

PART 20-1 -- GENERAL

Subpart 20-1.54--Contractor Organizational Conflicts of Interest

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AUTHORITY: Sec. 8, Pub. L. 95-601, adding Sec. 170A to Pub. L. 83-703, 68 Stat. 919, as amended (42 U.S.C. ch. 14)

§20-1.5401 Scope and Policy

(a) It is the policy of the U.S. Nuclear Regulatory Commission (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 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 so as 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 which might arise; however, examples are provided in these regulations to guide application of the policy. NRC contracting and program officials must be alert to other situations which may warrant application of this policy guidance. The ultimate test is: 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 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 such agreements, as appropriate.

§20-1.5402 Definitions

(a) "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.

(b) "Research" means any scientific or technical work involving theoretical analysis, exploration, or experimentation.

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

(d) "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 the contractor to be given access to information which has not been made available to the public or proprietary information. Such services typically include assistance in the preparation of program plans; and preparation of preliminary designs, specifications, or statements of work.

(e) "Contract" means any contract, agreement, or other arrangement with the NRC except as provided in Section 20-1.5401(c).

(f) "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 is a party to a contract with the NRC.

(g) "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 (41 CFR §1-1.606-1(e)).

(h) "Subcontractor" means any subcontractor of any tier which performs work under a contract with the NRC except subcontracts for supplies and subcontracts in amounts of \$10,000 or less.

(i) "Prospective contractor" or "offeror" means any person, firm, unincorporated association, joint venture, partnership, corporation, or affiliates thereof, including its chief executive, directors, key personnel (identified in the proposal), proposed consultants, or subcontractors, submitting a bid or proposal, solicited or unsolicited, to the NRC to obtain a contract.

(j) "Potential conflict of interest" means that a factual situation exists that suggests (indicates) 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 which merit investigation prior to contract award in order to ascertain whether award would give rise to an actual conflict or which must be reported to the contracting officer for investigation if they arise during contract performance.

§ 20-1.5403 Criteria for recognizing contractor organizational conflicts of interest

(a) General. Two questions will be asked in determining whether actual or potential organizational conflicts of interest exist: (1) Are there conflicting roles which might bias a contractor's judgment in relation to its work for the NRC? (2) May the contractor be given an unfair competitive advantage based on the performance of the contract? The ultimate determination by NRC as to whether organizational conflicts of interest exist will be made in light of common sense and good business judgment based upon the relevant facts disclosed and the work to be performed. While it is difficult to identify and to prescribe in advance a specific method for avoiding all of the various situations or relationships which might involve potential organizational conflicts of interest, NRC personnel will pay particular attention to proposed contractual requirements which call for the rendering of advice, consultation or evaluation activities, or similar activities that lay direct groundwork for the NRC's decisions on regulatory activities, future procurements, and research programs.

(b) Situations or relationships which may give rise to organizational conflicts of interest. (1) The offeror or contractor shall disclose information concerning relationships which may give rise to organizational conflicts of interest under the following circumstances:

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

(ii) Where the offeror or contractor provides advice to the NRC on the same or similar matter in 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 the products or services of another entity where the offeror or contractor has been substantially involved in their development or marketing.

(iv) Where the award of a contract would otherwise 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 may otherwise result in an unfair competitive advantage for the offeror or contractor.

(2) The contracting officer may request specific information from an offeror or contractor or may require special contract provisions such as provided in §20-1.5405-2 in the following circumstances:

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

(ii) Where the offeror or contractor prepares plans for specific approaches or methodologies that are to be incorporated into competitive procurements using such 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 which 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 otherwise 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 may otherwise 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) Example. The XYZ 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 XYZ Corp. is one of several companies considered to be technically well qualified. In response to the inquiry in the RFP, the XYZ Corp. advises that it is currently performing similar analyses for the reactor manufacturer.

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

(2) Example. The ABC Corp., in response to a RFP, proposes to perform certain analyses of a reactor component which are 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.

Guidance. An NRC contract normally could be awarded to the ABC Corp. because no conflict of interest exists which would 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 during the performance of the NRC contract with the private sector which could create a conflict. 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) Example. As a result of operating problems in a certain type of commercial nuclear facility, it is imperative that NRC secure specific data on various operational aspects of that type of plant so as to assure adequate safety protection of the public. Only one manufacturer has extensive experience with that type of plant. Consequently, that company is the only one with whom NRC can contract which can develop and conduct the testing programs required to obtain the data in reasonable time. That company has a definite interest in any NRC decisions that might result from the data produced because those decisions affect the reactor's design and thus the company's costs.

Guidance. This situation would place the manufacturer in a role in which its judgment could be biased in relationship to its work for NRC. Since the nature of the work required is vitally important in terms of NRC's responsibilities and no reasonable alternative exists, a waiver of the policy may be warranted. Any such waiver shall be fully documented and coordinated in accordance with the waiver provisions of this policy with particular attention to the establishment of protective mechanisms to guard against bias.

(4) Example. The ABC Co. submits a proposal for a new system for evaluating a specific reactor component's performance for the purpose of developing standards that are important to the NRC program. The ABC Co. has advised 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.

Guidance. A contract could be awarded to the ABC Co. provided that the contract stipulates that no information produced under the contract will be used in the contractor's private activities unless such information has been reported to NRC. Information which is reported to NRC by contractors will normally be disseminated by NRC to others so as to preclude an unfair competitive advantage that might otherwise accrue. When NRC furnishes information to the contractor for the performance of contract work, it shall not be used in the contractor's private activities unless such 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 under the contract is proposed to be used.

(5) 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 §20-1.5403(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.

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. The work for others clause of §20-1.5405-1(c) would preclude ABC Corp. from accepting work during the term of the NRC contract which could create a conflict of interest.

(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 such 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.

§20-1.5404 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.

(b) Representation procedure. The following organizational conflicts of interest representation provision shall be included in all solicitations and unsolicited proposals 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 shall also apply 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 provision has previously been submitted with regard to the contract being modified, only an updating of such statement shall be required.

ORGANIZATIONAL CONFLICTS OF INTEREST REPRESENTATION

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

The award to _____ of a contract or the modification of an existing contract does () or does not () involve situations or relationships of the type set forth in 41 CFR § 20-1.5403(b)(1).

(c) Instructions to offerors. The following shall be included in all NRC solicitations: (1) If the representation as completed indicates that situations or relationships of the type set forth in 41 CFR § 20-1.5403(b)(1) are involved, or the contracting officer otherwise determines that potential organizational conflicts exist, the offeror shall provide a statement in writing which describes in a concise manner all relevant facts bearing on his representation to the contracting officer. If the contracting officer determines that organizational conflicts exist, the following actions may be taken: (i) Impose appropriate conditions which avoid such conflicts, (ii) disqualify the offeror, or (iii) determine that it is otherwise in the best interest of the United States to seek award of the contract under the waiver provisions of § 20-1.5411.

(2) The refusal to provide the representation required by § 20-1.5404(b) or upon request of the contracting officer the facts required by § 20-1.5404(c), shall result in disqualification of the offeror for award. The nondisclosure or misrepresentation of any relevant interest may also result in the disqualification of the offeror for award; or if such nondisclosure or misrepresentation is discovered after award, the resulting contract may be terminated. The offeror may also be disqualified from subsequent related NRC contracts and be subject to such other remedial actions provided by law or the resulting contract.

(d) The offeror may, because of actual or potential organizational conflicts of interest, propose to exclude specific kinds of work from the statements of work contained in a RFP unless the RFP specifically prohibits such 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 work to the detriment of the competitive posture of the other offerors, the proposal must be rejected as unacceptable.

(e) The offeror's failure to execute the representation required by subsection (b) above with respect to invitation for bids will be considered to be a minor informality, and the offeror will be permitted to correct the omission.

§ 20-1.5405 Contract clauses

§ 20-1.5405-1 General contract clause

All contracts of the types set forth in § 20-1.5404(b) shall include the following clauses:

(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 interest (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 herein shall apply to performance or participation by the contractor as defined in 41 CFR § 20-1.5402(f) in the activities covered by this clause.

(c) Work for others. 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 who are employed full time under this contract and employees designated as key personnel, if any, under this contract abide by the provision of this clause. If the contractor believes with respect to itself or any such 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 prior to execution of such contractual arrangement.

(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, it does not have any organizational conflicts of interest, as defined in 41 CFR § 20-1.5402(a).

(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 shall 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 for convenience if it deems such termination to be in the best interests of the government.

(e) Access to and use of information. (1) If the contractor in the performance of this contract obtains access to information, such as NRC plans, policies, reports, studies, financial plans, internal data protected by the Privacy Act of 1974 (Pub. L. 93-579), or data which has not been released to the public, the contractor agrees not to: (i) Use such information for any private purpose until the information has been released to the public; (ii) compete for work for the Commission based

on such information for a period of six (6) months after either the completion of this contract or the release of such information to the public, whichever is first, (iii) submit an unsolicited proposal to the government based on such information until one year after the release of such information to the public, or (iv) release the information without prior written approval by the contracting officer unless such 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 (Pub. L. 93-579), or other confidential or privileged technical, business, or financial information under this contract, the contractor shall treat such information in accordance with restrictions placed on use of the information.

(3) The contractor shall have, subject to patent and security provisions of this contract, 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 41 CFR §20-1.5402(h), the contractor shall include this clause, including this paragraph, in subcontracts of any tier. The terms "contract," "contractor," and "contracting officer," shall be appropriately modified to preserve the government's rights.

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

(h) Waiver. A request for waiver under this clause shall be directed in writing through the contracting officer to the Executive Director for Operations (EDO) in accordance with the procedures outlined in §20-1.5411.

§ 20-1.5405-2 Special contract provisions.

(a) If it is determined from the nature of the proposed contract that organizational conflicts of interest exist, the contracting officer may determine that such conflict can be avoided or after obtaining a waiver in accordance with §20-1.5411, neutralized through the use of an appropriate special contract provision. If appropriate, the offeror may negotiate the terms and conditions of these clauses, including the extent and time period of any such restriction. These provisions include but are not limited to:

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

(2) Software exclusion clauses;

(3) Clauses which require the contractor (and certain of his 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.

(b) The following additional contract clause may be included as section (i) in the clause set forth in § 20-1.5405-1 when it is determined that award of a follow-on contract would constitute an organizational conflict of interest.

(i) Follow-on effort. (1) 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 shall 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 such products or services.

(2) If the contractor under this contract prepares a complete or essentially complete statement of work or specifications, the contractor shall be ineligible to perform or participate in the initial contractual effort which is based on such statement of work or specifications. The contractor shall not incorporate its products or services in such statement of work or specifications unless so directed in writing by the contracting officer, in which case the restriction in this subparagraph shall not apply.

(3) Nothing in this paragraph shall preclude the contractor from offering or selling its standard commercial items to the government.

§ 20-1.5406 Evaluation, findings, and contract award

The contracting officer will evaluate all relevant facts submitted by an offeror pursuant to the representation requirements of §20-1.5404(b) and other relevant information. After evaluating this information against the criteria of §20-1.5403, a finding will be made by the contracting officer whether organizational conflicts of interest exist with respect to a particular offeror. If it has been determined that conflicts of interest exist, then the contracting officer shall either:

(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 § 20-1.5411.

§ 20-1.5407 Conflicts identified after award.

If potential organizational conflicts of interest are identified after award with respect to a particular contractor, the contracting officer determines that such conflicts do, in fact, exist and that it would not be in the best interests of the government to terminate the contract as provided in the clauses required by § 20-1.5405, the contracting officer will take every reasonable action to avoid, eliminate, or, after obtaining a waiver in accordance with § 20-1.5411, neutralize the effects of the identified conflict.

§ 20-1.5408 (Reserved)

§ 20-1.5409 (Reserved)

§ 20-1.5410 Subcontracts

The contracting officer shall require offerors and contractors to submit a representation statement in accordance with § 20-1.5404(b) from subcontractors and consultants. The contracting officer shall require the contractor to include contract clauses in accordance with § 20-1.5405 in consultant agreements or subcontracts involving performance of work under a prime contract covered by this subsection.

§ 20-1.5411 Waiver

In the first instance, determination with respect to the need to seek a waiver for specific contract awards shall be made by the contracting officer with the advice and concurrence of the program office director and the Office of Executive Legal Director. Upon the recommendation of the contracting officer, and after consultation with the Office of the General Counsel, the EDO may waive the policy in specific cases if he determines that it is in the best interest of the United States to do so.

Such action shall be strictly limited to those situations in which:

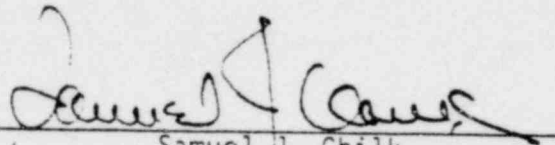
- (1) The work to be performed under contract is vital to the NRC program;
- (2) the work cannot be satisfactorily performed except by a contractor whose interests give rise to a question of conflict of interest; and
- (3) contractual and/or technical review and supervision methods can be employed by NRC to neutralize the conflict. For any such waivers, the justification and approval documents shall be placed in the Public Document Room.

§20-1.5412 Remedies

In addition to such other remedies as may be 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.

Dated at Washington, D.C. this 27th day of March 1970.

For the Nuclear Regulatory Commission



Samuel J. Chilk
Secretary of the Commission

NRC FORM 255
(10-76)

DIVISION OF CONTRACTS
U.S. NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

NOTIFICATION OF CONTRACT EXECUTION

CONTRACT NUMBER

NRC-10-80-662

MODIFICATION NUMBER

NEW MODIFICATION

OTHER (Specify)

TO: Daniel J. Donoghue, Director
(Title)

Office of Administration
(Organization)

FROM: *Ray A. Lebo* 4/28/80
(Contract Specialist) (Date)

Administrative Contracts Branch

DIVISION OF CONTRACTS, ADM

CONTRACT BASED ON:

AUTHORIZATION NUMBER

ADM-80-662

DATE

11/14/79

CONTRACT CHANGES PER THIS ACTION

Basic Contract

effective

~~XXXXXXX~~ DATE

4/29/80

TYPE OF CONTRACT

CPFF & T&M

CONTRACTOR (Name & Location)

Systems Architects, Inc.
Arlington, VA & Randolph, MA

SBA 8(a) Region I Boston

PROJECT TITLE

Conversion of Licensing Inspection Planning Profile

PERIOD OF PERFORMANCE

through April 28, 1981

PRINCIPAL INVESTIGATOR

Victor Wai Kan

NRC AUTHORIZED REPRESENTATIVE

Jack Frost & Charles Troutman

B&A NUMBER

43-20-25-702

FIN NUMBER

31X0200.400

AMOUNT

FUNDING

NEW NRC FUNDS

\$ 93,350.00

TOTAL FY 80 FUNDING

\$ 93,350.00

TOTAL NRC OBLIGATIONS

\$ 93,350.00

GOVERNMENT PROPERTY

ATTACHMENT(S)

CONTRACT DOCUMENT #

DUPE
8 005270263

1. CONTRACT (Proc. Inst. Ident.) NO. **NRC-10-80-662** 2. ~~APPROXIMATE~~ DATE **APR 29 1980** 3. REQUISITION/PURCHASE REQUEST/PROJECT NO. **ADM-10-80-662** 4. CERTIFIED FOR NATIONAL DEFENSE UNDER DDSA REG. 2 AND/OR DMS REG. 1. RATING:

5. ISSUED BY **U.S. Nuclear Regulatory Commission
 Division of Contracts
 Washington, DC 20555** 6. ADMINISTERED BY (If other than block 5) 7. DELIVERY FOR DESTINATION **NATION** OTHER (See below)

8. CONTRACTOR NAME AND ADDRESS **PRIME: U.S. Small Business Administration, Region I
 Attn: George H. Allen
 60 Battery March
 Boston, MA 02110** 9. DISCOUNT FOR PROMPT PAYMENT 10. SUBMIT INVOICES (4 copies unless otherwise specified) TO ADDRESS SHOWN IN BLOCK

SUB: **Systems Architects, Inc.
 50 Thomas Patton Dr.
 Randolph, MA 02368**

11. SHIP TO/MARK FOR **See Article II** 12. PAYMENT WILL BE MADE BY **U.S. Nuclear Regulatory Commission
 Office of the Controller
 Washington, DC 20555**

13. THIS PROCUREMENT WAS ADVERTISED, NEGOTIATED, PURSUANT TO: 10 U.S.C. 2304 (a)(1) 41 U.S.C. 252 (e)(1) **16 and 15 USC 637 (a)**

14. ACCOUNTING AND APPROPRIATION DATA

B&R No.	Appropriation	Amount
43-20-25-702	31X0200.400	\$93,350.00

15. ITEM NO.	16. SUPPLIES/SERVICES	17. QUANTITY	18. UNIT	19. UNIT PRICE	20. AMOUNT
	Conversion of Licensing and Inspection Planning Profile System				
	The contractor shall provide the necessary personnel, facilities and equipment to perform the tasks described herein. The subcontractor's proposal, dated January 18, 1980 and revised proposal dated February 22, 1980 are incorporated herein by reference.				
	PHASE I See Article I PHASE II				\$67,614.00 \$25,736.00

21. TOTAL AMOUNT OF CONTRACT \$ **93,350.00**

CONTRACTING OFFICER WILL COMPLETE BLOCK 22 OR 26 AS APPLICABLE

22. CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 4 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract; (b) the solicitation, if any; and (c) such provisions, representations, certifications and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

26. AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

23. NAME OF CONTRACTOR **George H. Allen** 27. UNITED STATES OF AMERICA
 BY **George H. Allen** (Signature of person authorized to sign) BY **Mary Jo Mattia** (Signature of Contracting Officer)

24. NAME AND TITLE OF SIGNER (Type or print) **George H. Allen
 Contracting Officer** 25. DATE SIGNED **4/21/80** 28. NAME OF CONTRACTING OFFICER (Type or print) **Mary Jo Mattia** 29. DATE SIGNED **APR 29 1980**

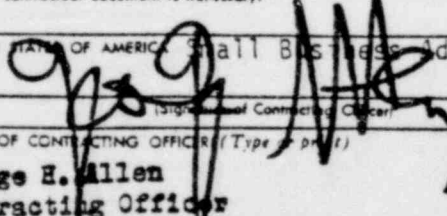
SPECIAL 8(a) SUBCONTRACT CONDITIONS

The Small Business Administration (SBA) has entered into Contract No. NRC-10-80-662 with the U.S. Nuclear Regulatory Commission (NRC) to furnish the supplies or services as described therein. A copy of said contract is attached hereto and made a part hereof. As used in this subcontract, the reference to "the Secretary or his duly authorized representative" in the "Disputes" clause of this subcontract (Article 12 of Standard Form 32, General Provisions) shall be deemed to mean, respectively, the Chairman of the U.S. Nuclear Regulatory Commission or his duly authorized representative.

Systems Architects, Inc. hereafter referred to as the subcontractor, agrees and acknowledges as follows:

- a. That he will, for and on the behalf of the SBA fulfill and perform all of the requirements of Contract No. NRC-10-80-662 for the consideration stated therein and that he has read and is familiar with each and every part of said contract.
- b. That the SBA has delegated responsibility for the administration of this subcontract to the NRC with complete authority to take any action on behalf of the Government under the terms and conditions of this subcontract.
- c. That he will not subcontract the performance on any of the requirements of this subcontract to any lower tier subcontractor without the prior written approval of the SBA and the designated Contracting Officer of the NRC.

Payments, including any progress payments, under this subcontract will be made directly to the subcontractor by the NRC.

STANDARD FORM 26, JULY 1966 GENERAL SERVICES ADMINISTRATION FED. PROC. REG. (41CFR) 1-16.101		AWARD/CONTRACT		PAGE 1	OF 23
1. CONTRACT (Proc. Inst. Ident.) NO. SB14496A-30C-111		2. APPROVE DATE APR 29 1980		3. REQUISITION/PURCHASE REQUEST/PROJECT NO.	
4. CERTIFIED FOR NATIONAL DEFENSE UNDER BOSA REG. 2 AND/OR DMS REG. 1. RATING:		5. ISSUED BY Small Business Administration 60 Batterymarch Boston, MA 02110		6. ADMINISTERED BY (If other than block 5) U.S. Nuclear Regulatory Commission Division of Contracts Washington, DC 20555	
7. DELIVERY FOB DESTINATION <input checked="" type="checkbox"/> OTHER (See below)		8. CONTRACTOR NAME AND ADDRESS Systems Architects Inc. 50 Thomas Patton Drive Randolph, MA 02368 <small>(Street, city, country, State, and ZIP code)</small>		9. DISCOUNT FOR PROMPT PAYMENT	
10. SUBMIT INVOICES (4 copies unless otherwise specified) TO ADDRESS SHOWN IN BLOCK		11. SHIP TO/MARK FOR See Article II		12. PAYMENT WILL BE MADE BY U.S. Nuclear Regulatory Commission Office of the Controller Washington, DC 20555	
13. THIS PROCUREMENT WAS <input type="checkbox"/> ADVERTISED, <input checked="" type="checkbox"/> NEGOTIATED, PURSUANT TO:		10 U.S.C. 2304 (a)(1)		11 U.S.C. 252 (c)(5) and 15 U.S.C. 637(a)	
14. ACCOUNTING AND APPROPRIATION DATA B&R 43-20-25-702		Appropriation 31X0200.400		Amount \$ 93,350.00	
15. ITEM NO.	16. SUPPLIES/SERVICES	17. QUANTITY	18. UNIT	19. UNIT PRICE	20. AMOUNT
	Conversion of Licensing and Inspection Planning Profile System			PHASE I	\$67,614.00
	The contractor shall provide all necessary personnel, facilities, and equipment to perform the tasks described herein. The contractor's proposal, dated January 18, 1980 and revised proposal dated February 22, 1980 are incorporated herein by reference.			PHASE II	25,736.00
21. TOTAL AMOUNT OF CONTRACT		\$ 93,350.00			
CONTRACTING OFFICER WILL COMPLETE BLOCK 22 OR 26 AS APPLICABLE					
22. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 6 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference hereon and attachments are listed herein.)			26. <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.		
23. NAME OF CONTRACTOR BY Systems Architects Inc. <small>(Signature of person authorized to sign)</small>			27. UNITED STATES OF AMERICA Small Business Administration BY  <small>(Signature of Contracting Officer)</small>		
24. NAME AND TITLE OF SIGNER (Type or print) Victor L. ...		25. DATE SIGNED 4/17/80		28. NAME OF CONTRACTING OFFICER (Type or print) George H. Allen Contracting Officer	
				29. DATE SIGNED 4/21/80	

ARTICLE I

STATEMENT OF WORK

PROJECT: Conversion of LIPP System from Infonet (Univac 1108) to NIH (IBM 370/168)

1. Background

Overview

The Nuclear Regulatory Commission developed a comprehensive plan reflecting the objectives, specific actions, and resource requirements compatible with a projected nuclear energy posture for the next five years. Throughout the planning period, the Commission's focus was on nuclear reactors and nuclear material safety. The commercial nuclear reactor environment is dominated by Light Water Reactors, 65 of which are currently licensed to operate as of June 30, 1977. To assure that the Commission will be able to meet its regulatory obligations, annual resource projections for both manpower and funds had to be developed. This requirement led to the development of an automated Licensing and Inspection Planning Profile System, commonly known as the LIPP system. This system was designed as a management tool to assist NRC with the planning for resource commitments made necessary by requests to process nuclear power plant licensing applications.

LIPP System Description

The Licensing and Inspection Planning Profile System (LIPP) was designed to describe the cooperative effort contributing to the successful review of each licensing application and, assuming the varied input of applications, resolve the manpower required for both casework and monitoring power plants for the future.

Input data for the LIPP system is comprised of manpower rates, salaries, contract costs, license fees, overhead rates, subprograms, organizations, and milestones. The resulting information provides a graphic representation of the manpower requirements for each organization by milestone. This graphic representation of data is known as a profile. Profiles are broken down into two categories:

1. Model Profiles
1. Plant Profiles

Profiles are mathematical models idealized over a time period. A plant is a model profile containing additional nuclear power plant descriptor items so as to characterize it as part of the licensing process pipeline.

By using the LIPP system the user can project what impact in either manpower or a change of license applications dates along the pipeline will have on the total licensing process. This becomes extremely valuable in terms of estimating costs and manpower utilization.

Organizations

The following is a list of the various organizations currently providing input to the system:

NRR (Nuclear Reactor Regulation) - This organization is made up of five divisions:

- 01 - DPM (Division of Project Management)
- 02 - DSS (Division of Systems Safety)
- 03 - DSE (Division of Safety and Environmental Analysis)
- 04 - DOR (Division of Operating Reactors)
- 05 - AIG (Anti-Trust Indemnity)

IE (Inspection and Enforcement
 ELD (Executive Legal Director)
 ACRS (Advisory Committee on Reactor Safeguards)
 ASLBP (Atomic Safety Licensing Board Panel)
 ASLAP (Atomic Safety Licensing Appeal Panel)

All organizations mentioned above may have entries listed for the following programs:

- 01 - Safety
- 02 - Environment
- 03 - Safeguards
- 04 - Anti-Trust
- 05 - Vendor
- 06 - RESIP (Resident Inspectors)
- 07 - Part (Performance Appraisal Review Team)

For each organization reported, data cumulations and totals are given at the various milestones along the licensing process.

Milestones

The following is a list of the milestones established on the critical path of review of an application for a nuclear power plant.

- 0. CP TENDER (Construction Permit Tender)
- 1. CP DOCKET (Construction Permit Docket)
- 2. LWA ISSUE (Limited Work Authorization Issue)
- 3. CP ISSUE (Construction Permit Issue)
- 4. OL TENDER (Operating License Tender)
- 5. OL DOCKET (Operating License Docket)
- 6. OL ISSUE (Operating License Issue)
- 7. Begin commercial power production
- 8. Terminate commercial power production

Reports

Reports generated by the LIPP system allow the user to analyze data in several pre-determined formats and detail. The system has a current capability of producing at least eighteen different reports. They are as follows:

1. Direct Manyears by Milestone
2. Indirect Manyears by Milestone
3. Total Manyears by Milestone
4. Direct Expense by Milestone (Direct Salaries and Program Support)
5. Indirect Expense by Milestone (Indirect Salaries and Program Support)
6. Total Expense by Milestone (Total Salaries and Program Support)
7. Detailed Data by Plant (Input Data Format)
8. Listing of Fees by Milestone
9. Listing of Header Data (Plant Descriptions)
10. Listing of Milestone Completion Dates
11. Direct Manyears by Time Period (Periods of 1, 3 or 12 years)
12. Indirect Manyears by Time Period (Periods of 1, 3 or 12 years)
13. Total Manyears by Time Period (Periods of 1, 3 or 12 years)
14. Direct Expense by Time Period (Indirect Overtime)
15. Indirect Expense by Time Period (Indirect Salaries Overtime)
16. Total Expense by Time Period (Total Salaries and Program Support Overtime)
17. Milestone Turnover Report (Forecast and History of Milestone Events and equivalent plant years)
18. Milestone Fee Report (License Fee Schedule Forecast)
19. Detail Analysis; Direct Manyears by time

Graphs

Graphs generated by the LIPP system present to the user a visual display of various combinations of manyears, expenses, and workloads overtime, location, etc.

Hardware Configuration

The LIPP system is manipulated through use of the computer terminal. The terminal is connected via telephone lines to a remote computer. Access to the computer facility is made on a time-sharing basis with direct charges being made to NRC for time utilized.

The following list represents the types of terminals used by the LIPP system:

1. Tektronix 4051
2. Digital Decwriter 2
3. Tektronix Peripheral Equipments -
 - a. Interactive Digital Plotter
 - b. Hard Copy Unit 4631
 - c. Tektronix 4924 Cassette Copier
 - d. Tektronix 4641 Hard Copy Printer

There are approximately 150 FORTRAN programs in the LIPP system. These programs are written in FORTRAN V and now reside on a Univac computer. In addition to the programs, there are 15 table files, several data files containing information on 40 models and 600 plants, and 10 GPS command files (used for terminal communications). Some of the FORTRAN programs are used to generate data for graphs produced using the DISPLA software package on the Tektronics terminal. None of the existing programs are structured.

The NIH IBM 370/168 system uses FORTRAN IV language and compilers. Interactive systems on NIH's facilities run under TSO. TSO communications are handled through NIH's RHB249 routine. The DISPLA software package does exist at NIH.

2. Scope of Work

- A. The contractor shall provide analyses, programming and documentation for the conversion and maintenance of the LIPP system.
- B. The system is an on-line system with a combination of interactive and batch processing, which is under the operational control of the Office of the Controller.
- C. Following is the identification of the tasks associated with this effort.

PHASE I

Task 1. Analysis and evaluation of conversion.

The contractor shall review all available documentation of the LIPP system, and related INFONET and NIH Manuals.

At the conclusion of Task 1, the contractor shall deliver to the Project Officer, a detailed work plan and GANTT Chart to reflect specific activities, manpower estimates, and relative begin/end dates for each activity.

Task 2. Conversion specifications

The contractor will write specifications for the conversion of all data, programs, command language and identify any changes necessary due to differences in compilers, vendor supplied software, and computer capabilities (Disk file formats, access techniques, blocking factors, etc.)

Task 3. Programming

The contractor shall accomplish all conversions as outlined in the specifications of Task 2, and unit test (debug) the system. All ADP guidelines, standard conventions and industry accepted programming practices will be followed. Deviations from these standards must be approved in writing by the NRC Project Officer; programs not following this practice will not be accepted as a deliverable under this contract.

The system and all programs will be sufficiently tested by the contractor prior to Task 4.

Task 4. System Test

Once the contractor has thoroughly tested the system to his satisfaction, a complete system test will be conducted jointly by the contractor, user representative and a representative from the Division of ADP Support. Two weeks prior to the formal system test, the contractor will deliver to the Project Officer, a detailed test plan in accordance with NRC Manual Chapter Appendix 0903. The results of the system test shall be reviewed and approved by the Project Officer.

The system test will include every function and capability of the system, including backup/recovery procedures.

Upon completion of testing, the contractor shall submit a test analysis report and a plan/schedule for resolution of all identified problems.

Task 5. Training

The contractor shall develop a training plan and schedule. This plan shall include training at a minimum for NRC personnel responsible for the following aspects of the system.

- (a) User personnel who maintain the Data Base via Data Entry and Reports.
- (b) User personnel who only use the system for queries and Reports.

- (c) User personnel responsible for operation of equipment, running system backups, initiating batch jobs, etc.
- (d) ADP personnel responsible for system maintenance.

Task 6. Parallel processing

Upon completion of all system testing, training, data conversions and draft copies of documentation, a period of processing will be run in parallel to the current operational version of the system. The contractor must carefully plan for this parallel process to ensure that NRC has sufficient information, documentation and training in order to evaluate the results of this process.

Task 7. Documentation

All LIPP System documentation must be modified and/or rewritten in order to accurately describe the new version of the system.

Draft copies of the documentation must be available for use no later than two weeks prior to the system test. The documentation will be reviewed and revised as necessary during the system test and parallel processing tasks. Final approved (by NRC) copies of all documentation will be delivered by the contractor within one month following the completion of successful parallel processing.

PHASE II Task 8. System Maintenance

The contractor shall provide necessary personnel to accomplish changes, corrections, and enhancements required in support of the operational version of the LIPP System.

Orders under this task will be issued by formal Work Order signed by the Contracting Officer. Each Work Order will be negotiated on a case by case basis, and may be issued as Firm Fixed Price Orders, Cost Plus Fixed Fee Orders, Time and Material Orders, Labor Hour Orders, or combinations thereof. Each order shall specify the changes to be accomplished, the deliverables, the schedule within which the work must be accomplished, any special reporting requirements, and level of effort and cost ceiling, where applicable. Work orders may be issued at the sole discretion of the Commission and it is understood and agreed that the Commission undertakes no obligation to issue work order hereunder.

NOTE: To facilitate future work order placements the contractor shall propose loaded hourly rates for the necessary and applicable labor categories for use in implementing Time and Material and/or Labor Hour work orders. These rates will be negotiated and set forth in any forthcoming contract which results from this solicitation.

NEGOTIATED RATES

A. Labor Basic Contract Period - Loaded Rates

The following rates shall apply to all Time and Material or Labor Hour Task Orders placed under Phase II of this contract.

<u>Classification</u>	<u>Basic Contract Estimated Hours</u>	<u>Basic Contract* Hourly Rate</u>	<u>Basic Contract Amount (PHASE II)</u>
Programmer Manager	50	\$38.19	\$1909.50
Senior System Analyst/ Senior Programmer	500	25.56	12780.00
Programmer	400	21.48	8592.00
Secretary Support	80	11.93	24236.00
TOTAL ESTIMATED HOURS: 1030		TOTAL ESTIMATED AMOUNT: \$24236.00	

Notwithstanding the contractor's revised proposal PHASE II may be implemented by the issuance of a Task Order at any time during the contract's period of performance.

* The negotiated basic contract hourly rates above are regarded as "loaded rates" inasmuch as they include full consideration for labor overhead, including fringe benefits, general and administrative expenses, and fee or profit.

B. Local Travel - Basic Contract Period

Local Travel shall be reimbursed at the rate of 18.5¢ per mile. The total estimated travel amount for PHASE II is \$500.00.

C. Direct Material

The estimated direct material cost for the PHASE II of this contract is \$1,000.00.

Allowable costs of direct materials will be determined by the Contracting Officer in accordance with Section 1-15 of the Federal Procurement Regulations in effect on the date of this contract. Material expenses shall be reimbursed at cost. The contractor will be reimbursed for items and services purchased directly for the contract only when cash, checks, or other forms of actual payment have been made for such purchased items. Direct materials, as referenced herein, are defined as those materials which enter directly into the end product or which are used or consumed directly in connection with the furnishing of such end product.

Total estimated cost of PHASE II: \$25,736.00

3. Standards and Limitations

All Federal Information Processing Standards Publications (FIPS Pub) are applicable in the performance of work performed under this contract.

Converted FORTRAN programs must comply with FORTRAN ANSI Standard X3.9 - 1978.

NRC Manual Chapter 0903 Automatic Data Processing Standards and its appendix shall be followed unless otherwise agreed to by NRC Project Officer.

The DISPLA software package at the NIH facility shall be used for all graphics unless otherwise agreed to by NRC Project Officer.

Decisions of the Project Officer on the matter of standards waiver will be final.

ADP personnel proposed for this project must be thoroughly knowledgeable on the use of IBM 370, OS/MVS, Univac 1108 (Infonet), FORTRAN IV, FORTRAN V, DISPLA, TSO, interactive systems and related terminals, tektronics graphics terminals, and the various techniques and programming conventions for the use of this hardware and software. Personnel must have a minimum of five years related programming and analysis experience.

4. Project Status Reporting

Project status reports with GANTT charts are required to be submitted to the Project Officer on the 15th and last day of each month, reflecting work accomplished during previous reporting period, work planned, problems encountered or anticipated, and the resolution of previous or anticipated problems.

Reports will reflect appropriate tasks and activities contained in project plans or schedules, or specific work orders assigned.

ARTICLE IIDELIVERY

A. Time of Delivery

The following items shall be delivered in accordance with the below listed schedule:

<u>ITEM</u>	<u>QUANTITY</u>	<u>DELIVERY</u>
Work Plan and GANTT chart (See Task 1)	2*	1 month after the effective date of this contract (EDC)
Detailed Test Plan (See Task 4)	2*	4 months EDC
System Test Results	2*	6 months EDC
Training Plan and Schedule (See Task 5)	2*	5 months EDC
LIPP System Documentation Draft (See Task 7)	2*	6 months EDC
LIPP System Documentat on Final (See Task 7)	2*	One month after completion of Task 6
Project Status Reporting (See Item 4 on Article I of this contract)	2*	Semimonthly on the 15th and last day of each month

* One copy shall be delivered to each addressee in B below.

PHASE II deliveries will be detailed in each order

B. Place of Delivery

All deliverables required under this contract shall be submitted FOB destination to the below listed address:

U.S. Nuclear Regulatory Commission
Office of Administration
Division of Automatic Data Processing Support
7920 Norfolk Ave.
Bethesda, MD 20555
Attn: COAR

U.S. Nuclear Regulatory Commission
Office of Administration
Division of Contracts
7915 Eastern Avenue
Silver Spring, MD 20910

All deliverables submitted through the mails shall be postpaid, fully insured, and addressed to:

U.S. Nuclear Regulatory Commission
Office of Administration
Division of Automatic Data Processing Support
Washington, DC 20555
Attn: COAR

U.S. Nuclear Regulatory Commission
Office of Administration
Division of Contracts
Washington, DC 20555

Regardless of which means the Contractor selects to submit deliverables, such submittal, by the times specified in paragraph A above, and in a form specified in Article I to this contract shall be the sole responsibility of the Contractor.

END OF ARTICLE II

ARTICLE III

PERIOD OF PERFORMANCE

The period of performance shall commence on the effective date of this contract and shall not extend beyond twelve (12) months.

ARTICLE IV

PLACE OF PERFORMANCE

The work required under this contract shall be principally performed at the Contractor's office facilities.

ARTICLE V

CONSIDERATION

- A. It is estimated that the total cost to the Government for full performance of this contract will be \$67614, of which the sum of \$62614 represents the estimated reimburseable costs, and of which \$5000 represents the fixed fee.
- B. There shall be no adjustment in the total 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 of performance of that work.
- C. The amount presently obligated by the Government with respect to this contract is \$ 93,350.00

ARTICLE VI

OVERHEAD/GENERAL AND ADMINISTRATIVE RATES

Pending the establishment of final overhead and general and administrative rates which shall be negotiated based on audit of actual costs, the Contractor shall be reimbursed for such allowable costs hereunder at the provisional rates of 70% for labor overhead and 30% for general and administrative. This applies to PHASE I only. See Article I for PHASE II loaded labor rates.

ARTICLE VII

DESIGNATION OF CONTRACTING OFFICER'S AUTHORIZED REPRESENTATIVE (C.O.A.R.)

- A. Performance of the work under this contract shall be subject to the written technical direction of the Contracting Officer's Authorized Representative (COAR). The term "technical direction" is defined to include, without limitation:

1. Directions to the Contractor which redirect the contract effort, shift work emphasis between work areas or a task, require pursuit of certain lines of inquiry, fill in details, or otherwise serve to accomplish the contractual work requirements.
 2. Provision of written information to the Contractor shall assist in the interpretation 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.
- B. Technical direction must be within the scope of work stated in the contract. The COAR does not have the authority, and may not, issue technical direction which:
1. Constitutes an assignment of additional work outside the scope of the contract.
 2. Constitutes a change as defined in the contract clause entitled "changes".
 3. In any manner causes an increase or decrease in the total estimated contract cost of the time required for contract performance.
 4. Changes or waives any of the expressed terms, conditions, or specifications of the contract.
 5. Interferes with the Contractor's right to perform the terms and conditions of the contract.
 6. Gives supervision to Contractor's employees.
- C. If, in the opinion of the Contractor, any instruction or direction by the COAR is within one of the categories as defined in Paragraph B, above, the Contractor shall not proceed but shall notify the Contracting Officer in writing within five (5) working days after receipt of any such instruction or direction and shall request the Contracting Officer to modify the contract accordingly. Upon receiving the notification from the Contractor, the Contracting Officer will do one of the following:
1. Advise the Contractor that the technical direction is within the scope of the contract effort and does not constitute a change under the "changes" clause of the contract;
 2. Inform the Contractor not to perform under the direction and to cancel the direction; or
 3. Initiate a modification to the contract.

Failure of the Contractor to notify the Government, in accordance with the above instruction, of COAR directions which it may feel falls within one of the six (6) circumstances described in Paragraph 1 above, shall be deemed by the Government as the Contractor's acceptance of the direction as not falling within one of the specified categories.

Should the Contractor notify the Government of directions which, it feels, falls within one of the above six (6) categories, and the Contractor and Contracting Officer fail to agree upon the nature of the instruction or direction or upon the contract action to be taken with respect thereto, resolution of the matter shall be subject to the provisions of the contract clause entitled "Disputes."

- D. The Contracting Officer will designate a COAR within seven (7) calendar days of the effective date of this contract. A copy of the letter of designation will be forwarded to the Contractor immediately following designation.

ARTICLE VIII

INSPECTION AND ACCEPTANCE

- A. Inspection of the services and deliverables called for hereunder shall be performed by the COAR.
- B. Acceptance of the services and deliverables called for hereunder shall be accomplished by the Contracting Officer, or the COAR.

ARTICLE IX

BILLING INSTRUCTIONS FOR NRC COST-TYPE CONTRACTS

The Contractor shall submit vouchers in the manner and format described below and as illustrated in the sample voucher.

- A. Form. Invoices shall be submitted on the Contractor's letterhead, invoice form, or on the Government's Standard Form 1034, "Public Voucher for Purchases and Services Other Than Personal," and Continuation Form 1035. These forms are available from the U.S. Government Printing Office, 710 North Capitol Street, N.W., Washington, D.C. 20501.
- B. Number of Copies. Invoices shall be submitted in an original and four (4) copies to the address indicated below in Paragraph H.
- C. Frequency of Billing. The Contractor shall submit invoices no more frequently than once each month unless otherwise authorized by the Contracting Officer.

- (e) Payee's Name and Address. Show the name of the contractor as it appears in the contract and its correct address; except when an approved assignment has been made by the Contractor, or a different payee has been designated, then insert the name and address of the payee.
- (f) Contract Amount. Insert the total estimated cost of the contract, exclusive of fixed-fee. For incrementally funded contracts enter the amount currently obligated and available for payment.
- (g) Fixed Fee. Insert total fixed-fee (where applicable).
- (h) Billing Period. Insert the beginning and ending dates (day, month, and year) of the period in which costs were incurred and for which reimbursement is claimed.
- (i) Direct Costs. Insert the major cost elements
- (i)(1) Direct Labor. This consists of salaries and wages paid (or accrued) for direct performance of the contract.
- (i)(2) Fringe Benefits. This represents fringe benefits applicable to direct labor and billed as a direct cost. Fringe benefits included in direct costs should not be identified here.
- (i)(3) Capitalized Nonexpendable Equipment. For educational institutions list each item costing \$1,000. or more; for contractors other than educational institutions list each item costing \$200. or more and having a life expectancy of more than one year. List only those items of equipment for which reimbursement is requested. A reference shall be made to the following (as applicable): (1) the item number for the specific piece of equipment listed in the Property Schedule; (2) the Contracting Officer's Approval Letter, if the equipment covered by the Property Schedule; or (3) be preceded by an asterisk (*) if the equipment is below the approval level. Further itemization of vouchers shall only be required for items having specific limitations set forth in the contract.
- (i)(4) Materials, Supplies, and Noncapitalized Equipment. This is consumable materials and supplies and equipment other than that described in (i)(3) above.
- (i)(5) Premium Pay. This is remuneration in excess of the basic hourly rate.
- (i)(6) Consultants' Fee. These are fees paid to consultants.
- (i)(7) Travel. Domestic travel is travel within the United States, its territories, possessions, and Canada; it should be billed

- D. Billing Following Expiration of the Contract. If allowable costs are incurred during the contract period, but invoicing for such costs takes place after the contract has expired, the specific period during which the invoiced costs were incurred shall be cited by the Contractor.
- E. Currency. Billings may be expressed in the currency normally utilized by the Contractor in maintaining his accounting records. Payments will be made in that currency. However, the U.S. dollar equivalent at the time of billing for all invoices paid under this contract shall not exceed the total U.S. Dollars authorized in the contract.
- F. Withholding of Fee. Fifteen percent (15%) of the fee negotiated under this contract (See Article V, Consideration) shall be withheld by the Contracting Officer. This shall be accomplished by subtracting fifteen percent of the amount billed as fee due from each invoice submitted in accordance herewith. Such withheld amounts shall be retained until the execution and delivery of a release by the Contractor at the conclusion of the period of performance of the contract.
- G. Maintenance of Accounts. The Contractor shall keep and maintain records and books of account which show accurately, and in an adequate manner, the basis for receiving compensation under this contract. The Contractor shall preserve such records and books of account for a period of three (3) years after the date of final payment under this contract. The Government shall, at all reasonable times, prior to and after the date of final payment under this contract, have the right to examine and make copies of such records and books.
- H. Preparation and Itemization of the Voucher. The Contractor shall furnish the information set forth below. The below listed explanatory notes are keyed to the sample voucher found as attachment #7 to this solicitation.
- (a) Payer's Name and Address. Address the original voucher (with 4 copies) to: U.S. Nuclear Regulatory Commission, Division of Accounting, Office of the Controller, ATTN: GOV/COM Accounts Section, Washington, DC 20555.
- (b) Voucher Number. Insert the appropriate serial number of the voucher. This is to be in sequential order beginning with 001 as the number to be used for the first voucher submitted under this contract.
- (c) Date of Voucher. Insert the date the voucher is prepared.
- (d) Contract Number and Date. Insert the contract number and the date of the contract.

separately from foreign travel.

(i)(3) Other. List all other direct costs in total unless significant in amount. If significant, list cost elements and dollar amount separately, e.g., subcontracts.

- (j) Indirect Costs--Overhead. Cite the formula (rate and base) in effect during the time the cost was incurred and for which reimbursement is claimed.
- (k) Fixed-Fee. If the contract provides for a fixed-fee, it must be claimed as provided for by the contract. Cite the formula or method of computation in accordance with Paragraph F above.
- (l) Amount Billed for Current Period. Insert the amount billed for the major cost elements, adjustment, and adjusted amounts for the period.
- (m) Cumulative amount from Inception to Date of this Billing. Insert the cumulative amounts billed for the major cost elements and adjusted amounts claimed during this contract.
- (n) Total Amounts Claimed. Insert the total amounts claimed for the current and cumulative periods.
- (o) Adjustments. This includes amounts conceded by the contractor, outstanding suspensions, and disapprovals subject to appeal.
- (p) Grand Totals

END OF ARTICLE IX

PRESERVATION/PACKAGING/PACKING

All materials to be delivered under this contract shall be afforded the degree of packaging (preservation and packing) required to prevent deterioration and/or damages due to hazards of shipment, handling, and storage. Such packaging shall be accomplished in such a manner as to insure safe delivery at destination.

ARTICLE XI

KEY PERSONNEL

The following individuals are designated as "Key Personnel" under this contract, and as such, are regarded by the Government to be essential to the work being performed thereunder. The Contractor shall notify the Contracting Officer or the COAR at least thirty (30) days prior to diverting any of the below listed individuals from service under this contract.

Mr. Victor Kan
Mr. Jaime Lau
Dr. Henry Kam
Ms. Hsin-Hsin Lee
Mr. Bruce Gatteman

ARTICLE XII

GOVERNMENT FURNISHED MATERIAL

Title to all source data and materials furnished by the Government, together with all plans, drawings, reports, and all other items pertaining to the work and services to be performed pursuant to this contract shall remain vested in the Government. The following material shall be provided by the Government to the Contractor within ten (10) working days after the effective date of this contract and is thus designated as Government Furnished Material in accordance with this article:

ARTICLE XIII

RESERVED

ARTICLE XIV

PRIVATE USE AND PROTECTION OF UNCLASSIFIED
GOVERNMENT INFORMATION

- A. Except as specifically authorized by this contract, or as otherwise approved by the Project Officer, records or other information, documents and material furnished by the Commission to the contractor in the performance of this contract, or information developed by the contractor in the course of the work hereunder, shall be used only in connection with the work performed under this contract. The contractor shall, upon completion or termination of this contract, transmit to the Commission all records or other information, documents and material, and any copies thereof, furnished by the Commission to the contractor or developed by the contractor in the performance of this contract.
- B. The contractor shall be responsible for safeguarding from unauthorized disclosure any information or other documents and material exempt from public disclosure by the Commission's regulations and made available to the contractor in connection with the performance of work under this contract. The contractor agrees to conform to all regulations, requirements, and directions of the Commission with respect to such material.
- C. The contractor's duties under this clause shall not be construed to limit or affect in any way the contractor's obligation to conform to all security regulations and requirements of the Commission pertaining to classified information and material.

ARTICLE XV

SUBCONTRACTS FOR WORK OR SERVICES

No contract shall be made by the Contractor with any other party for furnishing any of the work or services required herein without the prior written approval of the Contracting Officer. This provision shall not be construed, however, as requiring the prior approval of contracts of employment between the Contractor and personnel assigned by the Contractor to provide services hereunder.

ARTICLE XVI

GENERAL PROVISIONS AND ALTERATIONS THERETO

The General Provisions of this contract consist of the "Appendix A - General Provisions, Cost Type Contracts with Concerns Other Than Educational Institutions," dated February 15, 1978, included herein as Attachment #3. These General Provisions are hereby incorporated, in their entirety as a part of this contract.

- A. The following clause entitled "Utilization of Small Business Concerns and Small Business Concerns Owned by Socially and Economically Disadvantaged Individuals" is added as Clause 62 to the General Provisions.
- B. The Clause entitled "Special 8(a) Contract Conditions," at FPR 1-713.3 is added as Clause 63 to the attached General Provisions.

Federal Register (44 FR 23610 April 20, 1979 and 44 FR 35068 June 18, 1979)

Utilization of Small Business Concerns and Small Business Concerns
Owned and Controlled By Socially and Economically Disadvantaged
Individuals

(a) It is the policy of the United States that small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in the performance of contracts let by any Federal agency.

(b) The contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with the efficient performance of this contract. The contractor further agrees to cooperate in any studies or surveys that may be conducted by the Small Business Administration or the contracting agency which may be necessary to determine the extent of the contractor's compliance with this clause.

(c) (1) The term "small business concern" shall mean a small business as defined pursuant to Section 3 of the Small Business Act and in relevant regulations promulgated pursuant thereto.

(2) The term "small business concern owned and controlled by socially and economically disadvantaged individuals" shall mean a small business concern-

(i) which is at least 51 per centum owned by one or more socially and economically disadvantaged individuals; or in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

(ii) whose management and daily business operations are controlled by one or more of such individuals.

The contractor shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, and other minorities, or any other individual found to be disadvantaged by the Small Business Administration pursuant to section 3(a) of the Small Business Act.

(d) Contractors acting in good faith may rely on written representations by their subcontractors as either a small business concern or a small business concern owned and controlled by socially and economically disadvantaged individuals.

CLAUSE NO. 63

SPECIAL 8(a) CONTRACT CONDITIONS

The Small Business Administration (SBA) agrees as follows:

1. To furnish the supplies or services set forth in this contract according to the specifications and the terms and conditions hereof by subcontracting with an eligible concern pursuant to the provisions of Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637(a)).
2. That in the event SBA does not award a subcontract for all or a part of the work hereunder, this contract may be terminated either in whole or in part without cost to either party.
3. SBA hereby delegates to the U.S. Nuclear Regulatory Commission (NRC) the responsibility for administering the subcontract to be awarded hereunder with complete authority to take any action on behalf of the Government under the terms and conditions of the subcontract: Provided, however, that the NRC shall give advance notice to the SBA before it issues a final notice terminating the right of a subcontractor to proceed with further performance, either in whole or in part, under the subcontract for default or for the convenience of the Government.
4. Payments to be made under any subcontract awarded under this contract will be made directly to the subcontractor by NRC.
5. That the subcontractor awarded a subcontract hereunder shall have the right to appeal from decisions of the Contracting Officer cognizable under the "Disputes" clause of said subcontract, which clause shall be identical with that set out in Article 12 of Standard Form 32. It is further understood and agreed that the subcontract to be executed between the SBA and SBA's subcontractor shall also include a clause as follows:

For the purpose of this subcontract, the reference to the "Secretary or his duly authorized representative" in the "Disputes" clause of this subcontract (Article 12 of Standard Form 32, General Provisions) shall be deemed to mean, respectively, the Chairman of the U.S. Nuclear Regulatory Commission or his duly authorized representative.

PART IV - ATTACHMENTS

The following attachments are found in this part:

<u>Attachment No.</u>	<u>Item</u>
1	NRC Manual Chapter 320.2, "Publication of Unclassified Regulatory and Technical Documents Prepared by NRC Contractors, Including Reports Prepared Under or Pursuant to Interagency Agreements."
2	Sample Voucher
3	General Provisions, Cost Type Contracts With Concerns Other Than Educational Institutions
4	Contractor Organizational Conflicts of Interest.

SAMPLE VOUCHER

(a) Payer's Name and Address The U. S. Nuclear Regulatory Commission Division of Accounting, COM Attention: Gov/Com Accts Section Washington, DC 20555	(b) Voucher No. (c) Date Voucher Prepared (d) Contract No. and Date																																																
(e) Payee's Name and Address ABC CORPORATION 100 Main Street Anywhere, U.S.A. "or" The National Bank, Anywhere, U.S.A. Assignee for ABC Corporation Anywhere, U.S.A. (When Payments are Assigned)	(f) Total Estimated Cost of Contract (g) Total Fixed-Fee																																																
(h) This voucher represents reimbursable costs from <u>July 1, 1977</u> through <u>July 31, 1978</u>																																																	
(1) Direct Costs (1)(1) Direct Labor (1)(2) Fringe Benefits (1)(3) Capitalized Nonexpandable Equipment (1)(4) Materials, Supplies and Noncapitalized Equipment (1)(5) Premium Pay (1)(6) Consultant's Fee (1)(7) Travel - Domestic Foreign (1)(8) Other Total Direct Costs (2) INDIRECT COSTS % of Direct Labor or Other Base (Formula) (3) FIXED-FEE EARNED (Formula) (4) Total Amounts Claimed (5) Adjustments Outstanding Suspensions (6) Grand Totals	<table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:50%;"></th> <th style="width:25%; text-align: center;">(1) Amount Billed for Current Period</th> <th style="width:25%; text-align: center;">(2) Cumulative Amount From Inception to Date of this Billing</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;">\$ 3,400</td> <td style="text-align: right;">\$ 6,000</td> </tr> <tr> <td></td> <td style="text-align: right;">600</td> <td style="text-align: right;">1,200</td> </tr> <tr> <td></td> <td style="text-align: right;">5,000</td> <td style="text-align: right;">8,000</td> </tr> <tr> <td></td> <td style="text-align: right;">2,000</td> <td style="text-align: right;">4,000</td> </tr> <tr> <td></td> <td style="text-align: right;">100</td> <td style="text-align: right;">150</td> </tr> <tr> <td></td> <td style="text-align: right;">100</td> <td style="text-align: right;">100</td> </tr> <tr> <td></td> <td style="text-align: right;">200</td> <td style="text-align: right;">200</td> </tr> <tr> <td></td> <td style="text-align: right;">200</td> <td style="text-align: right;">200</td> </tr> <tr> <td></td> <td style="text-align: right;">-0-</td> <td style="text-align: right;">-0-</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">\$11,000</td> <td style="text-align: right; border-top: 1px solid black;">\$20,550</td> </tr> <tr> <td></td> <td style="text-align: right;">4,000</td> <td style="text-align: right;">6,000</td> </tr> <tr> <td></td> <td style="text-align: right;">700</td> <td style="text-align: right;">1,400</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">\$10,300</td> <td style="text-align: right; border-top: 1px solid black;">\$22,350</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(1,700)</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$12,300</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$20,650</td> </tr> </tbody> </table>		(1) Amount Billed for Current Period	(2) Cumulative Amount From Inception to Date of this Billing		\$ 3,400	\$ 6,000		600	1,200		5,000	8,000		2,000	4,000		100	150		100	100		200	200		200	200		-0-	-0-		\$11,000	\$20,550		4,000	6,000		700	1,400		\$10,300	\$22,350			(1,700)		\$12,300	\$20,650
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