costs of materials in accordance with Subpart 31.2 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract.

(5) The Contractor may include allocable indirect costs and other direct costs to the extent they are--

(i) Comprised only of costs that are clearly excluded from the hourly rate;

(ii) Allocated in accordance with the Contractor's written or established accounting practices; and

(iii) Indirect costs are not applied to subcontracts that are paid at the hourly rates.

(6) 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.

(7) Except as provided for in 31.205-26(e) and (f), the Government will not pay profit or fee to the prime Contractor on materials.

(c) If the Contractor enters into any subcontract that requires consent under the clause at 52.244-2, Subcontracts, without obtaining such consent, the Government is not required to reimburse the Contractor for any costs incurred under the subcontract prior to the date the Contractor obtains the required consent. Any reimbursement of subcontract costs incurred prior to the date the consent was obtained shall be at the sole discretion of the Government.

(d) 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.

(e) Ceiling price. The Government will 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 notifies the Contractor in writing that the ceiling price has been increased and specifies 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.

(f) Audit. At any time before final payment under this contract, the Contracting Officer may request audit of the vouchers and supporting documentation. Each payment previously made shall be subject to reduction to the extent of amounts, on preceding vouchers, that are found by the Contracting Officer or authorized representative 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 designated by the Contractor as the "completion voucher" and supporting documentation, and upon compliance by the Contractor with all terms of this contract (including, without limitation, terms relating to patents and the terms of paragraph (g) of this

clause), the Government shall promptly pay any balance due the Contractor. The completion voucher, and supporting documentation, 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.

(g) Assignment and Release of Claims. 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.

(h) Interim payments on contracts for other than services.

(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 30 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.

(i) Interim payments on contracts for services. For interim payments made prior to the final payment under this contract, the Government will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and prompt payment regulations at 5 CFR part 1315.

A.10 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.

STATEMENT OF WORK
DR-03-07-047
JCNs J-4047, J-4088 and J-4089

Title: Technical Assistance for Review of License Renewal Applications (Scoping and Screening of Balance of Plant Systems and Severe Accident Mitigation Alternatives) and Update of License Renewal Guidance Documents (NUREG 1437, NUREG 1555 Supplement 1 and Regulatory Guide 4.2 Supplement 1)

1. BACKGROUND

Pursuant to Section 50.51 of Title 10 of the Code of Federal Regulations (10 CFR 50.51), licenses to operate nuclear power plants are issued by the U.S. Nuclear Regulatory Commission (NRC) for a fixed period of time not to exceed 40 years; however, these licenses may be renewed by the NRC for a fixed period of time including a period not to exceed 20 years beyond expiration of the current operating license. The Commission's regulations in 10 CFR Part 54, (60 FR 22461) published on May 8, 1995, set forth the requirements for the renewal of operating licenses for commercial nuclear power plants. The NRC Office of Nuclear Reactor Regulation Staff are actively engaged in reviewing license renewal applications (LRAs) at existing nuclear power plants. NRC's review of LRAs includes a review of technical information pursuant to 10 CFR 54.21 termed the "Safety Review," as well as environmental information pursuant to 10 CFR 54.23 and 10 CFR Part 51 termed the, "Environmental Review." The Environmental Review is guided by Generic Environmental Impact Statement (GEIS, NUREG-1437, Volumes 1 and 2, dated May 1996 and Volume 1 Addendum 1 dated August 1999) which is periodically updated.

With regard to the safety review, applicants for license renewal are required by 10 CFR 54 (The License Renewal Rule) to perform an integrated plant assessment (IPA). As specified in 10 CFR 54.4, the applicant must identify the systems, structures, and components (SSCs) that are within the scope of license renewal (scoping). In addition, in accordance with 10 CFR 54.21(a)(1), the applicant must determine which of the SSCs are subject to an aging management review (screening). 10 CFR 54.21 (a)(2) requires the applicant to describe and justify the methods used to meet the requirements of 10 CFR 54.21(a)(1). Further, 10 CFR 54.21(a)(3) requires that, for each structure and component subject to an aging management review, the applicant must demonstrate that the effects of aging will be adequately managed so that the intended function(s) will be maintained consistent with the current licensing basis (CLB) for the period of extended operation (aging management program or AMP). 10 CFR 54.21(b) requires that each application contain CLB changes, in the form of an amendment, during NRC review of the license renewal application (LRA). 10 CFR 54.21(c) requires the applicant to provide an evaluation of Time-limited Aging Analyses (TLAAs) including a list of TLAAs, as defined in 10 CFR 54.3 (special reviews for equipment which has aging assumptions integral to the design process). Lastly, 10 CFR 54.21(d) requires that each LRA include a Final Safety Analysis Report (FSAR) supplement containing a summary description of the intended aging management programs (AMPs) for the period of extended operation. For the purposes of this contract, the BOP systems include auxiliary systems and steam and power conversion systems less HVAC and containment systems.

With regard to the Environmental Reviews, 10 CFR 51.53(c)(3)(ii)(L) effectively requires the

NRC to include consideration of Severe Accident Mitigation Alternatives (SAMAs) in the environmental impact review performed as part of license renewal, if the staff has not previously considered SAMAs for the license renewal applicant's plant. The purpose of this evaluation is to determine whether any SAMAs warrant implementation to further reduce the environmental impacts of severe accidents.

Much work in the area of severe accidents has already been completed by the license renewal applicants and the NRC, and is expected to form a basis for the evaluation of SAMAs. Pursuant to Generic Letter 88-20, licensees have completed an Individual Plant Examination (IPE) to identify important risk contributors and potential vulnerabilities for internally-initiated events. They also performed an individual plant examination for externally-initiated events (IPEEE) with similar objectives. Results and insights from these risk studies are documented in NUREG-1560, "Individual Plant Examination Program: Perspectives on Reactor Safety and Plant Performance," and NUREG-1742, "Perspectives Gained from the Individual Plant Examination of External Events (IPEEE) Program," respectively. The NRC has sponsored analyses of severe accident progression and containment challenges as part of the NUREG-1150 study and the Severe Accident Research Program. Severe accident phenomena considered in these programs include direct containment heating, core concrete interactions, and steam explosions. Analyses of potential improvements for various types of reactor containment buildings have also been performed as part of the NRC Containment Performance Improvement (CPI) program.

Pursuant to 10 CFR 51.53(c)(3)(ii)(L), license renewal applicants are required to submit the results of their assessment of SAMAs as part of their Environmental Report. This information must be systematically assessed by the staff to develop insights into the adequacy of the applicant's assessment and whether any potential design improvements appear to be justified. Numerous plant-specific SAMA reviews have been completed within the last few years and are illustrative of the type of evaluation that is needed. These include the SAMA reviews performed for: (1) plants that have or are renewing their licenses under 10 CFR Part 54, (e.g., NUREG-1437, Supplements 1 through 30, (2) the advanced light water reactor designs, e.g., ABWR (NUREG-1503, Section 20.5.1), and AP-1000 (NUREG-1793, Section 19.4), and (3) the operating plants licensed following the Court of Appeals decision, e.g., Watts Bar (NUREG-0498, Supplement 1). An Environmental Standard Review Plan has also been developed to provide guidance regarding the review of SAMAs for license renewal (NUREG-1555, Supplement 1, Section 7.3).

The NRC staff has prepared a license renewal GEIS (NUREG-1437, Volumes 1 and 2, dated May 1996, and Volume 1 Addendum 1, dated August 1999) to aid the NRC staff in the environmental review, and has committed to review the findings in the GEIS and update it, if necessary, on a 10-year cycle. The GEIS update effort began in June 2003, when a Federal Register Notice of Intent to conduct scoping was issued. The original comment period was from June 2003 to September 2003 (that included an extension). Due to budgetary constraints, the GEIS update effort was put on hold. Through another Federal Register Notice published in October 2005, NRC extended the comment period until December 30, 2005.

Argonne National Laboratory (ANL) is currently providing support to the NRC for updating the GEIS, with the exception of those areas relating to postulated accidents and SAMAs. ANL is responsible for providing a complete camera-ready draft and final udpated GEIS to be

published as a NUREG document. ANL has provided NRC with a Scoping Summary Report that includes the responses to the public comments from 2003-2005. NRC staff have assisted in addressing the public comments related to postulated accidents and SAMAs. Also, ANL has provided NRC with a summary change report that recommends new issues to be researched for inclusion into the GEIS and the section(s) of the report impacted by the proposed issues. The NRC requires support for portions of the GEIS udpate effort dealing with postulated accidents and SAMAs. The NRC staff will also be updating NUREG-1555 Supplement 1 "Standard Review Plans for Environmental Reviews for Nuclear Power Plants (ESRP)" and Regulatory Guide (RG) 4.2 Supplement 1, "Preparation of Supplemental Environmental Reports for Applications to Renew Nuclear Power Plant Operating Licenses." The NRC requires support for updating the portions of the ESRP Supplement 1 and RG Supplement 1 dealing with postulated accidents and SAMAs.

2. OBJECTIVES

The objective of this contract is to obtain expert technical assistance to support the NRC staff with safety and environmental reviews of license renewal applications in order to determine the adequacy of applicant's screening and scoping of balance of plant (BOP) systems and the adequacy of applicant's SAMA assessment, and updating portions of the GEIS, ESRP Supplement 1 and RG 4.2 Supplement 1, related to postulated accidents and SAMAs.

3. TECHNICAL AND OTHER SPECIAL QUALIFICATIONS REQUIRED

The Scoping and Screening review requires personnel who are knowledgeable and experienced in the subjects of mechanical systems engineering, commercial nuclear power reactor operations (specifically BOP systems), NRC License Renewal Regulations, and regulatory issues associated with BOP SSCs commonly found at commercial nuclear reactor plants.

The SAMA review and GEIS and ESRP Supplement 1 and RG 4.2 Supplement 1 update requires personnel with knowledge and experience in the following types of disciplines: risk and reliability assessment; plant systems and operational considerations important to risk, such as emergency power generating and distribution systems, technical specifications, and emergency operating procedures; design basis accident and severe accident analysis; offsite consequence analysis; and regulatory (cost/benefit) analysis.

4. SCOPE OF WORK

The contractor shall provide support in three task areas as described below: (1) Scoping and Screening of BOP for two (2) nuclear power plant license renewal applications during the contract period of performance; (2) SAMAs for four (4) nuclear power plant license renewal applications during the contract period of performance; and (3) updating portions of the GEIS, ESRP Supplement 1 and RG 4.2 Supplement 1, related to postulated accidents and SAMAs. For each Scoping and Screening review, the NRC Technical Monitor (TM) shall provide the contractor with electronic and/or paper copies of the applicant's LRA and its supporting documentation including License Renewal Boundary Drawings and the Updated FSAR. For each SAMA review, the NRC TM shall provide electronic and/or paper copies of: the applicant's environmental report, applicant's IPE and IPEEE submittals, and the associated NRC staff

evaluations, and relevant plant specific risk-informed license amendment reviews. The contractor shall submit a staffing plan and schedule of deliverables to the Project Officer (PO) and TM for confirmation within 5 days after receipt of LRA or environmental report and supporting documentation, unless otherwise directed by the PO or TM.

The NRC anticipates LRA reviews for the below identified nuclear power plants. However, the NRC may identify a LRA for review for a different nuclear power plant. For planning and estimating purposes the following schedule for LRA reviews is provided. The schedule is only tentative and subject to change, therefore, it should be used only as a tool for planning and estimation purposes. The GEIS and ESRP Supplement 1 and RG Supplement 1 update schedule is shown in Section 5.0.

Plant LRA - Screening and Scoping	Tentative Submission Date
Beaver Valley Power Station	August 2007
Unspecified Plant	2nd Quarter FY 2008

Plant LRA - SAMA	Tentative Submission Date
Beaver Valley Power Station	August 2007
Three Mile Island, Unit 1	January-March 2008
Prairie Island, Nuclear Generating Plant, Units 1 and 2	April-June 2008
Cooper Nuclear Station	September 2008

The forecasted application receipt dates for LRAs can be found at the following link:

http://www.nrc.gov/reactors/operating/licensing/renewal/applications.html#future

The review goal is to evaluate the LRA in such a way that the documentation that results consists of input to be used in the NRC Safety Evaluation Report (SER) and Supplemental Environmental Impact Statement and identifies, simultaneously and on a continuing basis as needed, the need for Requests for Additional Information (RAIs). That is, where "gaps " exist in the report, there shall exist an RAI or, ultimately, an initial open item. Initial open items are to eventually be resolved between the applicant and the NRC staff.

Task 1 - Scoping and Screening Review

The standard scope of work for each Scoping and Screening review effort is contained in the below tasks.

Task 1.1 Scoping and Screening Review

In accordance with the requirements of Section 2.2 of NUREG-1800, Revision 1, the contractor shall perform a plant level scoping review of all the systems and structures listed in the tables of LRA Section 2.2 and determine if any of the systems and structures that perform their intended functions as defined in 10 CFR 54.4 is missing. Using the screening criteria found in the Brunswick License Renewal Safety Evaluation Report, dated December, 2005 (ADAMS accession number: ML 053550324), the contractor shall determine which systems and structures will be reviewed using the "tier-two"process and which will be reviewed using the

"tier-one" process. The contractor shall prepare a technical letter report that contains the identified systems and structures that may be missing or mis-categorized and describe the need for Request(s) for Additional Information (RAIs) and the bases for the RAIs. The report shall also consist of a listing of those systems and structures for which a "tier-one" or a "tier-two" review is recommended, the basis for the recommendation, the review schedule and the assigned reviewer to each system or structure.

Deliverable: Technical Letter Report
Due Date: 4 weeks after receipt of LRA

Task 1.2 BOP Systems Review

In accordance with the requirements of Section 2.3 of NUREG-1800, Revision 1, the contractor shall perform a detailed review of all BOP systems according to the level of importance specified in the NUREG and identify those aspects of the application that need additional or clarifying information. The contractor shall identify systems, if any, that need regional inspection support to verify the results of scoping and screening described in the LRA. The contractor shall prepare RAIs and the basis or bases for the RAIs clearly articulated.

Deliverable: RAIs and Inspection Items (if any) for first-half of the review
Due: 6 weeks after receipt of LRA

Deliverable: RAIs and Inspection Items (if any) for second-half of the review
Due: 10 Weeks after receipt of LRA

Task 1.3 Prepare SER Input

The contractor shall prepare the SER input in accordance with the staff template (to be provided by the TM). The SER input shall address 100% of the systems reviewed and shall incorporate the results of Task 1.2. The SER input shall consist of the full text of the proposed NRC SER. Where additional or clarifying information is needed, i.e., RAIs, this is to be noted as part of the text. The RAIs are to be bolded for clear identification using the RAI reference number, if available.

Deliverable: Input to SER
Due: 3 weeks after completion of Task 1.2

Task 1.4 Clarification and Resolution of RAIs

The contractor shall provide technical review and evaluation of additional information associated with clarifying the RAI or intent of the RAI, resolving an RAI or "open items," and addressing an issue raised by upper NRC management or the ACRS, as required. This task includes participation in telephone conference calls as may be required. If applicable, the contractor shall prepare a technical letter report that contains the results of the work performed in the format suitable for incorporation into the SER. If the submission of a technical letter report is not required as mutually agreed upon by the contractor and TM, a brief summary of the request, results provided and date provided shall be described in the Monthly Status Report.

Deliverable: Technical Letter Report (as applicable)
Due: As mutually determined by the TM and Contractor

Task 1.5 Meeting Support to Resolve RAIs
The contractor shall prepare for and travel to the plant site or applicants office to discuss and assist in resolving the RAIs or open items. The contractor shall provide two people to attend the meetings that are estimated to last three days. The contractor shall prepare a trip report that contains a summary of major discussion points, decisions and agreements reached, information provided by the applicant, open issues and follow-up actions, responsible party/individual(s) for the action(s), action(s) due date, and a list of attendees.

Deliverable: Trip Report
Due Date: 1 week after the trip

Task 1.6 Review of Applicant's Responses to RAIs
The contractor shall review the applicant's responses to the RAIs and identify those issues that have been resolved along with the basis for resolution and those items for which further information may be needed, but for which resolution may not be readily forthcoming, i.e, the open items remain. The contractor shall prepare the Final Draft SER Input by updating the SER Input provided under Task 1.3, to include the results of the review and evaluation of the RAI responses. Within the report, the contractor shall identify those aspects of the application that are still considered as "open items" and the basis for why they remain open items. The contractor shall prepare the Final Updated SER Input that incorporates NRC comments.

Deliverable: Draft Updated Input to SER
Due: 4 weeks after receipt of the applicants responses to the RAIs

Deliverable: Final Updated Input to SER
Due: 2 weeks after receipt of NRC comments

Task 1.7 ACRS Subcommittee Meeting Support
The contractor shall prepare for and travel to NRC Headquarters in Rockville, MD to participate in the ACRS Subcommittee Meeting (e.g. support NRC/DSS/SBPB staff in answering questions on the Scoping and Screening review and support a dry-run as required). The meeting is expected to last one-day. The contractor shall prepare a trip report that contains a summary of major discussion points and decisions and agreements reached during the meeting.

Deliverable: Trip Report
Due: 1 week after the meeting

Task 1.8 ACRS Fullcommittee Meeting Support
The contractor shall participate (e.g. support NRC/DSS/SBPB staff in answering questions on the Scoping and Screening Review) in the ACRS full committee meeting, expected to last one-half day, at NRC Headquarters in Rockville, MD, as required.

Task 2 - SAMA Review
The standard scope of work for each Scoping and Screening review effort is contained in the below tasks.

Task 2.1 Review of SAMA Analysis
The contractor shall conduct a review of the applicant's SAMA analysis. The emphasis of

the review shall be on the completeness of design alternatives considered by the applicant and the reasonableness of the applicant's analyses of risk reduction and costs for each candidate improvement. In assessing completeness, the contractor shall evaluate the rigor of the process used by the applicant to identify potential SAMAs (e.g., importance analyses or cutset examination), and shall consider the results of the process relative to the leading plant-specific risk contributors, as well as the plant improvements/risk reduction strategies identified in: (I) the applicant's IPE and IPEEE submittals and the NRC's review of these submittals, (ii) insights from the NRC's review of industry IPE and IPEEE submittals, as documented in NUREG-1560 and NUREG-1742, (iii) previous SAMA reviews documented in NUREG-1437 and its supplements, (iv) the Containment Performance Improvement program, (v) the accident management strategies identified in NUREG/CR-5474, and (vi) mitigation strategies to further enhance the plant's capabilities in maintaining core cooling and containment integrity identified through licensee and NRC security assessments. Particular attention shall be paid to plant-specific SAMAs that prevent core damage, because previous experience has shown that these are the SAMAs that have greatest potential to be cost beneficial. Although the greatest level of risk reduction might be achieved by major plant modifications, lower cost alternatives (e.g., procedure vs hardware, non-safety vs safety-related equipment, temporary vs permanent connections) might eliminate a substantial fraction of the risk and have a greater net benefit. The review shall confirm that low cost alternatives have been appropriately considered. The applicant's cost/benefit methodology shall be assessed for consistency with the regulatory analysis guidance provided in NUREG/BR-0058, Rev. 4, and NUREG/BR-0184. The contractor shall review the treatment of externally-initiated events and uncertainty in core damage frequency and risk estimates within the applicant's analysis, and address these factors in their assessment of the adequacy of the SAMA identification and evaluation process. The contractor shall also consider the findings from the industry peer-review of the plant-specific PRA, and the potential impact of these findings on the SAMA evaluation. Limited independent calculations shall be performed, as needed, to address the impact of key issues raised in the review.

The contractor shall prepare input to the Supplemental Environmental Impact Statement with possible open items that documents the results of the preliminary evaluation including: (I) an assessment of the adequacy of the application's evaluation of SAMAs, in terms of completeness, reasonableness of results, and potential for further risk reductions, (ii) identification of any additional SAMAs which should be considered further, and (iii) independent estimates of risk reduction and costs for selected SAMAs, as appropriate. Recent SAMA evaluations, documented in the latest available supplements to NUREG-1437, shall be used as a template for the input.

Deliverable: Input to Supplemental Environmental Impact Statement
Due Date: 8 weeks after receipt of Environmental Report

Task 2.2 Development of RAIs

The contractor shall identify those aspects of the application that need additional or clarifying information to resolve possible open items identified in the input to the Supplemental Environmental Impact Statement. The contractor shall prepare a list of RAIs with the basis or bases for the RAIs clearly articulated. The RAIs shall be reviewed against NEI 05-01, "Severe Accident Mitigation Alternatives (SAMA) Analysis, Guidance Document," to confirm that the RAIs are within the scope of the review.

Deliverable: RAIs
Due: 8 weeks after receipt of Environmental Report

Task 2.3 Resolution of RAIs
The contractor shall support interactions with the applicant to ensure that the RAIs are well understood and the responses can be expected to assure a comprehensive evaluation of SAMAs. These interactions will typically be via teleconference, but may alternatively involve travel to the plant site or applicant office to assist in resolving the RAIs. If the meetings involve travel, the contractor shall prepare a trip report that contains a summary of major discussion points, decisions and agreements reached, information to be provided by the applicant, and any other follow-up actions.

Deliverable: Trip Report (as applicable)
Due: 1 week after the trip

Task 2.4 Review of Applicant's Responses to RAIs
The contractor shall review the applicant's RAI responses, and perform additional assessments, as appropriate. Any additional information needed to resolve the previous open items shall be identified by the contractor, and provided to the NRC in the form of an RAI for follow-up discussion with the applicant. The contractor shall update the Input to Supplemental Environmental Statement to include discussions reflecting the resolution of any previously identified open items, and overall conclusions of the review.

Deliverable: E-mail Describing Any Additional Information or Clarification Needed
Due: As required

Deliverable: Draft Updated Input to Supplemental Environmental Impact Statement
Due: 4 weeks after receipt of RAI responses

Deliverable: Final Updated Input to Supplemental Environmental Impact Statement that incorporates NRC Comments
Due: 2 weeks after receipt of NRC comments

Task 2.5 Public Meeting Support
The contractor shall prepare for and travel to the applicants office or plant site to participate in a public meeting on the draft environmental impact statement, as required. The contractor shall prepare a trip report that contains a summary of major discussion points and decisions and agreements reached during the meeting.

Deliverable: Trip Report
Due: One week after the trip

<u>Task 3 - Update of License Renewal Documents</u>

Task 3.1 - GEIS Update Relating to Postulated Accidents and SAMAs
The contractor shall review the GEIS documents (NUREG-1437 Volumes 1 and 2, dated May 1996 and Volume 1 Addendum 1 dated August 1999) to identify areas of improvement related to postulated accidents and SAMAs. The contractor shall prepare a change summary report

stating: a) recommended changes, b) the sections of the document affected by the changes, and c) the basis for the changes. The contractor shall prepare revised GEIS sections dealing with postulated accidents and SAMAs (Chapter 5 and Appendix G) inclusive of the items identified through the scoping report provided by the TM and the summary change report. The NRC staff expects that most, if not all the knowledge gaps in the document shall be filled in by the TM and contractor technical experts. The revised GEIS sections shall be consistent with NUREG-0650, "Publishing Documents in the NUREG Series" and NUREG-1379", "NRC Editorial Style Guide." The contractor shall participate in writing sessions with the NRC, expected to last three days at NRC Headquarters in Rockville, MD, prior to delivery of the updated Draft GEIS Sections.

The contractor shall attend four public meetings to discuss the updated Draft GEIS Sections, as required. The contractor shall compile and prepare recommended dispositions for any public comments on the updated Draft GEIS Sections relating to postulated accidents and SAMAs. The contractor shall update the Draft GEIS Sections to incorporate NRC approved changes resulting from public comments. The contractor shall participate in writing sessions with the NRC, expected to last three days at NRC Headquarters in Rockville, MD, prior to delivery of the updated Final GEIS Sections.

Deliverable: Summary Change Report
Due Date: December 20, 2007

Deliverable: Draft Updated GEIS Sections (Chapter 5 and Appendix G)
Due Date: December 20, 2007

Deliverable Final Updated GEIS Sections (Chapter 5 and Appendix G)
Due Date: October 3, 2008

Task 3.2 ESRP Supplement 1 and RG 4.2 Supplement 1 Update Relating to Postulated Accidents and SAMAs

The contractor shall review the existing Environmental Standard Review Plan, NUREG-1555, Supplement 1 (ESRP) and Regulatory Guide (RG) 4.2, Supplement 1 applicable sections dealing with postulated accidents and SAMAs and provide a recommendation of changes to the documents based on changes made to NUREG-1437. The contractor shall submit a change summary report for these two guidance documents stating: a) recommended changes, b) the sections of the document affected by the changes, and c) the basis for the changes. The contractor shall update the ESRP Supplement 1 and RG 4.2 Supplement 1 to incorporate NRC approved changes in the summary report. The contractor shall update the draft ESRP Supplement 1 and RG 4.2 Supplement 1 to incorporate NRC comments. The revised ESRP sections shall be consistent with NUREG-0650, "Publishing Documents in the NUREG Series" and NUREG-1379", "NRC Editorial Style Guide." The draft guidance documents will not go out for public comments as they are essentially an extension of NUREG-1437.

Deliverable: Summary Change Report
Due Date: September 8, 2008

Deliverable: Draft Updated ESRP Supplement 1 and RG 4.2 Supplement 1 Sections

Due Date: October 8, 2008

Deliverable: Final Updated ESRP Supplement 1 and RG 4.2 Supplement 1 Sections
Due Date: December 8, 2008

5. DELIVERABLES AND REPORTING REQUIREMENTS

Technical Reporting Requirements
The contractor shall provide the following deliverables electronically using Microsoft Office Word 2003 (font: Arial regular 11 point) to the Technical Monitor with a copy provided to the Project Officer by the due date shown below. The GEIS and SRP deliverables shall be prepared in accordance with a NUREG format. In all correspondence, include identifying information: JCN No. (Task 1 - J-4047, Task 2 - J-4088 , Task 3 - J-4089), Contract No., the applicant, the facility, TAC No. (to be provided by TM after receipt of LRA), and NRC/NRR Division and Branch.

Task No.	Task Title	Deliverable	Due Date
1.1	Scoping and Screening Review	Technical Letter Report	4 weeks after receipt of LRA
1.2	BOP Systems Review	RAIs and Inspection Items (if any) - First-Half of Review	6 weeks after receipt of LRA
		RAIs and Inspection Items (if any) - Second-Half of Review	10 weeks after receipt of LRA
1.3	Prepare SER Input	Input to NRC SER	3 weeks after completion of Task 1.2
Task No.	Task Title	Deliverable	Due Date
1.4	Clarification and Resolution of RAIs	Technical Letter Report (as applicable)	As mutually determined by the TM and Contractor
1.5	Meeting Support to Resolve RAIs	Trip Report	1 week after the trip
Task No.	Task Title	Deliverable	Due Date

1.6	Review of Applicant's Responses to RAIs	Draft Updated Input to NRC SER	4 weeks after receipt of applicants responses to RAIs
		Final Updated Input to SER	2 weeks after receipt of NRC comments
1.7	ACRS Subcommittee Meeting Support	Trip Report	1 week after the meeting
1.8	ACRS Fullcommmittee Meeting Support	ACRS Meeting Support	Attending ACRS Meetings
2.1	Review of SAMA Analysis	Input to Supplemental Environmental Impact Statement	8 weeks after receipt of Environmental Report
2.2	Development of RAIs	RAIs	8 weeks after receipt for Environmental Report
2.3	Resolution of RAIs	Trip Report	1 week after the trip
2.4	Review of Applicant's Responses to RAIs	E-mail Describing Any Additional Information or Clarification Needed	As required
		Draft Updated Input to Supplemental Environmental Impact Statement	4 weeks after receipt of RAI responses
Task No.	Task Title	Deliverable	Due Date
2.4	Review of Applicant's Responses to RAIs	Final Input to Supplemental Environmental Impact Statement	2 weeks after receipt of NRC comments
2.5	Public Meeting Support	Trip Report	1 week after the trip
Task No.	Task Title	Deliverable	Due Date

3.1	GEIS Update	Summary Change Report	December 20, 2007
		Draft GEIS Sections	December 20, 2007
		Final GEIS Sections	October 3, 2008
3.2	ESRP Supplement 1 and RG 4.2 Supplement 1 Update	Summary Change Report	September 8, 2008
		Draft ESRP Supplement 1 and RG 4.2 Supplement 1 Sections	October 8, 2008
		Final ESRP Supplement 1 RG 4.2 Supplement 1 Sections	December 8, 2008

Monthly Status Report

The contractor shall provide a Monthly Status Report to the NRC PO, TM, Contracting Officer (CO), NRR Funds Certification Officer, and OCFO by the 15th of each month, in a format similar to the sample contained in Attachment 1. The report should be transmitted electronically to the PO, TM, and NRR Funds Certification Officer, and OCFO with a hard copy sent to the CO. The report shall provide the technical and financial status of the effort.

The technical status section of the report shall contain a summary of the work performed for each LRA review and the LR guidance documents update during the reporting period, and milestones reached, or if missed, an explanation why; any problems or delays encountered or anticipated with recommendations for resolution; and plans for the next reporting period. The status shall include information on travel during the period to include trip start and end dates, destination, and travelers for each trip.

The financial status section of the report shall include for each LRA review and the LR guidance document the total contract award amount and funds obligated to date; total costs incurred in the reporting period, broken down by direct and indirect costs, and total cumulative costs incurred to date. The status shall also contain the balance of obligations remaining at the endof the period and balance of funds required to complete the contract/task order. Additionally, the report shall address the status of the Contractor Spending Plan (CSP) for each LRA review and the LR guidance documents update showing the percentage of project completion and any significant changes in either projected expenditures or percentage of completion. The report should also identify the acquisition cost, description (model number, manufacturer) and acquisition date of any property/equipment acquired for the project during the month with an

acquisition cost more than $500.

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.

License Fee Recovery Cost Status Report

The work for all tasks is license fee recoverable. Pursuant to the provisions on fees of 10 CFR Parts **170** and **171,** provide the total amount of funds costed during the period and cumulative to date for each LRA review by facility. The license Fee Recovery Status Report must be on a separate page, as part of the monthly status report, in the format provided in Attachment 1.

There should be only one License Fee Recovery Cost Status (LFRCS) table per contract each month. Unit numbers, for example, Beaver Valley 2, should be identified for each facility included in each table, the facilities should be sorted by docket number, and costs should be reported as whole numbers rounded to the nearest dollar. For work that involves more than one unit at the same site, each unit should be listed separately and the costs should be split appropriately between the units. Common costs, as defined below, must be identified separately in the LFRCS table each month and must be divided among all plants worked on under the program during the month. The total of the period costs reported in the LFRCS table. should equal the total of the period costs reported in the Financial Status report. In the event the totals of the costs reported in these two tables are not equal, an explanation for the variance should be given as a footnote to the LFRCS table.

"Common costs" are those costs associated with the performance of an overall program that benefit all similar licensees covered under that program or that are required to satisfactorily carry out the program. Common costs include costs associated with the following: preparatory or startup efforts to interpret and reach agreement on methodology, approach, acceptance criteria, regulatory position, or technical reporting requirements; efforts associated with the lead-plant concept that might be involved during the first one or two plant reviews; meetings and discussions involving the above efforts to provide orientation, background knowledge, or guidance during the course of a program; any technical effort applied to a category of plants; and project management.

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6. MEETINGS AND TRAVEL

The following meetings and travel are anticipated for estimating purposes for each LRA review:

Task 1 - Scoping and Screening Review

One two-person, three-day meeting at the plant site or applicants office to resolve RAIs

One, one-person, one-day meeting at NRC Headquarters, Rockville, MD for the ACRS Subcommittee Meeting

One, one-person, half-day meeting at NRC Headquarters, Rockville MD, for the ACRS Fullcommittee Meeting

Task 2 - SAMA Review

One, one-person, one-day meeting at plant site or applicants office to resolve RAIs or support public meeting

Task 3 - GEIS Update

Two, two-person, three day meeting to NRC Headquarters in Rockville, MD for writing sessions on the draft and final GEIS.

Four-one-person trips for one-day public meetings. The location of the four meetings include GA, MA, CA and IL.

7. NRC FURNISHED MATERIAL

1. LRA
2. License Renewal Boundary Drawings
3. Updated FSAR
4. Applicant's Environmental Report
5. Applicant's IPE and IPEEE submittals, and the associated NRC staff evaluations
6. Relevant plant specific risk-informed license amendment reviews
7. SER Template
8. ANL Scoping Report
9. NUREG-1379, "NRC Editorial Style Guide is available through ADAMS (Accession No. ML041050307)
10. NUREG-650, "NRC Collection of Abbreviations", Revision 2 is available through ADAMS (Accession No. ML041050544)
11. Other applicable background information and reference documentation are available on the NRC web site (including License Renewal Rule 10 CFR Part 54, NUREG 1800, Revision 1, Regulatory Guide 1.188, Revision 1, NUREG 1437, NUREG/BR-0058, NUREG -1793, NUREG-1555 Supplement 1 and Regulatory Guide 4.2 Supplement 1), or can be provided by the TM upon request.

Subpart 2009.5 Organizational Conflicts of Interest

§2009.500 Scope of subpart.

In accordance with 42 U.S.C. 2210a., NRC acquisitions are processed in accordance with §2009.570, which takes precedence over FAR 9.5 with respect to organizational conflicts of interest. Where non-conflicting guidance appears in FAR 9.5, that guidance must be followed.

§2009.570 NRC organizational conflicts of interest.

§2009.570-1 Scope of policy.

(a) It is the policy of NRC to avoid, eliminate, or neutralize contractor organizational conflicts of interest. The NRC achieves this objective by requiring all prospective contractors to submit information describing relationships, if any, with organizations or persons (including those regulated by the NRC) which may give rise to actual or potential conflicts of interest in the event of contract award.

(b) Contractor conflict of interest determinations cannot be made automatically or routinely. The application of sound judgment on virtually a case-by-case basis is necessary if the policy is to be applied to satisfy the overall public interest. It is not possible to prescribe in advance a specific method or set of criteria which would serve to identify and resolve all of the contractor conflict of interest situations that might arise. However, examples are provided in these regulations to guide application of this policy guidance. The ultimate test is as follows: Might the contractor, if awarded the contract, be placed in a position where its judgment may be biased, or where it may have an unfair competitive advantage?

(c) The conflict of interest rule contained in this subpart applies to contractors and offerors only. Individuals or firms who have other relationships with the NRC (e.g., parties to a licensing proceeding) are not covered by this regulation. This rule does not apply to the acquisition of consulting services through the personnel appointment process, NRC agreements with other Government agencies, international organizations, or state, local, or foreign Governments. Separate procedures for avoiding conflicts of interest will be employed in these agreements, as appropriate.

§2009.570-2 Definitions.

Affiliates means business concerns which are affiliates of each other when either directly or indirectly one concern or individual controls or has the power to control another, or when a third party controls or has the power to control both.

Contract means any contractual agreement or other arrangement with the NRC except as provided in §2009.570-1(c).

Contractor means any person, firm, unincorporated association, joint venture, co-sponsor, partnership, corporation, affiliates thereof, or their successors in interest, including their chief executives, directors, key personnel (identified in the contract), proposed consultants or subcontractors, which are a party to a contract with the NRC.

Evaluation activities means any effort involving the appraisal of a technology, process, product, or policy.

Offeror or prospective contractor means any person, firm, unincorporated association, joint venture, co-sponsor, partnership, corporation, or their affiliates or successors in interest, including their chief executives, directors, key personnel, proposed consultants, or subcontractors, submitting a bid or proposal, solicited or unsolicited, to the NRC to obtain a contract.

Organizational conflicts of interest means that a relationship exists whereby a contractor or prospective contractor has present or planned interests related to the work to be performed under an NRC contract which:

(1) May diminish its capacity to give impartial, technically sound, objective assistance and advice, or may otherwise result in a biased work product; or

(2) May result in its being given an unfair competitive advantage.

Potential conflict of interest means that a factual situation exists that suggests that an actual conflict of interest may arise from award of a proposed contract. The term potential conflict of interest is used to signify those situations that

(1) Merit investigation before contract award to ascertain whether award would give rise to an actual conflict; or

(2) Must be reported to the contracting officer for investigation if they arise during contract performance.

Research means any scientific or technical work involving theoretical analysis, exploration, or experimentation.

Subcontractor means any subcontractor of any tier who performs work under a contract with the NRC except subcontracts for supplies and subcontracts in amounts not exceeding $10,000.

Technical consulting and management support services means internal assistance to a component of the NRC in the formulation or administration of its programs, projects, or policies which normally require that the contractor be given access to proprietary information or to information that has not been made available to the public. These services typically include assistance in the preparation of program plans, preliminary designs, specifications, or statements of work.

§2009.570-3 Criteria for recognizing contractor organizational conflicts of interest.

(a) General.

(1) Two questions will be asked in determining whether actual or potential organizational conflicts of interest exist:

(i) Are there conflicting roles which might bias an offeror's or contractor's judgment in relation to its work for the NRC?

(ii) May the offeror or contractor be given an unfair competitive advantage based on the performance of the contract?

(2) NRC's ultimate determination that organizational conflicts of interest exist will be made in light of common sense and good business judgment based upon the relevant facts. While it is difficult to identify and to prescribe in advance a specific method for avoiding all of the various situations or relationships that might involve potential organizational conflicts of interest, NRC

personnel will pay particular attention to proposed contractual requirements that call for the rendering of advice, consultation or evaluation activities, or similar activities that directly lay the groundwork for the NRC's decisions on regulatory activities, future procurements, and research programs. Any work performed at an applicant or licensee site will also be closely scrutinized by the NRC staff.

(b) Situations or relationships. The following situations or relationships may give rise to organizational conflicts of interest:

(1) The offeror or contractor shall disclose information that may give rise to organizational conflicts of interest under the following circumstances. The information may include the scope of work or specification for the requirement being performed, the period of performance, and the name and telephone number for a point of contact at the organization knowledgeable about the commercial contract.

(i) Where the offeror or contractor provides advice and recommendations to the NRC in the same technical area where it is also providing consulting assistance to any organization regulated by the NRC.

(ii) Where the offeror or contractor provides advice to the NRC on the same or similar matter on which it is also providing assistance to any organization regulated by the NRC.

(iii) Where the offeror or contractor evaluates its own products or services, or has been substantially involved in the development or marketing of the products or services of another entity.

(iv) Where the award of a contract would result in placing the offeror or contractor in a conflicting role in which its judgment may be biased in relation to its work for the NRC, or would result in an unfair competitive advantage for the offeror or contractor.

(v) Where the offeror or contractor solicits or performs work at an applicant or licensee site while performing work in the same technical area for the NRC at the same site.

(2) The contracting officer may request specific information from an offeror or contractor or may require special contract clauses such as provided in §2009.570-5(b) in the following circumstances:

(i) Where the offeror or contractor prepares specifications that are to be used in competitive procurements of products or services covered by the specifications.

(ii) Where the offeror or contractor prepares plans for specific approaches or methodologies that are to be incorporated into competitive procurements using the approaches or methodologies.

(iii) Where the offeror or contractor is granted access to information not available to the public concerning NRC plans, policies, or programs that could form the basis for a later procurement action.

(iv) Where the offeror or contractor is granted access to proprietary information of its competitors.

(v) Where the award of a contract might result in placing the offeror or contractor in a conflicting role in which its judgment may be biased in relation to its work for the NRC or might result in an unfair competitive advantage for the offeror or contractor.

(c) Policy application guidance. The following examples are illustrative only and are not intended to identify and resolve all contractor organizational conflict of interest situations.

(1)(i) Example. The ABC Corp., in response to a Request For Proposal (RFP), proposes to undertake certain analyses of a reactor component as called for in the RFP. The ABC Corp. is one of several companies considered to be technically well qualified. In response to the inquiry in the RFP, the ABC Corp. advises that it is currently performing similar analyses for the reactor manufacturer.

(ii) Guidance. An NRC contract for that particular work normally would not be awarded to the ABC Corp. because the company would be placed in a position in which its judgment could be biased in relationship to its work for the NRC. Because there are other well-qualified companies available, there would be no reason for considering a waiver of the policy.

(2)(i) Example. The ABC Corp., in response to an RFP, proposes to perform certain analyses of a reactor component that is unique to one type of advanced reactor. As is the case with other technically qualified companies responding to the RFP, the ABC Corp. is performing various projects for several different utility clients. None of the ABC Corp. projects have any relationship to the work called for in the RFP. Based on the NRC evaluation, the ABC Corp. is considered to be the best qualified company to perform the work outlined in the RFP.

(ii) Guidance. An NRC contract normally could be awarded to the ABC Corp. because no conflict of interest exists which could motivate bias with respect to the work. An appropriate clause would be included in the contract to preclude the ABC Corp. from subsequently contracting for work with the private sector that could create a conflict during the performance of the NRC contract. For example, ABC Corp. would be precluded from the performance of similar work for the company developing the advanced reactor mentioned in the example.

(3)(i) Example. The ABC Corp., in response to a competitive RFP, submits a proposal to assist the NRC in revising NRC's guidance documents on the respiratory protection requirements of 10 CFR Part 20. ABC Corp. is the only firm determined to be technically acceptable. ABC Corp. has performed substantial work for regulated utilities in the past and is expected to continue similar efforts in the future. The work has and will cover the writing, implementation, and administration of compliance respiratory protection programs for nuclear power plants.

(ii) Guidance. This situation would place the firm in a role where its judgment could be biased in relationship to its work for the NRC. Because the nature of the required work is vitally important in terms of the NRC's responsibilities and no reasonable alternative exists, a waiver of the policy, in accordance with §2009.570-9 may be warranted. Any waiver must be fully documented in accordance with the waiver provisions of this policy with particular attention to the establishment of protective mechanisms to guard against bias.

(4)(i) Example. The ABC Corp. submits a proposal for a new system to evaluate a specific reactor component's performance for the purpose of developing standards that are important to the NRC program. The ABC Corp. has advised the NRC that it intends to sell the new system to industry once its practicability has been demonstrated. Other companies in this business are using older systems for evaluation of the specific reactor component.

(ii) Guidance. A contract could be awarded to the ABC Corp. if the contract stipulates that no information produced under the contract will be used in the contractor's private activities unless this information has been reported to the NRC. Data on how the reactor component performs, which is reported to the NRC by contractors, will normally be disseminated by the NRC to others to preclude an unfair competitive advantage. When the NRC furnishes information about the reactor component to the contractor for the performance of contracted work, the information may not be used in the contractor's private activities unless the information is generally available to others. Further, the contract will stipulate that the contractor will inform the NRC contracting officer of all situations in which the information,

developed about the performance of the reactor component under the contract, is proposed to be used.

(5)(i) Example. The ABC Corp., in response to a RFP, proposes to assemble a map showing certain seismological features of the Appalachian fold belt. In accordance with the representation in the RFP and §2009.570-3(b)(1)(i), ABC Corp. informs the NRC that it is presently doing seismological studies for several utilities in the eastern United States, but none of the sites are within the geographic area contemplated by the NRC study.

(ii) Guidance. The contracting officer would normally conclude that award of a contract would not place ABC Corp. in a conflicting role where its judgment might be biased. Section 2052.209-72(c) Work for Others, would preclude ABC Corp. from accepting work which could create a conflict of interest during the term of the NRC contract.

(6)(i) Example. AD Division of ABC Corp., in response to a RFP, submits a proposal to assist the NRC in the safety and environmental review of applications for licenses for the construction, operation, and decommissioning of fuel cycle facilities. ABC Corp. is divided into two separate and distinct divisions, AD and BC. The BC Division performs the same or similar services for industry. The BC Division is currently providing the same or similar services required under the NRC's contract for an applicant or licensee.

(ii) Guidance. An NRC contract for that particular work would not be awarded to the ABC Corp. The AD Division could be placed in a position to pass judgment on work performed by the BC Division, which could bias its work for NRC. Further, the Conflict of Interest provisions apply to ABC Corp. and not to separate or distinct divisions within the company. If no reasonable alternative exists, a waiver of the policy could be sought in accordance with §2009.570-9.

(7)(i) Example. The ABC Corp. completes an analysis for NRC of steam generator tube leaks at one of a utility's six sites. Three months later, ABC Corp. is asked by this utility to perform the same analysis at another of its sites.

(ii) Guidance. Section 2052.290-72(c)(3) would prohibit the contractor from beginning this work for the utility until one year after completion of the NRC work at the first site.

(8)(i) Example. ABC Corp. is assisting NRC in a major on-site analysis of a utility's redesign of the common areas between its twin reactors. The contract is for two years with an estimated value of $5 million. Near the completion of the NRC work, ABC Corp. requests authority to solicit for a $100K contract with the same utility to transport spent fuel to a disposal site. ABC Corp. is performing no other work for the utility.

(ii) Guidance. The Contracting Officer would allow the contractor to proceed with the solicitation because it is not in the same technical area as the NRC work; and the potential for technical bias by the contractor because of financial ties to the utility is slight due to the relative value of the two contracts.

(9)(i) Example. The ABC Corp. is constructing a turbine building and installing new turbines at a reactor site. The contract with the utility is for five years and has a total value of $100 million. ABC Corp. has responded to an NRC Request For Proposal requiring the contractor to participate in a major team inspection unrelated to the turbine work at the same site. The estimated value of the contract is $75K.

(ii) Guidance. An NRC contract would not normally be awarded to ABC Corp. because these factors create the potential for financial loyalty to the utility that may bias the technical judgment of the contractor.

(d) Other considerations.

(1) The fact that the NRC can identify and later avoid, eliminate, or neutralize any potential organizational conflicts arising from the performance of a contract is not relevant to a determination of the existence of conflicts prior to the award of a contract.

(2) It is not relevant that the contractor has the professional reputation of being able to resist temptations which arise from organizational conflicts of interest, or that a follow-on procurement is not involved, or that a contract is awarded on a competitive or a sole source basis.

§2009.570-4 Representation.

(a) The following procedures are designed to assist the NRC contracting officer in determining whether situations or relationships exist which may constitute organizational conflicts of interest with respect to a particular offeror or contractor. The procedures apply to small purchases meeting the criteria stated in the following paragraph (b) of this section.

(b) The organizational conflicts of interest representation provision at §2052.209-71 must be included in solicitations and contracts resulting from unsolicited proposals. The contracting officer must also include this provision for task orders and contract modifications for new work for:

(1) Evaluation services or activities;

(2) Technical consulting and management support services;

(3) Research; and

(4) Other contractual situations where special organizational conflicts of interest provisions are noted in the solicitation and would be included in the resulting contract. This representation requirement also applies to all modifications for additional effort under the contract except those issued under the "Changes" clause. Where, however, a statement of the type required by the organizational conflicts of interest representation provisions has previously been submitted with regard to the contract being modified, only an updating of the statement is required.

(c) The offeror may, because of actual or potential organizational conflicts of interest, propose to exclude specific kinds of work contained in a RFP unless the RFP specifically prohibits the exclusion. Any such proposed exclusion by an offeror will be considered by the NRC in the evaluation of proposals. If the NRC considers the proposed excluded work to be an essential or integral part of the required work and its exclusion would be to the detriment of the competitive posture of the other offerors, the NRC shall reject the proposal as unacceptable.

(d) The offeror's failure to execute the representation required by paragraph (b) of this section with respect to an invitation for bids is considered to be a minor informality. The offeror will be permitted to correct the omission.

§2009.570-5 Contract clauses.

(a) General contract clause. All contracts and simplified acquisitions of the types set forth in §2009.570-4(b) must include the clause entitled, "Contractor Organizational Conflicts of Interest," set forth in §2052.209-72.

(b) Other special contract clauses. If it is determined from the nature of the proposed contract that an organizational conflict of interest exists, the contracting officer may determine that the conflict can be avoided, or, after obtaining a waiver in accordance with §2009.570-9,

neutralized through the use of an appropriate special contract clause. If appropriate, the offeror may negotiate the terms and conditions of these clauses, including the extent and time period of any restriction. These clauses include but are not limited to:

(1) Hardware exclusion clauses which prohibit the acceptance of production contracts following a related non-production contract previously performed by the contractor;

(2) Software exclusion clauses;

(3) Clauses which require the contractor (and certain of its key personnel) to avoid certain organizational conflicts of interest; and

(4) Clauses which provide for protection of confidential data and guard against its unauthorized use.

§2009.570-6 Evaluation, findings, and contract award.

The contracting officer shall evaluate all relevant facts submitted by an offeror and other relevant information. After evaluating this information against the criteria of §2009.570-3, the contracting officer shall make a finding of whether organizational conflicts of interest exist with respect to a particular offeror. If it has been determined that real or potential conflicts of interest exist, the contracting officer shall:

(a) Disqualify the offeror from award;

(b) Avoid or eliminate such conflicts by appropriate measures; or

(c) Award the contract under the waiver provision of §2009.570-9.

§2009.570-7 Conflicts identified after award.

If potential organizational conflicts of interest are identified after award with respect to a particular contractor and the contracting officer determines that conflicts do exist and that it would not be in the best interest of the Government to terminate the contract, as provided in the clauses required by §2009.570-5, the contracting officer shall take every reasonable action to avoid, eliminate, or, after obtaining a waiver in accordance with §2009.570-9, neutralize the effects of the identified conflict.

§2009.570-8 Subcontracts.

The contracting officer shall require offerors and contractors to submit a representation statement from all subcontractors (other than a supply subcontractor) and consultants performing services in excess of $10,000 in accordance with §2009.570-4(b). The contracting officer shall require the contractor to include contract clauses in accordance with §2009.570-5 in consultant agreements or subcontracts involving performance of work under a prime contract.

§2009.570-9 Waiver.

(a) The contracting officer determines the need to seek a waiver for specific contract awards with the advice and concurrence of the program office director and legal counsel. Upon the recommendation of the Senior Procurement Executive, and after consultation with legal counsel, the Executive Director for Operations may waive the policy in specific cases if he determines that it is in the best interest of the United States to do so.

(b) Waiver action is strictly limited to those situations in which:

(1) The work to be performed under contract is vital to the NRC program;

(2) The work cannot be satisfactorily performed except by a contractor whose interests give rise to a question of conflict of interest.

(3) Contractual and/or technical review and surveillance methods can be employed by the NRC to neutralize the conflict.

(c) The justification and approval documents for any waivers must be placed in the NRC Public Document Room.

§2009.570-10 Remedies.

In addition to other remedies permitted by law or contract for a breach of the restrictions in this subpart or for any intentional misrepresentation or intentional nondisclosure of any relevant interest required to be provided for this section, the NRC may debar the contractor from subsequent NRC contracts.

8. OTHER APPLICABLE INFORMATION

License Fee Recovery

All work specified in this SOW for Tasks 1 and 2 (Scoping and Screening and SAMA Reviews) are license fee recoverable and must be charged to TAC number identified to the contractor by the NRC TM.

The work specified in this SOW for Task 3 (Update of License Renewal Documents) is not license fee recoverable.

Attachment 1

Monthly Status Report for July .....
Under Contract No. NRC-XX-XX-XXXX, JCN-.....

A. LRA Identification and Financial Summary Information

Contract Number	JCN Number	LRA
TASK 1	J-4047	
TASK 2	J-4088	
TASK 3	J-4089	

Project Title:

Contract Team Leader
NRC Technical Monitor
NRC Project Manager

Total Award Amount:

Funds Obligated to Date:

Total Costs Incurred This Reporting Period Direct:

Total Costs Incurred This Reporting Period Indirect:
Cumulative Costs to Date:

Percent Expended (Cum Cost/Obligated):

Balance of Obligated Funds Remaining:

Balance of Fund Required for Completion:

Period of Performance:

Spending Plan

	10/03	11/03	12/03	01/04	02/04	03/04	04/04	05/04	06/04	07/04	08/04	09/04	10/04	11/01		Total
Planned	Xx												-	-	-	
Revised Plan	Xxx												-	-	-	
Actual	Xx												-	-	-	

B. **Efforts Completed/Schedule Milestone Information**

Subtask	Description	Planned Completion Date	Revised Completion Date	Actual Completion

				Date
1.1	xxx	09/30/2006		
2.1				

C. Work Performed

Work under this task order is XX percent complete.

D. Problem/Resolution

E. Travel for This Period

Name	Start Date	End Date	Destination

F. Plans for Next Period

LICENSE FEE RECOVERY COST STATUS

LRA Review	Facility Name and Unit	Docket Number	Identification (TAC) Number	Costs	
				Period	Cumulative

Common Costs

___No license fee recoverable costs were incurred during the reporting period.