

**ORDER FOR SUPPLIES OR SERVICES**

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

BPA NO.

1. DATE OF ORDER <b>3/9/10</b>		2. CONTRACT NO. (if any) NRC-03-10-070		6. SHIP TO:	
3. ORDER NO. T002		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: Valerie Whipple Washington, DC 20555 Mail Stop: TWB-01-B10M		4. REQUISITION/REFERENCE NO. 03-10-070 FFS: NRC-10-185		b. STREET ADDRESS Karyn Hannum Mail Stop OWFN 11F1	
7. TO:		c. CITY Washington		d. STATE DC	e. ZIP CODE 20555
a. NAME OF CONTRACTOR SOUTHWEST RESEARCH INSTITUTE		f. SHIP VIA		8. TYPE OF ORDER	
b. COMPANY NAME		<input type="checkbox"/> a. PURCHASE		<input checked="" type="checkbox"/> b. DELIVERY	
c. STREET ADDRESS 6220 CULEBRA RD		d. CITY SAN ANTONIO		e. STATE TX	
f. ZIP CODE 782385166		g. SERVICE-DISABLED VETERAN-OWNED		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 B&R: 020-15-112-130 J4389 BOC: 252A APPN: 31X0200.020 FFS: NRR-10-185 <b>\$5,989 NEW FUNDS, AND \$118,533 TRANSFERRED FROM BASIC CONTRACT</b> DUNS: 007935842		10. REQUISITIONING OFFICE FSM	
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11. BUSINESS CLASSIFICATION (Check appropriate box(es))				12. F.O.B. POINT Destination	
<input 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 SMALIBUSINESS			

13. PLACE OF		14. GOVERNMENT B/L NO.		15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date) October 31, 2010		16. DISCOUNT TERMS Net 30	
a. INSPECTION		b. ACCEPTANCE					

17. SCHEDULE (See reverse for Rejections)

ITEM NO. (a)	SUPPLIES OR SERVICES (b)	QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QUANTITY ACCEPTED (g)
	<p>The Contractor shall provide services in accordance with the attached Statement of Work Entitled "Technical Assistance for Quality Assurance Review Support of Renewal Application, Diablo Canyon, U.S. Nuclear Regulatory Commission, Office of Nuclear Reactor Regulation."</p> <p>Total CPFF amount: \$24,522</p> <p>Total obligated amount: \$118,533 (transferred from Basic Contract) plus \$5,989 of new funds = \$124,522</p> <p>Period of Performance: Date of Award through <b>October 31, 2010</b>, with option to extend the task order through <b>November 30, 2011</b> should the optional tasks be exercised.</p> <p>Technical Monitor: Billy Rogers 301-415-2945 NRC Project Officer: Karyn Hannum 301-415-2290</p> <p>List of Attachments: Statement of Work</p> <p align="right">TOTAL TASK ORDER CEILING.....\$124,522 TOTAL TASK ORDER CEILING IF ALL OPTIONS EXERCISED.....\$167,721</p> <p>DUNS: 007936842</p>					

18. SHIPPING POINT		19. GROSS SHIPPING WEIGHT		20. INVOICE NO.		
21. MAIL INVOICE TO:						
SEE BILLING INSTRUCTIONS ON REVERSE	a. NAME Department of Interior / NBC NRCPayments@nbc.gov					17(h) TOTAL (Cont. pages)
	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		

22. UNITED STATES OF AMERICA BY (Signature) 		23. NAME (Typed) Valerie Whipple Contracting Officer TITLE: CONTRACTING/ORDERING OFFICER	
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OPTIONAL FORM 347 (REV. 4/2006) PRESCRIBED BY GSA/FAR 48 CFR 53.213(f)

**SUNSI REVIEW COMPLETE**

MAR 10 2010

**ADMOOZ**

Please indicate your acceptance of this order by having an official who is authorized to bind your organization, execute this document in the space provided below.

ACCEPTED:

Signature:  \_\_\_\_\_

Name: R. B. Kalmbach

Title: Executive Director, Contracts

Date: March 08, 2010

## TASK ORDER TERMS AND CONDITIONS

### 1. CONSIDERATION AND OBLIGATION--COST PLUS FIXED FEE (JUN 1988) ALTERNATE I (JUN 1991)

- (a) The total estimated cost to the Government for full performance of this contract is **\$124,522**, of which the sum of [REDACTED] represents the estimated reimbursable costs, and of which \$ [REDACTED] represents the fixed fee. In the event that the Government exercised optional tasks, the task order shall increase as follows:

Optional Task F:	\$15,109
Optional Task G:	\$28,090
Total:	\$43,199

- (b) There shall be no adjustment in the amount of the Contractor's fixed fee by reason of differences between any estimate of cost for performance of the work under this contract and the actual cost for performance of that work.
- (c) The amount currently obligated by the Government with respect to this contract is **\$124,522**, of which the sum of \$ [REDACTED] represents the estimated reimbursable costs, and of which \$ [REDACTED] represents the fixed fee.

### 2. PERIOD OF PERFORMANCE

The period of performance of this order shall be **Date of Award through October 31, 2010, with the option to extend through November 30, 2011 should the optional tasks be exercised.**

### 3. 52.217-6 OPTION FOR INCREASED QUANTITY (MAR 1989)

The Government may increase the quantity of supplies called for in the Schedule at the unit price specified. The Contracting Officer may exercise the option by written notice to the Contractor within the period of performance of the contract. Delivery of the added items shall continue at the same rate as the like items called for under the contract, unless the parties otherwise agree.

### 4. 2052.215-70 KEY PERSONNEL (JAN 1993)

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

Name

Title

[REDACTED]

Project Manager  
Principal Investigator/SME

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

- (b) If one or more of the key personnel, for whatever reason, becomes, or is expected to become, unavailable for work under this contract for a continuous period exceeding 30 work days, or is expected to devote substantially less effort to the work than indicated in the proposal or initially anticipated, the contractor shall immediately notify the contracting officer and shall, subject to the concurrence of the contracting officer, promptly replace the personnel with personnel of at least substantially equal ability and qualifications.
- (c) Each request for approval of substitutions must be in writing and contain a detailed explanation of the circumstances necessitating the proposed substitutions. The request must also contain a complete resume for the proposed substitute and other information requested or needed by the contracting officer to evaluate the proposed substitution. The contracting officer and the project officer shall evaluate the contractor's request and the contracting officer shall promptly notify the contractor of his or her decision in writing.
- (d) If the contracting officer determines that suitable and timely replacement of key personnel who have been reassigned, terminated, or have otherwise become unavailable for the contract work is not reasonably forthcoming, or that the resultant reduction of productive effort would be so substantial as to impair the successful completion of the contract or the service order, the contract may be terminated by the contracting officer for default or for the convenience of the Government, as appropriate. If the contracting officer finds the contractor at fault for the condition, the contract price or fixed fee may be equitably adjusted downward to compensate the Government for any resultant delay, loss, or damage.

## **5. 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.

## **6. WHISTLEBLOWER PROTECTION FOR NRC CONTRACTOR AND SUBCONTRACTOR EMPLOYEES (JULY 2006)**

(a) The U.S. Nuclear Regulatory Commission (NRC) contractor and its subcontractor are subject to the Whistleblower Employee Protection public law provisions as codified at 42 U.S.C. 5851. NRC contractor(s) and subcontractor(s) shall comply with the requirements of this Whistleblower Employee Protection law, and the implementing regulations of the NRC and the Department of Labor (DOL). See, for example, DOL Procedures on Handling Complaints at 29 C.F.R. Part 24 concerning the employer obligations, prohibited acts, DOL procedures and the requirement for prominent posting of notice of Employee Rights at Appendix A to Part 24.

(b) Under this Whistleblower Employee Protection law, as implemented by regulations, NRC contractor and subcontractor employees are protected from discharge, reprisal, threats, intimidation, coercion, blacklisting or other employment discrimination practices with respect to compensation, terms, conditions or privileges of their employment because the contractor or subcontractor employee(s) has provided notice to the employer, refused to engage in unlawful practices, assisted in proceedings or testified on activities concerning alleged violations of the Atomic Energy Act of 1954 (as amended) and the Energy Reorganization Act of 1974 (as amended).

(c) The contractor shall insert this or the substance of this clause in any subcontracts involving work performed under this contract.

## STATEMENT OF WORK

Project Title: Technical Assistance for Quality Assurance Review Support of License Renewal Application, Diablo Canyon, U.S. Nuclear Regulatory Commission, Office of Nuclear Reactor Regulation

Job Code: J-4389

Task Area: Kick-off Meeting, Audit Prep, Audit, Audit Report, Request for Additional Information, Review Applicants Responses, SER Input

Task Order #: Two (2) - Diablo Canyon

Budget & Reporting No: 020-15-112-130

NRC Issuing Office: Office of Nuclear Reactor Regulation

NRC Project Manager: Karyn Hannum, (301) 415-2290, Karyn.Hannum@nrc.gov

NRC Technical Monitor: Billy Rogers, 301-415-2945, Billy.Rogers@nrc.gov

Fee Recoverable: Yes

TAC Numbers: ME 2895 (Diablo Canyon Unit 1) and ME 2897 (Diablo Canyon Unit 2)

Performing Organization: Center for Nuclear Waste Regulatory Analyses (CNWRA)

### 1.0 Background

The Nuclear Regulatory Commission's (NRC) Office of Nuclear Reactor Regulation (NRR) is responsible for ensuring the public health and safety through licensing and inspection activities at all commercial nuclear power reactor facilities in the United States. Evaluation of License Renewal Applications (LRAs) is performed by the Division of License Renewal (DLR). DLR performs its work in accordance with the requirements of Title 10 of the *Code of Federal Regulations*, Part 54 (10 CFR Part 54), "Requirements for Renewal of Operating Licenses for Nuclear Power Plants". In addition, DLR uses guidance provided in NUREG-1800, "Standard Review Plan for Review of License Renewal Applications for Nuclear Power Plants", Revision 1 (SRP-LR), dated September 2005 and in NUREG-1801, "Generic Aging Lessons Learned (GALL) Report", Revision 1 also dated September 2005. The staff is seeking technical assistance in the review of LRA's in the area of quality assurance.

### 2.0 Objective

The objective of this task order is to provide technical support in the area of quality assurance to the DLR project team in reviewing and evaluating the license renewal application of Diablo Canyon Power Plant Unit 1 and Unit 2.

### 3.0 Scope of Work

Technical support is needed for: 1) the scoping and screening methodology review and 2) the corrective action program review to support the DLR team in the review and evaluation of the Diablo Canyon LRA. For this LRA, the Contractor staff will work in conjunction with NRC staff to audit and review the scoping and screening methodology used by applicants to identify systems, structures, and components relevant to License Renewal, and corrective action related elements of aging management programs (AMPs), aging management reviews (AMRs), and time-limited aging analyses (TLAAs) submitted by the applicant against applicable NRC guidance. The LRA review will be led by a NRC plant project manager (PM). The Contractor shall provide one (1) subject matter expert (SME) knowledgeable and experienced in the area of quality assurance capable of providing technical assistance for four (4) tasks (Tasks A, C, D, and E) and on an optional basis for two (2) tasks (Tasks F and G) which include providing technical support for Advisory Committee on Reactor Safeguards (ACRS) meetings, and technical support for Atomic Safety and Licensing Board Panel (ASLBP) hearings.

For the Scoping and Screening reviews, the team evaluates and audits the methodology used to identify the components within the scope of license renewal and the components subject to an aging management review. For each of the assigned tasks, the team reviews the applicant's LRA and also audits their methodology during an on-site audit. Follow up activities including the development of RAIs, audit report input, and SER input are also required and will be assigned at the direction of the Scoping and Screening Methodology lead reviewer, the Scoping and Screening Methodology Audit Team Leader and the TM, as applicable.

For the corrective action program review, the team evaluates and audits the applicant's aging management programs for the corrective actions, confirmation process, and administrative controls program elements during the on-site audit. Follow up activities including the development of RAIs, audit report input, and SER input are also required and will be assigned at the direction of the Scoping and Screening Methodology lead reviewer, the Scoping and Screening Methodology Audit Team Leader and the TM, as applicable.

The scoping and screening methodology review includes the review of license renewal applications, plant drawings, updated final safety analysis report, and other current licensing basis documents to determine if the applicant has identified the necessary structures and components subject to an aging management review. This is generally done in a scoping step and a screening step. The Contractor will focus on the scoping and screening methodology implemented by the applicant. The Contractor will also review the three AMP program elements related to Quality Assurance in the applicant's corrective actions, confirmation process, and administrative controls program elements and verify their consistency with the program elements described in the GALL Report (NUREG-1801). The Contractor will provide the audit write up, requests for additional information (RAIs) and SER input for the audited items. Areas not audited will be reviewed, RAIs developed, and SER input provided.

**The subject matter expert (SME) shall:**

- Ensure proper expertise in discipline specific review areas prior to the onsite audit
- Generate RAIs, as necessary to complete the final SER
- Provide high quality input into the audit report, SER with open items, and final SER, ensuring all information is accurate and complete

The Contractor shall assign the technical staff who has the required education, background, work experiences, or a combination thereof to meet both the technical and regulatory objectives of the work specified in this SOW.

The Contractor shall ensure that the SME reviews and becomes familiar with the plant-specific LRA. The Contractor shall ensure that the SME also reviews, for familiarization: (1) the audit report and (2) Section 2 of a recently NRC issued SER (final SER or SER with open items). The NRC technical monitor (TM) will identify the specific audit reports and SERs for review.

**Task A. Project Kick-off Meeting**

The Contractor shall attend a project initiation meeting with NRC staff within 5 working days of award of the agreement, or as otherwise directed by the NRC PM/TM. The purpose of the initial meeting is to discuss the project activities and expectations in response to the agreement request for proposal. The NRC PM, NRC TM, and Contractor SME shall establish the various elements of the project, inclusive of deliverables, schedules, and staffing, and shall discuss expectations and objectives of the technical assistance, timeliness and quality of review products. The Contractor staff shall perform the review in accordance with the project schedule and assignments developed by the NRC TM.

**Task C. Audit Preparation, Auditing, and Audit Report**

The NRC plant PM or TM will provide information on the work assignments, e.g., the split of work between the SME(s) and other NRC technical staff. The Contractor shall provide one (1) qualified SME to participate in an NRC-led audit, of up to nine (9) days. The purpose of the team audit is to determine whether: 1) the applicant has sufficiently applied and implemented their scoping and screening methodology towards identifying systems, structures and components within the scope of license renewal and 2) the QA related program elements- corrective actions, confirmation process, and administrative controls for AMPs are adequate to manage aging.

The Contractor shall perform the front end work associated with the preparation of audit and review. This work shall be performed at the Contractor office immediately after acceptance of this Task Order. The SME(s) will pre-write their assigned evaluation portion of the audit report, to the maximum extent possible. In addition, the Contractor shall ensure that each SME (1) review her/his portion of the assignments and (2) review and pre-write the evaluation of her/his portion of the audit report, where possible. This will minimize the time needed at the applicant's site.

The NRC TM will provide a sample of an audit report to the Contractor to aid in the pre-write of the audit report and a current copy of the writing guidelines. The Contractor shall ensure that the SME prepares his/her questions after reviewing the program basis documents for discussion with the applicant during the audit. The Contractor shall document the results of the SME audit and review activities in a scoping and screening methodology and corrective action audit report in accordance with the example format provided.

The scoping and screening methodology and corrective action audit report shall contain the LRA-specific information, extracted from the LRA, which are related to the audit. The audit report template will aid the SME in the pre-write of her/his assigned evaluation portion of the audit report. The Contractor shall prepare the draft audit report in accordance with the writing guidance provided. The Contractor shall deliver RAIs from the audit and the draft audit report to the NRC audit team leader prior to departure from the on-site visit.

The Contractor shall provide a qualified professional technical staff/SME to prepare and review the audit report. The Contractor shall ensure the report is technically correct and complete. The Contractor shall incorporate comments from the peer review, and comments from the NRC staff into the final audit report. The Contractor shall also provide technical writing services to prepare the final audit report.

The deliverables for this task are:

1. Draft RAI's from the audit.
2. Draft audit report sections

The RAI's from the audit and the draft audit report sections assigned shall be delivered to the TM prior to departure from the onsite visit. The Contractor shall revise the draft sections to reflect the NRC staff comments and shall deliver the final section of the audit report no later than five (5) working days after receipt

of the NRC's comments on the draft sections.

**Task D. Request for Additional Information, Review Applicant's Responses, and SER Input (with Open items and Final)**

The Contractor shall provide a qualified professional/SME to prepare formal requests for additional information (RAI), when determined appropriate, to obtain additional information to continue with the scoping and screening methodology and corrective action review. The RAI shall cite the technical and regulatory basis for requesting the information. The Contractor shall also provide a qualified professional/SME to review applicant's responses to the RAI and to determine whether the applicant's responses are acceptable. The deliverables for this task, if applicable, are (1) draft RAIs, (2) technical edited final RAIs, and (3) the SER input (with open items and final). The Contractor shall deliver the draft RAIs to the TM no later than five (5) working days after assigned. The Contractor shall revise the draft RAIs to reflect the NRC staff comments and deliver the final RAIs no later than three (3) working days after receipt of NRC's comments on the draft RAIs. The Contractor shall deliver the documentation of acceptability to the NRC TM no later than seven (7) working days after receiving responses from the applicant. The Contractor shall incorporate responses to the RAIs into the SER as appropriate. The Contractor shall develop the draft SER input with open items in accordance with "Safety Evaluation Report Writing Guidelines and Samples" no later than fifteen (15) working days after the completion of the first onsite visit. The TM and/or plant PM will coordinate any internal NRC staff review of the draft SER with open items input and will prepare a set of NRC staff comments. The TM or plant PM will provide and discuss the comments with the Contractor. The Contractor shall revise the draft SER input with open items to reflect the comments provided by the TM or plant PM and deliver the final SER input no later than five (5) working days after receipt of the comments.

The Contractor shall develop and follow its quality control plan which outlines the procedures and system to be used for document version control, technical input tracking, change management, and technical and editorial reviews. The Contractor shall organize, track, and manage changes in a structured, systematic, and transparent manner, throughout the review and production of the draft and final SER.

**Task E. Peer Review of SER**

The Contractor shall provide up to 100 person-hours of peer review support for designated SER sections. The TM will provide specific sections to the Contractor for review in accordance with DLR guidance. The scope of work, resources, and completion time for each SER section will be agreed upon by the facilitator and the PM/TM prior to starting this activity.

The deliverable for this task is a marked (electronic and paper copy) version of the assigned SER section(s), with comments, as applicable and additional communication, if necessary, to clarify comments.

**Optional Task F. Advisory Committee on Reactor Safeguards (ACRS) Support (as directed by the TM)**

The Contractor shall provide one person up to 60 person-hours to support DLR staff during ACRS meetings (up to two meetings - subcommittee and final) to present the results of the LRA safety review. The activities may include, but are not limited to: providing information, preparing input for the staff's presentation, and participating in the dry run and the ACRS meeting. The ACRS meeting is normally held several months after the completion of the audit report and the SER inputs. The estimated effort should include refreshing of the specialist on the review and any technical issues. The dry run could be accomplished through telephone conference, if deemed acceptable by the TM. A two-day trip to Rockville, MD shall be included in the estimate to support the ACRS meeting.



## 5.0 Meetings and Travel

The audit at Diablo Canyon is a single audit which is expected to take up to two (2) weeks in length, and is scheduled for the week of March 15, 2010 (tentatively). One (1) subject matter expert (SME) knowledgeable and experienced in the area of quality assurance capable of providing technical assistance for four (4) tasks (Tasks A, C, D, and E) and on an optional basis for two (2) tasks (Tasks F and G) is requested for this task order.

If the optional tasks are exercised, there will be additional travel of up to two days to the ACRS meeting in Rockville, MD and a trip up to two days to a location near the site for a public meeting. Routine status meetings (weekly to monthly) by the NRC TM and facilitator should be conducted using electronic means of Tele/Video - conferences or other means to minimize travel costs. Progress meetings will be quarterly during any active phase of this project, at the discretion of the NRC. Each of these meetings between the Contractor and the NRC TM and plant PM for the contract is expected to last 1 day. The Contractor should plan to make available key personnel assigned to active tasks during the course of these meetings. Periodically, a program review meeting, which involves NRC and Contractor management, will be held at the Contractor's office to review overall program objectives and project performance; program reviews are typically held annually. In addition, meetings at NRC Headquarters and technical information gathering trips, such as training, may be necessary and will be identified by the TM.

Meetings potentially requiring Contractor travel are summarized below:

- Project Kick-off Meeting: At the NRC office (may also be by telephone)
- Site Audit: 1-persons (1 SME), 9-day trip
- Trip to HQ: 1-persons (1 SME), 2-day trip
- Trip to Site: 1-persons (1 SME), 2-day trip

Specific meeting and travel requirements will be identified in the finalized project plan. Other travel will be confirmed with the NRC TM and plant PM prior to commencement of the travel.

## 6.0 Financial and Technical Status Reports

The Contractor shall submit periodic technical and financial reports in accordance with the contract. The estimated staff effort should be recorded at the subtask level. The work accomplished and the degree of completeness should also be tracked by subtask. The reports are due within 15 calendar days after the end of the report period (i.e., each four week period). The NRC TPM shall receive one copy of the periodic status report, and the NRC PO shall receive one copy. See the contract for further distribution requirements.