

AWARD/CONTRACT

P1-24

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|--|----------------------------------|---|-----------|-----------------|-------------|
| 1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350) | | RATING | | | |
| 2. CONTRACT NO. NRC-02-94-001 | 3. EFFECTIVE DATE MAR 24 1994 | 4. REQUISITION/PROJECT NO. NMS-94-001 | | | |
| 5. ISSUED BY Code: U.S. Nuclear Regulatory Commission Division of Contracts & Property Mgmt. Contract Negotiation Br. #2 Washington, D.C. 20555 | | 6. ADMINISTERED BY Code: (If other than Item 5) U.S. Nuclear Regulatory Commission Div. of Contract & Property Mgmt. Contract Admin. Br. #1;P-902 Washington, D.C. 20555 | | | |
| 7. NAME AND ADDRESS OF CONTRACTOR PRIME: U.S. Small Business Admin. Washington, D.C. 20043-4500 SUB: Kevric Company, Inc. 8401 Colesville Road, Suite 610 Silver Spring, Maryland 20910 Principal Investigator/Technical Contact: Scott Delicate Telephone No: (301) 588-6000 | | 8. DELIVERY [] FOB ORIGIN [X] OTHER (See below) | | | |
| 10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN ITEM: 6 | | 9. DISCOUNT FOR PROMPT PAYMENT N/A | | | |
| 11. SHIP TO/MARK FOR CODE U.S. Nuclear Regulatory Commission ATTN: Donna Umbel M/S 6E6 Washington, D.C. 20555 | | 12. PAYMENT WILL BE MADE BY CODE U.S. Nuclear Regulatory Commission Division of Accounting & Finance GOV/COM Accounting Sec.; MNBB-11104 Washington, D.C. 20555 | | | |
| 13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION [] 10 U.S.C. 2304(c) [] [X] 41 U.S.C. 253(c) [5] 15 USC 637 (a) | | | | | |
| 14. ACCOUNTING AND APPROPRIATION DATA B&R No.: 45019401300 Job Code: J5030 APPN No.: 31X0200 BOC: 252A Obligated Amount: \$98,678.00 | | | | | |
| 15A. ITEM NO. | 15B. SUPPLIES/SERVICES | 15C. QUANTITY | 15D. UNIT | 15E. UNIT PRICE | 15F. AMOUNT |
| The NRC hereby accepts the contractor's technical proposal dated 1/14/94, which is incorporated herein by reference and made a part of this cost-plus-fixed-fee type contract to provide technical assistance in "Management Systems and Structures for Nuclear Fuel Cycle Conversion and Fabrication Plants." | | | | | |
| 15G. TOTAL AMOUNT OF CONTRACT | | | | | \$98,678.00 |

EXCEPTION TO STANDARD FORM SF26 (REV.4-85)
FAR(48 CFR) 53.214(a)

Prescribed by GSA

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PDR CONTR
NRC-02-94-001 PDR

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[Handwritten Signature]

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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. 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.)

18. 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.

19A. NAME AND TITLE OF SIGNER
(Type or print)

SEE SIGNATURE PAGE

19B. NAME OF CONTRACTOR

by _____
(Signature of person authorized to sign)

19C. DATE SIGNED

20A. NAME OF CONTRACTING OFFICER

SEE SIGNATURE PAGE

20B. UNITED STATES OF AMERICA

by _____
(Signature of Contracting Officer)

20C. DATE SIGNED

EXCEPTION TO STANDARD FORM 26 (REV. 4-85)

TRIPARTITE AGREEMENT
SIGNATURE PAGE

PRIME CONTRACTOR: 0353-94-2-00289

U.S. Small Business Administration

By: *Virginia Bellamy-Graham*

Date: 3-23-94

Name: VIRGINIA BELLAMY-GRAHAM

Title: CONTRACTING OFFICER

SUBCONTRACTOR:

Kevric Company, Inc.

By: *David W. Allen*

Date: 2/24/94

Name: DAVID W. ALLEN

Title: EXECUTIVE VICE-PRESIDENT

PROCURING OFFICE:

U.S. Nuclear Regulatory Commission

By: *Mary H. Mace*

Date: 2-22-94

Name: Mary H. Mace

Title: Contracting Officer

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PART I - THE SCHEDULE**SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS****B.1 PROJECT TITLE**

The title of this project is as follows:

"Management Systems and Structures for Nuclear Fuel Cycle Conversion and Fabrication Plants"

[End of Clause]

B.2 BRIEF DESCRIPTION OF WORK (MAR 1987)

The Contractor shall provide technical assistance to the NRC by the preparation of a detailed report about organizational control theory and its application to industrial internal control systems, including the structure, use, and effectiveness-evaluation of modern management contract systems; and a set of lesson plans and instructional material, including viewgraphs, that can be used to teach licensing reviewers and inspectors the fundamentals of management control and the techniques for assessing or evaluating the effectiveness of licensee's management control systems as they affect safety functions.

[End of Clause]

**B.3 CONSIDERATION AND OBLIGATION--COST PLUS FIXED FEE
(JUN 1988)**

- (a) The total estimated cost to the Government for full performance of this contract is \$98,678.00, of which the sum of \$92,222.00 represents the estimated reimbursable costs, and of which \$6,456.00 represents the fixed fee.
- (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 obligated by the Government with respect to this contract is \$98,678.00.

[End of Clause]

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT**C.1 STATEMENT OF WORK****C.1.1 Background**

Detailed analyses of recent safety-related incidents at certain nuclear fuel cycle conversion and fabrication plants clearly indicate that either the lack of, the deterioration of, or the ineffective design of management control systems at these plants has been a root cause of problems.

The continuing existence of this condition in the licensed community indicates that several factors may pertain. Primary concern is the lack of a definitive regulatory base in 10 CFR Part 70, to focus attention by both licensees and regulators on this function. While it is expected that licensees will have effective management in place to assure the safety of plant workers, the public and the environment, the regulations and guidance on the subject are sketchy. The matter has been left to NRC's application reviewers to assure that adequate licensee management attention will be applied to safety. Another concern is the potential lack of knowledge and skills about modern organizational control theory by NRC's technically-oriented regulators. Therefore, technical assistance is required to develop the material needed to provide guidance to licensees and to the NRC regulatory staff on modern organizational control theory and how the theory can be put into practice to establish and maintain efficient and effective management control systems at operating licensed fuel cycle facilities.

C.1.2 Objective

The objective of this task is to provide technical assistance to the NRC by the preparation of: (1) a detailed report about organizational control theory and its application to industrial internal control systems, including the structure, use, and effectiveness-evaluation of modern management control systems, and (2) develop a set of lesson plans and instructional material, including viewgraphs, that can be used to teach licensing reviewers and inspectors the fundamentals of management control and the techniques for assessing or evaluating the effectiveness of licensees' management control systems as they affect safety functions.

C.1.3 Qualifications

The principal investigator(s) on this project shall have a high degree of expertise in the field of management, with an emphasis on modern organizational control theory and practice. The expertise shall consist of a blend of education, including advanced degrees in business and management, and experience in design, use, and

C.1 (Continued)

effectiveness-evaluations of management control systems.

C.1.4 Scope of Work

The contractor shall provide technical assistance to the NRC by preparation of an authoritative report on all aspects of management control systems related to safety, including detailed descriptions of methods and procedures for the evaluation of their effectiveness, and a set of lesson plans, lecture materials and viewgraphs that a knowledgeable individual could use to instruct NRC technical staff on the subject such that the students would gain sufficient knowledge to enable them to identify inadequate or ineffective management controls, and to assess the effectiveness of corrective measures by licensees.

An analyses of recent events at fuel cycle plants indicate that the absence or the breakdown of management control systems at some licensed operations can be a root cause of accidents. So that our licensees, as well as our license reviewers and our inspectors, can better understand how to plan, establish, implement and maintain management control systems, it is necessary to develop guidance on modern organizational control theory and practice. Such guidance shall start with descriptions of the various organizational structures a company might select for its operations, and shall describe their strengths and weaknesses, both from a business perspective and from a regulator's perspective. The content of the report shall include a discussion of the functions of modern management: planning, organizing, staffing, training, directing and monitoring or controlling. However, the major focus of the report shall be on modern organizational control theory, which shall be discussed in substantial detail, because the breakdown of management control system allows conditions adverse to safety to occur at licensed facilities.

The discussion material shall include topics such as the use of: plant policies, procedures and procedure control; safety committees; audits; assessments and inspections; unusual occurrence procedures; commitment tracking systems; configuration management; records control; corrective action systems; and quality assurance. The text shall discuss how these functions, or others, can be used to form an integrated, interlocking control structure with its supporting systems to assure: the universal coverage of plant activities; the ability of management to assess the course and status of planned activities; and the flow of information needed to detect deviations from planned actions so that they can be promptly corrected. The discussion shall also provide information about external controls; internal controls; integrated controls; hierarchical control structures and related reports and how they should be used; and independent assessments of operations. The differences among these various management tools and the techniques for using them shall be addressed. The use of performance indicators and their associated hierarchical reporting systems shall be included in the text, which shall go into substantial detail about modern organizational control theory and practice. Also, it is important that

C.1 (Continued)

the course depart from the traditional view of audits as part of quality assurance and, instead, present the audit function as a performance-based management control and to contrast audits with the inspection function related to quality assurance. With regard to audits, both performance audits and program audits or financial audits shall be addressed, with emphasis on the performance audits. Some discussion of audit objectives, scope, methods and standards shall be included. Lastly, how all of these functions are used to serve as checks and balances on the performance of plant personnel shall be discussed.

Once the text of the report is completed, the material shall be used to develop a set of lesson plans, lecture materials and viewgraphs that can be used by a knowledgeable individual to teach a short course to regulators on modern organizational control theory and practice.

C.1.5 Meetings and Travel

It is expected that there will be two coordination meetings between the contractor and the NRC staff during the duration of the task to evaluate task progress and draft products, one in Washington, D.C., and one at the contractor's location.

C.1.6 NRC Furnished Materials

NRC will provide a copy of the Standard Review Plan which shall be used as a guide to format the draft and final reports discussed in Section F.7.

[End of Clause]

C.2 NRCAR 2052.215-83 TRAVEL APPROVALS (JAN 1993)

- (a) All domestic travel requires the prior approval of the project officer.
- (b) All foreign travel must be approved in advance by the NRC on NRC Form 445 and must be in compliance with FAR 52.247-63 Preference for U.S. Flag Air Carriers. Foreign travel approval must be communicated in writing through the contracting officer.

[End of Clause]

SECTION D - PACKAGING AND MARKING**D.1 PACKAGING AND MARKING (MAR 1987)**

The Contractor shall package material for shipment to the NRC in such a manner that will ensure acceptance by common carrier and safe delivery at destination. Containers and closures shall comply with the Interstate Commerce Commission Regulations, Uniform Freight Classification Rules, or regulations of other carriers as applicable to the mode of transportation. On the front of the package, the Contractor shall clearly identify the contract number under which the product is being provided.

[End of Clause]

SECTION E - INSPECTION AND ACCEPTANCE

E.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

| NUMBER | TITLE | DATE |
|----------|--|----------|
| 52.246-5 | INSPECTION OF SERVICES - COST-REIMBURSEMENT | APR 1984 |

[End of Clause]

E.2 PLACE OF INSPECTION AND ACCEPTANCE (MAR 1987)

Inspection and acceptance of the deliverable items to be furnished hereunder shall be made by the Project Officer at the destination.

[End of Clause]

SECTION F - DELIVERIES OR PERFORMANCE

F.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

| NUMBER | TITLE | DATE |
|-----------|---|----------|
| 52.212-13 | STOP-WORK ORDER Alternate I (APR 1984) | AUG 1989 |

[End of Clause]

F.2 NRCAR 2052.212-70 PREPARATION OF TECHNICAL REPORTS (JAN 1993)

All technical reports required by Section C and all Technical Progress Reports required by Section F are to be prepared in accordance with the attached Management Directive 3.8, "Unclassified Contractor and Grantee Publications in the NUREG Series." Management Directive 3.8 is not applicable to any Contractor Spending Plan (CSP) and any Financial Status Report that may be included in this contract. (See Section J for List of Attachments).

[End of Clause]

F.3 NRCAR 2052.212-71 TECHNICAL PROGRESS REPORT

The contractor shall provide a monthly Technical Progress Report to the project officer and the contracting officer. The report is due within 15 calendar days after the end of the report period and must identify the title of the project, the contract number, Financial Identification Number (FIN), project manager and/or principal investigator, the contract period of performance, and the period covered by the report. Each report must include the following for each discrete task/task order:

- (a) A listing of the efforts completed during the period, and milestones reached or, if missed, an explanation provided;
- (b) Any problems or delays encountered or anticipated and recommendations for resolution. If the recommended resolution involves a contract modification, e.g., change in work

F.3 (Continued)

requirements, level of effort (cost) or schedule delay, the contractor shall submit a separate letter to the contracting officer identifying the required change and estimated cost impact.

- (c) A summary of progress to date; and
- (d) Plans for the next reporting period.

[End of Clause]

**F.4 NECAR 2052.212-73 FINANCIAL STATUS REPORT
- ALTERNATE 1 (JAN 1993)**

The Contractor shall provide a monthly Financial Status Report to the Project Officer and the Contracting Officer. The report is due within 15 calendar days after the end of the report period and shall identify the title of the project, the contract number, job code, project manager and/or principal investigator, the contract period of performance, and the period covered by the report. Each report shall include the following for each discrete task:

- (a) Provide total estimated cost (value) of the project as reflected in the contract, the amount of funds available in the contract to date, and the balance of funds required to complete the work as follows:
 - (1) Total Estimated Contract Amount.
 - (2) Total Funds Obligated to Date.
 - (3) Total Costs Incurred this Reporting Period.
 - (4) Total Costs Incurred to Date.
 - (5) Balance of Obligations Remaining.
 - (6) Balance of Funds Required to Complete Contract.
- (b) Detail of all direct and indirect costs incurred during the reporting period for each task.

[End of Clause]

F.5 PLACE OF DELIVERY--REPORTS (JUN 1988)

The items to be furnished hereunder shall be delivered, with all charges paid by the Contractor, to:

- (a) Project Officer (3 copies)

F.5 (Continued)

U.S. Nuclear Regulatory Commission
Program Mgmt., Policy Development & Analysis Staff
Office of Nuclear Material Safety & Safeguards
Mail Stop 6E6
Washington, D.C. 20555

(b) Contracting Officer (1 copy)

[End of Clause]

F.6 DURATION OF CONTRACT PERIOD (MAR 1987)

This contract shall commence on the effective date and will expire 28 weeks thereafter.

[End of Clause]

F.7 DELIVERABLES

The following deliverables shall be provided under this contract to the NRC Project Officer in an original and two copies.

- (1) An Outline of the report on Modern Organizational Theory and Practice as Pertinent to Safe Operations at an Operating Industrial Plant. Due 2 weeks from contract initiation. Within 3 weeks from receipt of the outline, the NRC Project Officer will provide his/her comments on the outline, and a meeting will be scheduled between the NRC and the contractor to discuss the comments.
- (2) A draft Report on Modern Organizational Theory and Practice as Pertinent to Safe Operations at an Operating Industrial Plant. Due 15 weeks from contract initiation. Within 3 weeks from receipt of the draft report, the NRC Project Officer will provide his/her comments on the draft report, and a meeting will be scheduled between the NRC and the contractor to discuss the comments.
- (3) A final Report on Modern Organizational Theory and Practice as Pertinent to Safe Operations at an Operating Industrial Plant. (Final report to be provided in hard copy and Word Perfect 5.1 format.) Due 2 weeks from date of meeting on draft report.
- (4) A draft Lesson Plan, Lecture Materials and Viewgraphs on Modern Organizational Theory and Practice as Pertinent to Safe Operations at an Operating Industrial Plant. Due 3 weeks from date final report was submitted. Within 2 weeks from receipt of the draft, the NRC Project Officer will

F.7 (Continued)

provide his/her comments.

- (5) A final Lesson Plan, Lecture Materials and Viewgraphs on Modern Organizational Theory and Practice as Pertinent to Safe Operations at an Operating Industrial Plant. Due 3 weeks from receipt of NRC comments on draft.

SECTION G - CONTRACT ADMINISTRATION DATA

G.1 NRCAR 2052.215-71 PROJECT OFFICER AUTHORITY
(JAN 1993)

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

Name: Donna Umbel

Address: U.S. Nuclear Regulatory Commission
Program Mgmt., Policy Dev. & Analysis Staff
Off. of Nuclear Material Safety & Safeguards
Mail Stop 6E6
Washington, D.C. 20555

Telephone Number: (301) 504-2674

- (b) Performance of the work under this contract is subject to the technical direction of the NRC project officer. The term technical direction is defined to include the following:

- (1) Technical direction to the contractor which shifts work emphasis between areas of work or tasks, fills in details, or otherwise serves to accomplish the contractual statement of work.
- (2) Provide advice and guidance to the contractor in the preparation of drawings, specifications, or technical portions of the work description.
- (3) Review and, where required by the contract, approval of technical drawings, specifications, and technical information to be delivered by the contractor to the Government under the contract.

- (c) Technical direction must be within the general statement of work stated in the contract. The project officer does not have the authority to and may not issue any technical direction which:

- (1) Constitutes an assignment of work outside the general scope of the contract.
- (2) Constitutes a change as defined in the "Changes" clause of this contract.
- (3) In any way causes an increase or decrease in the total

G.1 (Continued)

estimated contract cost, the fixed fee, if any, or the time required for contract performance.

- (4) Changes any of the expressed terms, conditions, or specifications of the contract.
 - (5) Terminates the contract, settles any claim or dispute arising under the contract, or issues any unilateral directive whatever.
- (d) All technical directions must be issued in writing by the project officer or must be confirmed by the project officer in writing within ten (10) working days after verbal issuance. A copy of the written direction must be furnished to the contracting officer.
 - (e) The contractor shall proceed promptly with the performance of technical directions duly issued by the project officer in the manner prescribed by this clause and within the project officer's authority under the provisions of this clause.
 - (f) If, in the opinion of the contractor, any instruction or direction issued by the project officer is within one of the categories as defined in paragraph (c) of this section, the contractor may not proceed but shall notify the contracting officer in writing within five (5) working days after the receipt of any instruction or direction and shall request the contracting officer to modify the contract accordingly. Upon receiving the notification from the contractor, the contracting officer shall issue an appropriate contract modification or advise the contractor in writing that, in the contracting officer's opinion, the technical direction is within the scope of this article and does not constitute a change under the "Changes" clause.
 - (g) Any unauthorized commitment or direction issued by the project officer may result in an unnecessary delay in the contractor's performance and may even result in the contractor expending funds for unallowable costs under the contract.
 - (h) A failure of the parties to agree upon the nature of the instruction or direction or upon the contract action to be taken with respect there to is subject to FAR 52.233-1 - Disputes.
 - (i) In addition to providing technical direction as defined in paragraph (b) of the section, the project officer shall:
 - (1) Monitor the contractor's technical progress, including surveillance and assessment of performance, and recommend to the contracting officer changes in requirements.

G.1 (Continued)

- (2) Assist the contractor in the resolution of technical problems encountered during performance.
- (3) Review all costs requested for reimbursement by the contractor and submit to the contracting officer recommendations for approval, disapproval, or suspension of payment for supplies and services required under this contract.

[End of Clause]

G.2 **NECAR 2052.215-82 TRAVEL REIMBURSEMENT**
- ALTERNATE 1 (JAN 1993)

- (a) The contractor is encouraged to use Government contract airlines, AMTRAK rail services, and discount hotel/motel properties in order to reduce the cost of travel under this contract. The contracting officer shall, upon request, provide each traveler with a letter of identification which is required in order to participate in this program. The Federal Travel Directory (FTD) identifies carriers, contract fares, schedules, payment conditions, and hotel/motel properties which offer their services and rates to Government contractor personnel traveling on official business under this contract. The FTD, which is issued monthly, may be purchased from the U.S. Government Printing Office, Washington, DC 20402.
- (b) The contractor will be reimbursed for reasonable travel costs incurred directly and specifically in the performance of this contract. The cost limitations for travel costs are determined in accordance with the specific travel regulations cited in FAR 31.205-46, as are in effect on the date of the trip. Travel costs for research and related activities performed at State and nonprofit institutions, in accordance with Section 12 of Pub. L. 100-679, shall be charged in accordance with the contractor's institutional policy to the degree that the limitations of Office of Management and Budget (OMB) guidance are not exceeded. Applicable guidance documents include OMB Circular A-87, Cost Principles for State and Local Governments; OMB Circular A-122, Cost Principles for Nonprofit Organizations; and OMB Circular A-21, Cost Principles for Educational Institutions.
- (c) When the Government changes the Federal Travel Regulations, or other applicable regulations, it is the responsibility of the contractor to notify the contracting officer in accordance with the Limitations of Cost clause of this contract if the contractor will be unable to make all of the approved trips and remain within the cost and fee limitations of this contract due to the changes.

G.2 (Continued)

(End of Clause)

G.3 NRCAR 2052.216-71 INDIRECT COST RATES (JAN 1993)

- (a) Pending the establishment of final indirect rates which must be negotiated based on audit of actual costs, the contractor shall be reimbursed for allowable indirect costs as follows:

| CATEGORY | RATE | BASE | APPLICABLE PERIOD |
|---------------------|--------|-------------------------|-------------------|
| Overhead (OH) | 40.70% | Total Direct Labor & FB | 1/1/93 - 12/31/93 |
| | 38.06% | Total Direct Labor & FB | 1/1/94 - 12/31/94 |
| Fringe Benefit (FB) | 27.20% | Total Direct Labor | 1/1/93 - 12/31/93 |
| | 32.7% | Total Direct Labor | 1/1/94 - 12/31/94 |
| G&A | 18.44% | Total Direct Cost | 1/1/93 - 12/31/93 |
| | 14.86% | Total Direct Cost | 1/1/94 - 12/31/94 |

- (b) The contracting officer may adjust the above rates as appropriate during the term of the contract upon acceptance of any revisions proposed by the contractor. It is the contractor's responsibility to notify the contracting officer in accordance with FAR 52.232-20, Limitation of Cost, or FAR 52.232-22, Limitation of Funds, as applicable, if these changes affect performance of work within the established cost or funding limitations.

[End of Clause]

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.1 NRCAR 2052.209-73 CONTRACTOR ORGANIZATIONAL
CONFLICTS OF INTEREST (JAN 1993)

- (a) Purpose. The primary purpose of this clause is to aid in ensuring that the contractor:
- (1) Is not placed in a conflicting role because of current or planned interests (financial, contractual, organizational, or otherwise) which relate to the work under this contract; and
 - (2) Does not obtain an unfair competitive advantage over other parties by virtue of its performance of this contract.
- (b) Scope. The restrictions described apply to performance or participation by the contractor, as defined in 48 CFR 2009.570-2 in the activities covered by this clause.
- (c) Work for others.
- (1) Notwithstanding any other provision of this contract, during the term of this contract the contractor agrees to forego entering into consulting or other contractual arrangements with any firm or organization, the result of which may give rise to a conflict of interest with respect to the work being performed under this contract. The contractor shall ensure that all employees under this contract abide by the provision of this clause. If the contractor has reason to believe with respect to itself or any employee that any proposed consultant or other contractual arrangement with any firm or organization may involve a potential conflict of interest, the contractor shall obtain the written approval of the contracting officer before the execution of such contractual arrangement.
 - (2) The contractor may not represent, assist, or otherwise support an NRC licensee or applicant undergoing an NRC audit, inspection, or review where the activities that are the subject of the audit, inspection or review are the same as or substantially similar to the services within the scope of this contract (or task order as appropriate), except where the NRC licensee or applicant requires the contractor's support to explain or defend the contractor's prior work for the utility or other entity which NRC questions.

H.1 (Continued)

- (3) When the contractor performs work for the NRC under this contract at any NRC licensee or applicant site, the contractor shall neither solicit nor perform work in the same or similar technical area for that licensee or applicant organization for a period commencing with the award of the task order or beginning of work on the site (if not a task order contract) and ending one year after completion of all work under the associated task order, or last time at the site (if not a task order contract).
 - (4) When the contractor performs work for the NRC under this contract at any NRC licensee or applicant site,
 - (i) The contractor may not solicit work at that site for that licensee or applicant during the period of performance of the task order or the contract, as appropriate.
 - (ii) The contractor may not perform work at that site for that licensee or applicant during the period of performance of the task order or the contract, as appropriate, and for one year thereafter.
 - (iii) Notwithstanding the foregoing, the contracting officer may authorize the contractor to solicit or perform this type of work (except work in the same or similar technical area) if the contracting officer determines that the situation will not pose a potential for technical bias or unfair competitive advantage.
- (d) Disclosure after award.
- (1) The contractor warrants that to the best of its knowledge and belief, and except as otherwise set forth in this contract, it does not have any organizational conflicts of interest as defined in 48 CFR 2009.570-2.
 - (2) The contractor agrees that, if after award, it discovers organizational conflicts of interest with respect to this contract, it shall make an immediate and full disclosure in writing to the contracting officer. This statement must include a description of the action which the contractor has taken or proposes to take to avoid or mitigate such conflicts. The NRC may, however, terminate the contract if termination is in the best interest of the government.
 - (3) It is recognized that the scope of work of a task-order-type contract necessarily encompasses a broad

H.1 (Continued)

spectrum of activities. Consequently, if this is a task-order-type contract, the contractor agrees that it will disclose all proposed new work involving NRC licensees or applicants which comes within the scope of work of the underlying contract. Further, if this contract involves work at a licensee or applicant site, the contractor agrees to exercise diligence to discover and disclose any new work at that licensee or applicant site. This disclosure must be made before the submission of a bid or proposal to the utility or other regulated entity and must be received by the NRC at least 15 days before the proposed award date in any event, unless a written justification demonstrating urgency and due diligence to discover and disclose is provided by the contractor and approved by the contracting officer. The disclosure must include the statement of work, the dollar value of the proposed contract, and any other documents that are needed to fully describe the proposed work for the regulated utility or other regulated entity. NRC may deny approval of the disclosed work only when the NRC has issued a task order which includes the technical area and, if site-specific, the site, or has plans to issue a task order which includes the technical area and, if site-specific, the site, or when the work violates paragraphs (c)(2), (c)(3) or (c)(4) of this section.

(e) Access to and use of information.

- (1) If in the performance of this contract, the contractor obtains access to information, such as NRC plans, policies, reports, studies, financial plans, internal data protected by the Privacy Act of 1974 (5 U.S.C. Section 552a (1988)), or the Freedom of Information Act (5 U.S.C. Section 552 (1986)), the contractor agrees not to:
 - (i) Use this information for any private purpose until the information has been released to the public;
 - (ii) Compete for work for the Commission based on the information for a period of six months after either the completion of this contract or the release of the information to the public, whichever is first;
 - (iii) Submit an unsolicited proposal to the Government based on the information until one year after the release of the information to the public; or
 - (iv) Release the information without prior written approval by the contracting officer unless the information has previously been released to the

H.1 (Continued)

public by the NRC.

- (2) In addition, the contractor agrees that, to the extent it receives or is given access to proprietary data, data protected by the Privacy Act of 1974 (5 U.S.C. Section 552a (1988)), or the Freedom of Information Act (5 U.S.C. Section 552 (1986)), or other confidential or privileged technical, business, or financial information under this contract, the contractor shall treat the information in accordance with restrictions placed on use of the information.
- (3) Subject to patent and security provisions of this contract, the contractor shall have the right to use technical data it produces under this contract for private purposes provided that all requirements of this contract have been met.
- (f) Subcontracts. Except as provided in 48 CFR 2009.570-2, the contractor shall include this clause, including this paragraph, in subcontracts of any tier. The terms contract, contractor, and contracting officer, must be appropriately modified to preserve the Government's rights.
- (g) Remedies. For breach of any of the above restrictions, or for intentional nondisclosure or misrepresentation of any relevant interest required to be disclosed concerning this contract or for such erroneous representations that necessarily imply bad faith, the Government may terminate the contract for default, disqualify the contractor from subsequent contractual efforts, and pursue other remedies permitted by law or this contract.
- (h) Waiver. A request for waiver under this clause must be directed in writing to the contracting officer in accordance with the procedures outlined in 48 CFR 2009.570-9.
- (i) Follow-on effort. The contractor shall be ineligible to participate in NRC contracts, subcontracts, or proposals therefor (solicited or unsolicited), which stem directly from the contractor's performance of work under this contract. Furthermore, unless so directed in writing by the contracting officer, the contractor may not perform any technical consulting or management support services work or evaluation activities under this contract on any of its products or services or the products or services of another firm if the contractor has been substantially involved in the development or marketing of the products or services.
- (1) If the contractor, under this contract, prepares a complete or essentially complete statement of work or

H.1 (Continued)

specifications, the contractor is not eligible to perform or participate in the initial contractual effort which is based on the statement of work or specifications. The contractor may not incorporate its products or services in the statement of work or specifications unless so directed in writing by the contracting officer, in which case the restrictions in this paragraph do not apply.

- (2) Nothing in this paragraph precludes the contractor from offering or selling its standard commercial items to the Government.

[End of Clause]

H.2 NRCAR 2052.215-70 KEY PERSONNEL (JAN 1993)

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

Scott Delicate

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 or his/her authorized representative shall evaluate the request and promptly notify the contractor of his or her approval or disapproval in writing.
- (d) If the contracting officer determines that suitable and timely

H.2 (Continued)

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.

[End of Clause]

H.3 GOVERNMENT FURNISHED EQUIPMENT/PROPERTY - NONE PROVIDED
(JUN 1988)

The Government will not provide any equipment/property under this contract.

[End of Clause]

PART II - CONTRACT CLAUSES

SECTION I - CONTRACT CLAUSES

I.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

| NUMBER | TITLE | DATE |
|-----------|--|----------|
| 52.202-1 | DEFINITIONS | SEP 1991 |
| 52.203-1 | OFFICIALS NOT TO BENEFIT | APR 1984 |
| 52.203-3 | GRATUITIES | APR 1984 |
| 52.203-5 | COVENANT AGAINST CONTINGENT FEES | APR 1984 |
| 52.203-6 | RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT | JUL 1985 |
| 52.203-7 | ANTI-KICKBACK PROCEDURES | OCT 1988 |
| 52.203-10 | PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY | SEP 1990 |
| 52.209-6 | PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT | NOV 1992 |
| 52.215-1 | EXAMINATION OF RECORDS BY COMPTROLLER GENERAL | FEB 1993 |
| 52.215-2 | AUDIT - NEGOTIATION | FEB 1993 |
| 52.215-33 | ORDER OF PRECEDENCE | JAN 1986 |
| 52.216-7 | ALLOWABLE COST AND PAYMENT | JUL 1991 |
| 52.216-8 | FIXED FEE | APR 1984 |
| 52.219-8 | UTILIZATION OF SMALL BUSINESS CONCERNS AND SMALL DISADVANTAGED BUSINESS CONCERNS | FEB 1990 |
| 52.219-13 | UTILIZATION OF WOMEN-OWNED SMALL BUSINESSES | AUG 1986 |
| 52.219-14 | LIMITATIONS ON SUBCONTRACTING | JAN 1991 |
| 52.220-3 | UTILIZATION OF LABOR SURPLUS AREA CONCERNS | APR 1984 |
| 52.222-3 | CONVICT LABOR | APR 1984 |
| 52.222-26 | EQUAL OPPORTUNITY | APR 1984 |
| 52.222-35 | AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS | APR 1984 |
| 52.222-36 | AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS | APR 1984 |

I.1 (Continued)

| NUMBER | TITLE | DATE |
|-----------|---|-----------------|
| 52.222-37 | EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA | JAN 1988 |
| 52.223-6 | DRUG-FREE WORKPLACE | JUL 1990 |
| 52.225-11 | RESTRICTIONS ON CERTAIN FOREIGN PURCHASES | MAY 1992 |
| 52.225-19 | EUROPEAN COMMUNITY SANCTION FOR SERVICES | JAN 1994 |
| 52.227-1 | AUTHORIZATION AND CONSENT | APR 1984 |
| 52.227-2 | NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT | APR 1984 |
| 52.228-7 | INSURANCE - LIABILITY TO THIRD PERSONS | APR 1984 |
| 52.232-17 | INTEREST | JAN 1991 |
| 52.232-20 | LIMITATION OF COST | APR 1984 |
| 52.232-23 | ASSIGNMENT OF CLAIMS | JAN 1986 |
| 52.232-25 | PROMPT PAYMENT | SEP 1992 |
| 52.232-28 | ELECTRONIC FUNDS TRANSFER PAYMENT METHODS | APR 1989 |
| 52.233-1 | DISPUTES | DEC 1991 |
| 52.233-3 | PROTEST AFTER AWARD Alternate I (JUN 1985) | JUN 1985 |
| 52.242-1 | NOTICE OF INTENT TO DISALLOW COSTS | APR 1984 |
| 52.242-13 | BANKRUPTCY | APR 1991 |
| 52.243-2 | CHANGES - COST-REIMBURSEMENT Alternate I (APR 1984) | AUG 1987 |
| 52.244-2 | SUBCONTRACTS (COST-REIMBURSEMENT AND LETTER CONTRACTS) | JUL 1985 |
| 52.244-5 | COMPETITION IN SUBCONTRACTING | APR 1984 |
| 52.246-25 | LIMITATION OF LIABILITY - SERVICES | APR 1984 |
| 52.249-6 | TERMINATION (COST-REIMBURSEMENT) | MAY 1986 |
| 52.249-14 | EXCUSABLE DELAYS | APR 1984 |
| 52.253-1 | COMPUTER GENERATED FORMS | JAN 1991 |

[End of Clause]

I.2 52.219-11 SPECIAL 8(A) CONTRACT CONDITIONS
(FEB 1990)

The Small Business Administration (SBA) agrees to the following:

- (a) 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)).
- (b) That in the event SBA does not award a subcontract for all or a part of the work hereunder, this contract may be terminated

I.2 (Continued)

either in whole or in part without cost to either party.

- (c) Except for novation agreements and advance payments, delegates to the U.S. Nuclear Regulatory Commission 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 U.S. Nuclear Regulatory Commission 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.
- (d) That payments to be made under any subcontract awarded under this contract will be made directly to the subcontractor by the U.S. Nuclear Regulatory Commission.
- (e) That the subcontractor awarded a subcontract hereunder shall have the right of appeal from decisions of the Contracting Officer cognizable under the "Disputes" clause of said subcontract.
- (f) To notify the U.S. Nuclear Regulatory Commission Contracting Officer immediately upon notification by the subcontractor that the owner or owners upon whom 8(a) eligibility was based plan to relinquish ownership or control of the concern.

[End of Clause]

I.3 52.219-12 SPECIAL 8(A) SUBCONTRACT CONDITIONS
(FEB 1990)

- (a) The Small Business Administration (SBA) has entered into Contract No. NRC-02-94-001 with the U.S. Nuclear Regulatory Commission to furnish the supplies or services as described therein. A copy of the contract is attached hereto and made a part hereof.
- (b) The Kevric Company, Inc., hereafter referred to as the subcontractor, agrees and acknowledges as follows:
 - (1) That it will, for and on behalf of the SBA, fulfill and perform all of the requirements of Contract No. NRC-02-94-001 for the consideration stated therein and that it has read and is familiar with each and every part of the contract.
 - (2) That the SBA has delegated responsibility, except for novation agreements and advance payments, for the administration of this subcontract to the U.S. Nuclear

I.3 (Continued)

Regulatory Commission with complete authority to take any action on behalf of the Government under the terms and conditions of this contract.

- (3) That it will not subcontract the performance of 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 U.S. Nuclear Regulatory Commission.
 - (4) That it will notify the U.S. Nuclear Regulatory Commission Contracting Officer in writing immediately upon entering an agreement (either oral or written) to transfer all or part of its stock or other ownership interest to any other party.
- (c) Payments, including any progress payments under this subcontract, will be made directly to the subcontractor by the U.S. Nuclear Regulatory Commission.

[End of Clause]

I.4 52.219-17 SECTION 8(A) AWARD (FEB 1990)

- (a) By execution of a contract, the Small Business Administration (SBA) agrees to the following:
- (1) To furnish the supplies or services set forth in the contract according to the specifications and the terms and conditions by subcontracting with the Offeror who has been determined 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) Except for novation agreements and advance payments, delegates to the U.S. Nuclear Regulatory Commission the responsibility for administering the contract with complete authority to take any action on behalf of the Government under the terms and conditions of the contract; provided, however that the contracting agency shall give advance notice to the SBA before it issues a final notice terminating the right of the subcontractor to proceed with further performance, either in whole or in part, under the contract.
 - (3) That payments to be made under the contract will be made directly to the subcontractor by the contracting activity.
 - (4) To notify the U.S. Nuclear Regulatory Commission Contracting Officer immediately upon notification by the

I.4 (Continued)

subcontractor that the owner or owners upon whom 8(a) eligibility was based plan to relinquish ownership or control of the concern.

- (b) The offeror/subcontractor agrees and acknowledges that it will, for and on behalf of the SBA, fulfill and perform all of the requirements of the contract.

[End of Clause]

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J - LIST OF ATTACHMENTS

J.1 ATTACHMENTS (MAR 1987)

| <u>Attachment Number</u> | <u>Title</u> |
|--------------------------|--|
| 1 | Billing Instructions |
| 2 | NRC Contractor Organizational Conflicts of Interest |
| 3 | NRC Handbook 3.8 |

FAR 52.252-2 CLAUSE INCORPORATED BY REFERENCE (JUNE 1988)

FAR REF

CLAUSE TITLE

| | | |
|-----------|-----|--|
| 52.203-12 | (x) | Limitation on Payments to Influence Certain Federal Transactions (Jan 1990) |
|-----------|-----|--|