

ORDER FOR SUPPLIES OR SERVICES

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

BPA NO. NRC-DR-03-09-077

1. DATE OF ORDER 11/30/2009		2. CONTRACT NO. (if any) GS23F0110M		6. SHIP TO:	
3. ORDER NO. NRC-T003		MODIFICATION NO.		a. NAME OF CONSIGNEE U.S. Nuclear Regulatory Commission	
5. ISSUING OFFICE (Address correspondence to) U.S. Nuclear Regulatory Commission Div. of Contracts Attn: Jeffrey R. Mitchell, 301-493-3639 Mail Stop: TWB-01-B10M Washington, DC 20555		4. REQUISITION/REFERENCE NO. 03-09-077T003 NRR-10-027		b. STREET ADDRESS Attn: Rick Daniel Mail Stop: T9-F29 11555 Rocville Pike	
7. TO:		c. CITY Rockville.		d. STATE MD	e. ZIP CODE 20852
a. NAME OF CONTRACTOR ENERGY RESEARCH, INC.		f. SHIP VIA		8. TYPE OF ORDER	
b. COMPANY NAME ATTN: TRACEY MULLINIX		c. STREET ADDRESS 6167 EXECUTIVE BLVD.		<input type="checkbox"/> a. PURCHASE <input checked="" type="checkbox"/> b. DELIVERY 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.	
d. CITY ROCKVILLE		e. STATE MD	f. ZIP CODE 208523901		
9. ACCOUNTING AND APPROPRIATION DATA 020-15-111-126 J4276 252A 31x0200.020 Obligate \$88,000.00 CONTRACTORS DUNS: 621211259		10. REQUISITIONING OFFICE NRR			
11. BUSINESS CLASSIFICATION (Check appropriate box(es))					12. F.O.B. POINT N/A
<input checked="" type="checkbox"/> a. SMALL <input type="checkbox"/> b. OTHER THAN SMALL <input type="checkbox"/> c. DISADVANTAGED <input type="checkbox"/> g. SERVICE-DISABLED VETERAN-OWNED <input type="checkbox"/> d. WOMEN-OWNED <input type="checkbox"/> e. HUBZone <input type="checkbox"/> f. EMERGING SMALLBUSINESS					
13. PLACE OF		14. GOVERNMENT B/L NO.		15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date)	
a. INSPECTION		b. ACCEPTANCE		16. DISCOUNT TERMS	

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)
	In accordance with Section A.10 entitled "Task Order Procedures" of the subject contract, this order definitizes Task Order No. 3. This effort shall be performed in accordance with the enclosed Statement of Work. Task Order No. 3 entitled "Technical Support for Research and Test Reactors (RTR) License Renewal Application Reviews with Streamlined Review Process; Aerotest Radiography and Research Reactor Facility" The issuance of this task order does not amend any other terms or conditions of the subject contract.					

SEE BILLING INSTRUCTIONS ON REVERSE	18. SHIPPING POINT		19. GROSS SHIPPING WEIGHT		20. INVOICE NO.	
	21. MAIL INVOICE TO:					
	a. NAME Department of Interior / NBC NRCPayments@nbc.gov					
	b. STREET ADDRESS (or P.O. Box) Attn: Fiscal Services Branch - D2770 7301 W. Mansfield Avenue					
c. CITY Denver			d. STATE CO	e. ZIP CODE 80235-2230		
\$171,695.68						17(h) TOTAL (Cont. pages)
\$171,695.68						17(i) GRAND TOTAL

22. UNITED STATES OF AMERICA BY (Signature) 	23. NAME (Typed) Jeffrey R. Mitchell Contracting Officer TITLE: CONTRACTING/ORDERING OFFICER
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In accordance with the Terms and Conditions, TASK ORDER PROCEDURES, of the subject contract, Task Order No. 03 is definitized. The effort shall be performed in accordance with the attached Statement of Work.

CONSIDERATION AND OBLIGATION--COST REIMBURSEMENT (JUN 1988)

(a) The total estimated cost to the Government for full performance under this contract is \$171,695.68.

(b) The amount obligated by the Government with respect to this contract is \$88,000.00. 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.

DURATION OF CONTRACT PERIOD (MAR 1987)

This contract shall commence on Day of Award and will expire July 31, 2010.

PRICE/COST SCHEDULE

The following is a summary of the labor categories, number of hours and hourly labor rates.

Task Order No. 2 Day of Award through July 31, 2010					
TASK 2 CLIN	LABOR CATEGORY	EST. HOURS	YEAR 1 RATES (FIXED) AWARD - 12/31/09	YEAR 2 RATES (FIXED) 01/01/10 - 07/31/10	ESTIMATE (BLENDED RATE X HOURS) LABOR
001	Executive	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
002	Executive Engineer Scientist	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
003	Senior Engineer/Scientist	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
004	Support Staff	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
005	Senior Consulting Engineer	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sub Total (Labor)					\$153,045.68

Task 2 Travel Estimate		(AWARD - July 31, 2010)
Line Item	Category	Total Estimated Costs
006	Travel (Cost Reimbursable) The government will pay up to the rates specified in the Government Federal Travel Regulations (FTR) for travel destination. NO PAYMENT WILL BE MADE WITHOUT BACKUP DOCUMENTATION/RECEIPTS. *All travel must be approved in advance by the NRC Project Officer.*	[REDACTED]
Estimated Total Travel		\$18,000.00

Task 3 ODC Estimate		(AWARD -- July 31, 2010)		
BPA Line Item	Description	Estimated Quantity	Unit Rate	Estimated Total
007A	Other Direct Cost (Copies)			
007B **	Other Direct Cost (Phone, FAX, Postage & Courier)	1 Lot	Actual Cost	
Estimated Total ODC Total				

(B) ** These items are Open Market and do not apply to the Federal Supply Schedule Terms and Conditions. These items must comply with the following clauses incorporated by reference:

REFERENCE	NUMBER	TITLE	DATE
	FAR 52.212-4	CONTRACT TERMS AND CONDITIONS COMMERCIAL ITEMS	MARCH 2001
	FAR 52.212-5	CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUES OR EXECUTIVE ORDERS - COMMERCIAL ITEMS	MARCH 2001

TOTAL ESTIMATED AMOUNT (TASK ORDER 3)	\$171,695.68
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Your contacts during the course of the work order are:

Technical Matters: Rick Daniel, Project Officer
301-415-6319

Contractual Matters: Jeffrey R. Mitchell, Contract Specialist
301-492-3639

The issuance of this work order does not amend any terms or conditions of the delivery order under the GSA FSS Contract.

Accepted Task Order No. 03:

Moham Khalil-Rah
NAME

President
Title

12/1/2009
Date

**Statement of Work
For
Task Order 3
Aerotest Radiography and Research Reactor Facility
Technical Support for Research and Test Reactors
(RTR)
License Renewal Application Reviews with
Streamlined Review Process**

**Statement of Work
For
Task Order 3**

**Technical Support for Research and Test Reactors
License Renewal Application Reviews with Streamlined Review Process
For the Aerotest Radiography and Research Reactor Facility**

1.0 Background

The Nuclear Regulatory Commission (NRC) has the authority and responsibility to review and evaluate requests for licensing actions made by its licensees. Aerotest Operations, Inc. (licensee) submitted an application for renewal of its Operating License No. R-98 for the Aerotest Radiography and Research Reactor (ARRR). As part of the license renewal application (LRA) request, the licensee submitted the safety analysis report (SAR) and technical specifications (TS). Issuance of a renewed license would authorize operation of the ARRR for a period of 40 years.

This task order falls under the focused review in the streamlined review process in the "Scope of Work" section of the Statement of Work (SOW) for the base-ordering contract. The NRC's review will center on the most safety-significant aspects of the LRA and relies on past NRC reviews for certain safety findings. Specifically, the review of the ARRR will focus on the sections of the SAR that are most significant to safety, including reactor design and operation, accident analysis, and technical specifications. The focused review will be performed in accordance with the guidance provided in "Interim Staff Guidance (ISG) on Streamlined Review Process for License Renewal for Research and Test Reactors," to ensure that those portions of the LRA satisfy the requirements of Title 10 of *The Code of Federal Regulations*. The license renewal process may include public, NRC management, Commission, and Congressional meetings. It may also include a public hearing with the Atomic Safety Licensing Board or the Commission.

2.0 Objective

The objective of this task order is to obtain necessary technical services to assist the NRC staff in the review and evaluation of the Aerotest Operations, Inc.'s application for renewal of its ARRR operating license. Specifically, the contractor shall support the staff in determining the technical adequacy in accordance with review guidance provided in the "Interim Staff Guidance (ISG) on Streamlined Review Process for License Renewal for Research and Test Reactors," perform independent calculations to verify the applicant's statement in the SAR and TS submitted as part of the licensee's application for license renewal, and to obtain safety evaluation (SE) input that formalizes the recommended safety and radiological conclusions made by the contractor.

3.0 Technical and Other Special Qualifications Required

The contractor shall provide personnel who have knowledge and practical experience with RTR technology and SAR analyses. These personnel shall have knowledge and experience in areas such as health physics, core physics, thermal hydraulics, system and nuclear engineering as appropriate for conducting the review of the SAR and TS.

The contractor shall also provide a Program Manager to oversee the efforts of its team and to ensure the timely submittal of quality deliverables such that all information is accurate and complete. The contractor shall also provide a technical editor to edit the final safety evaluation report input.

4.0 Scope of Work

The contractor shall perform the tasks below in accordance with the estimated completion schedule. The specific dates for these deliverables will be agreed upon between the NRC Technical Monitor (TM) and the contractor's program manager prior to start of work.

Task 1 LRA Review Plan

Requirement

The contractor shall conduct an initial review of the ARRR LRA and previously issued safety evaluation report. The contractor shall accompany NRC staff on a one-day visit to ARRR facility to observe the site configuration and to conduct general discussions regarding the LRA with the licensee. The site visit is expected to occur within three weeks after award of task order. The contractor shall prepare a draft review plan that includes, at a minimum the scope of the review, milestones to be completed and expected completion dates, any changes to the proposed staffing plan and resource loading data. The contractor shall incorporate comments provided by the NRC TM into the draft review plan and provide the final review plan.

Standard

The contractor participates in the site visit to ARRR facility.

Review plan covers all required tasks and contains all milestones that must be completed for the Final SE Input to be accepted by the NRC.

The Review Plan shall be coherent and be on time with no spelling or grammatical error.

Deliverable

Draft Review Plan - One week after completion of site visit

Final Review Plan – One week after receipt of NRC Comments

Meetings and Travel

One, 3-person, 3-day trip (1-day meeting and travel) to ARRR facility for familiarization, and general discussion of the LRA

Task 2 Revised Draft Safety Evaluation (SE) Input and Request for Additional Information (RAI)

Requirement

The contractor shall conduct a comprehensive review of the LRA. Based on the requirements of 10 CFR 20, 30, 40, 50 and 70 as appropriate, and the guidance contained in the "Interim Staff Guidance (ISG) on Streamlined Review Process for License Renewal for Research and Test Reactors," the contractor shall determine the

applicant's conformance to the regulatory requirements and NRC guidance. The contractor shall prepare a draft SE input in accordance with the outline contained in the "Interim Staff Guidance (ISG) on Streamlined Review Process for License Renewal for Research and Test Reactors," with any open items that the contractor may identify, that documents the evaluative analysis of how the applicant met the applicable regulation requirements. The Draft SE Input shall state the applicable regulations or standards, discuss the applicant's method for satisfying the regulations or standards, and provide an analysis of whether the applicant's method does indeed satisfy the regulations or standards.

The contractor shall identify the portions of the LRA needing further clarification to complete the Draft SE Input. The specific questions, in the form of a request for additional information (RAI), that are derived from the evaluation, shall be provided with the Draft SE Input. The contractor shall incorporate comments provided by the NRC TM into the Draft SE Input and Draft RAI and provide the Revised Draft SE Input and Draft RAI.

Standard

The contractor conducts a comprehensive review of the ARRR LRA.

Draft SE Input is in accordance with the review guidance specified in the "Interim Staff Guidance (ISG) on Streamlined Review Process for License Renewal for Research and Test Reactors," and shall include all information requested in the SOW with placeholders as necessary for open items.

Draft SE Input describes the contractor's evaluation of the applicant's conformance to regulatory requirements and clearly identifies areas where additional information is warranted. Where necessary, contractor performs independent calculation to verify applicant's statement discussed in the SAR.

Draft SE Input shall be on time, technically acceptable, with no spelling or grammatical error and in the specified format.

Draft RAI contains technical and regulatory basis.

Revised Draft SE Input and Revised Draft RAI incorporate NRC comments.

Revised Draft SE Input and Revised Draft RAI shall be on time, technically acceptable, with no spelling or grammatical error.

Deliverable

Draft SE Input and Draft RAI – Six weeks after completion of site visit

Revised Draft SE Input and Draft RAI - One week after receipt of NRC comments

Meetings and Travel

No meeting and travel is require for this for this task

Task 3 Conduct 2nd Site Visit, Final RAI, and Conduct 3rd Site Visit

Requirement

The contractor shall prepare for and participate in a meeting at the ARRR facility to observe license renewal related equipment and materials and to discuss the RAI with the license staff and NRC staff. The meeting is expected to occur within two weeks after completion of Task 2. The meeting is intended to ensure that the RAI is understood and the responses will enable the completion of the review of the LRA. The meeting may also be conducted by teleconference call, as determined by the NRC TM. Following the meeting, the contractor shall revise the RAI developed under Task 2 to incorporate NRC staff written comments reflecting clarifications and decisions reached during the site visit and provide the Final RAI.

The contractor shall prepare for and participate in a meeting at the ARRR facility to discuss the licensee's responses to the Final RAI. The meeting is expected to occur within four to six weeks after issuance of the Final RAI. This meeting is intended to gauge the licensee's response to the RAI to ascertain that the responses will enable the completion of the review of the LRA. The meeting may also be conducted by teleconference call, as determined by the NRC TM.

Standard

The contractor participates in both site visits at ARRR facility or participates via teleconference calls, as appropriate.

Final RAI includes all required information needed to complete the SE Input, technically acceptable, and on time with no spelling or grammatical error.

Deliverable

Final RAI – One week after receipt of NRC comments

Meetings and Travel

One, 3-person, 3-day trip (1-day meeting and travel) to ARRR facility for discussion of RAI

One, 3-person, 3-day trip (1-day meeting and travel) to ARRR facility for discussion of RAI responses

Task 4 Final SE Input

Requirement

The contractor shall review and evaluate the licensee's responses to the Final RAI to determine adequacy and acceptability for the supporting safety conclusions based on the guidance provided in the "Interim Staff Guidance (ISG) on Streamlined Review Process for License Renewal for Research and Test Reactors." The contractor shall prepare a second revision to the Draft SE Input to incorporate information from the final RAI responses and add any additional recommended safety conclusions. The contractor shall incorporate comments provided by the NRC TM into the second revision of the draft SE Input and provide the final SE Input.

Standard

Final SE Input shall be provided on time, technically acceptable, with no spelling or grammatical errors, and in the specified format.

Deliverable

Second Revision to the Draft SE Input – Two weeks after receipt of RAI responses from the licensee

Final SE Input – Two week after receipt of NRC comments.

Meetings and Travel

No meeting and travel is require for this for this task

Task 5 Related Support

Requirement

If requested, the contractor shall provide up to 120 hours of related support to the NRC staff following delivery of the Final SE Input. This related support may, for example, consist of, responding to questions on the final deliverable, attending meetings with NRC Management, or any hearings, to discuss the results of the LRA review, and assisting staff in resolution of outstanding issues from these meetings.

The scope of the related support activity and amount of hours to be used shall be agreed upon between the contractor project manager and the NRC TM before starting the activity. The NRC TM will confirm the request, assistance due date, and estimated level of effort for the specific activity by e-mail to the contractor with a carbon copy to the NRC Project Officer.

Standard

The contractor shall participate in related meeting support, if request by the NRC TM.

All information/support provided for these meetings shall be technically correct.

Deliverable

The contractor shall provide support for the preparation of these meetings, including support services for the dry run. All deliverable due dates will be specified by the NRC TM.

Meetings and Travel

One, 3-person, 3-day trip (1-day meeting and travel) to NRC Headquarters in Rockville, Maryland to support the NRC staff in meeting of the type specified in the requirement described above.

5.0 Period of Performance

This Task Order will commence on the date of contract award and will expire on July 31, 2010.

6.0 Deliverables and Report Requirements

Deliverables

All deliverables shall be submitted to the NRC TM electronically with a copy provided to the NRC Project Officer (PO). These deliverables shall be prepared in Microsoft Office Word format, and in Adobe Acrobat file (pdf). The transmittal letter, at a minimum, shall

contain the job code number (JCN), contract number, the LRA being reviewed, and the contract title. Below is an example of an estimated delivery schedule for review of ARRR LRA. The specific dates for these deliverable will be agreed upon between the NRC TM and the contractor's program manager prior to start of work.

Tasks	Deliverables	Nominal Schedule
LRA Review Plan	Draft Review Plan	One week after completion of site visit
	Final Review Plan	One week after receipt of NRC comments
Revised Draft SE Input and RAIs	Draft SE Input and RAI	Six weeks after completion of site visit
	Revised Draft SE Input and RAI	One week after receipt of NRC comments
Conduct 2 nd Site Visit, Final RAI, and Conduct 3 rd Site Visit	Final RAI	One week after receipt of NRC comments
Final SE Input	Second revision to the Draft SE Input	Two weeks after receipt of RAI responses from the licensee
	Final SE Input	Two weeks after receipt of NRC comments
Related Support	As requested	As requested
Status Report	Monthly Status Report	15 th of each month

Monthly Status Report

The contractor shall provide an electronic version of the Monthly Status Report to the NRC Project Officer (PO), Technical Monitor (TM), Contracting Officer (CO), NRR Funds Certifying Official and Office of the Chief Financial Officer (OCFO) by the 15th of each month, in a format similar to the sample contained in Attachment 2. 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 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 traveler for each trip.

The financial status section of the report shall include the total contract award amount and funds obligated to date; total costs incurred in the reporting period, broken down by direct and other direct costs, and total cumulative costs incurred to date. The status shall also contain the balance of obligations remaining at the end of the period and balance of funds required to complete the contract. Additionally, if applicable, the report shall address the status of the Contractor Spending Plan (CSP), 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 specified in this SOW is not license fee recoverable.

Performance Requirements

The deliverables required under this effort must conform to the standards contained or referenced in this SOW. The table on performance requirements summarizes the performance requirements, deliverables, acceptable standards, surveillance method, incentives and deductions applicable to this effort.

Performance Requirement and Deliverables	Standard	Method of Review	Incentives/Deduction
LRA Review Plan	<p>Review plan covers all required tasks and contains all milestones that must be completed for the final SE input to be accepted by the NRC.</p> <p>No spelling or grammatical errors.</p>	NRC TM will review the plan.	<p>Full Payment for 100% compliance.</p> <p>Items determined to be missing or incorrect will be corrected by contractor. If not incorporated after initial identification by NRC, contractor will add/correct at its own expense.</p>

Provide Draft Safety Evaluation (SE) Input and Request for Additional Information (RAI)	<p>Draft SE Input is in accordance with the review guidance specified in NUREG-1537, includes all information requested in the SOW with place holders as necessary, and incorporates all comments from the NRC TM.</p> <p>Thoroughly researched LRA, regulatory requirements, and regulatory guidance before issuing RAI. RAI will have direct correlation to safety related information and is appropriate for the level of review being conducted.</p> <p>No spelling or grammatical errors</p>	NRC TM will review the Draft SE Input and RAI.	<p>Full payment for 100% compliance.</p> <p>Items determined to be missing or incorrect will be corrected by contractor. If not incorporated after initial identification by NRC, contractor will add/correct at its own expense.</p>
Provide Final SE Input	<p>SE Input is in accordance with the review guidance specified in NUREG-1537, includes all information requested in the SOW and incorporates all comments by the NRC TM. Technical conclusions are properly supported.</p> <p>No spelling or grammatical errors.</p>	NRC TM will review the SE Input.	<p>Full payment for 100% compliance.</p> <p>Items determined to be missing or incorrect will be corrected by contractor. If not incorporated after initial identification by NRC, contractor will add/correct at its own expense.</p>

7.0 Meeting and Travel

For the purpose of preparing a proposal, the contractor shall assume the following meetings and travel:

One, 3-person, 3-day trip (1-day meeting and travel) to the RTR site for familiarization, and general discussion of the LRA

One, 3-person, 3-day trip (1-day meeting and travel) to the RTR site for discussion of RAI

One, 3-person, 3-day trip (1-day meeting and travel) to the RTR site for discussion of RAI responses

One, 3-person, 3-day trip (1-day meeting and travel) to NRC Headquarters in Rockville, Maryland to support the NRC staff in meeting of the type specified in the above description of Task 5.

8.0 NRC-Furnished Materials

NUREG-0544, Revision 4, "NRC Collection of Abbreviations" (ML041050544)

NUREG-1537 Part 1, "Guidelines for Preparing and Reviewing Applications for the Licensing of Non-Power Reactors, Format and Content" (ML042430055)
NUREG-1537 Part 2, "Guidelines for Preparing and Reviewing Applications for the Licensing of Non-Power Reactors, Standard Review Plan and Acceptable Criteria" (ML042430048)
"Interim Staff Guidance (ISG) on Streamlined Review Process for License Renewal for Research and Test Reactors" (ML092240244)

The above NUREG documents are available in the NRC's Agencywide Documents Access and Management System (ADAMS) using the number provided at:
<http://www.nrc.gov/reading-rm/adams.html>

The LRA for ARRR facility, including SAR and TS will be provided to the contractor after issuance of the task order.