



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

December 14, 1994

MEMORANDUM TO: M. Wayne Hodges, Director
Division of Systems Research
Office of Nuclear Regulatory Research

THRU: Farouk Eltawila, Chief *FE*
Reactor and Plant Systems Branch
Division of Systems Research
Office of Nuclear Regulatory Research

FROM: Frank Odar *F. Odar*
Thermal/Hydraulic Modeling Section
Reactor and Plant Systems Branch
Division of Systems Research
Office of Nuclear Regulatory Research

SUBJECT: REQUEST TO ACCEPT A PROPOSAL WITH MODIFICATIONS

I recommend that you approve the attached contractual action for JOB CODE: W6245, "TRAC-PF1/MOD2 Maintenance." My recommendation is based on the need of maintaining the TRAC-PF1/MOD2 code in order to perform calculations for the AP600 design in the companion Job Code L2592. The research is relevant to an important regulatory issue as explained in the Background section of the attached Modification (Criterion #1). The research results are expected to resolve the regulatory issue by satisfactorily accomplishing objectives described in the Objectives section of the attached Modification (Criterion #2). The estimated cost is justified by the knowledge gained, as evidenced by "Research Plan for Standard Plant Designs and Operating Plant Performance" dated July 5, 1994, (Criterion #3). Best people and contractors are being pursued, as evidenced by "Source Selection Justification" Form 367 (Criterion #4). The results will be timely because the delivery schedule is consistent with the RES Program Plan "Research Plan for Standard Plant Designs and Operating Plant Performance" (Criterion #6). This job code defines the work scope for the maintenance of an existing NRC code; and therefore, criteria of alternative approaches and peer review are not applicable.

The contractual action accepts Form 189 dated August 29, 1994, with modifications. The proposal arrived in my office on November 2, 1994. It took a very long time to go through the DOE-Albuquerque office. The attached proposal is fully responsive to the attached SOW dated May 20, 1994, (Criteria #1, #2, #6, #8). The work started after the receipt of the funds by the contractor under the authority of the "Urgency" statement. The proposed costs are considerably higher than the IGCE (by about 140K), but they deemed reasonable after negotiation with the proposer because there were more code errors and problems than we anticipated. There is a discrepancy between the carryovers shown in Form 189 and the Monthly Business Letter Report. Form 189 shows a carryover of 135K while the Monthly Business Letter Report shows a carryover of 17K. We understand that the carryover is closer to 17K, and a

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revised Form 189 reflecting the true carryover is underway. However, we have to act on the old Form 189 and extend the project completion date if we want this work to be continued, because the old project completion date is December 31, 1994.

Because of increased costs due to code errors, there is very little carryover. There is also very little time to provide necessary funding for the continuity of the project. I could not attend the problem earlier because of my full time involvement with the RES reorganization. I recommend that you sign the attached "Urgency" statement to provide continuity for the project. The "Urgency" statement provides funding of 380K only for the modification consistent with our IGCE. This contractual action will request submittal of a modified 189 which will include requested modifications and corrected carryover.

- Attachments:
1. Modification to Form 189
 2. Form 173, SOW
 3. Form 189
 4. Urgency Statement
 5. IGCE

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Because of increased costs due to code errors, there is very little carryover; and hence, very little time to provide necessary funding for the continuity of the project. I could not attend the problem earlier because of my full time involvement with the RES reorganization. I recommend that you sign the attached "Urgency" statement to provide continuity for the project.

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