

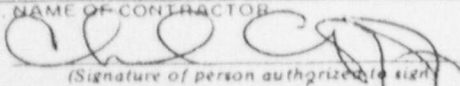
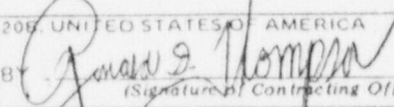
<b>AWARD/CONTRACT</b>		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)		RATING	PAGE OF 1	PAGES 22
2. CONTRACT (Proc. Inst. Ident.) NO. NRC-04-87-373		3. EFFECTIVE DATE 9/30/87		4. REQUISITION/PURCHASE REQUEST/PROJECT NO.		
5. ISSUED BY U.S. Nuclear Regulatory Commission Division of Contracts Washington, D.C. 20555		6. ADMINISTERED BY (If other than Item 5)		CODE		

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code)  J. P. Langan and Associates/Sentry Equipment Corp. P. O. Box 127 Oconomowoc, WI 53066		8. DELIVERY  <input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below)	
9. DISCOUNT FOR PROMPT PAYMENT		10. SUBMIT INVOICES (4 copies unless other- wise specified) TO THE ADDRESS SHOWN IN: <span style="float: right;">ITEM 12</span>	
11. SHIP TO/MARK FOR See Section F.2	CODE	12. PAYMENT WILL BE MADE BY See Section G.3	CODE

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:  <input type="checkbox"/> 10 U.S.C. 2304(c) <input type="checkbox"/> 41 U.S.C. 253(c)		14. ACCOUNTING AND APPROPRIATION DATA B&R #:601902 \$49,500.00 Fin:D2040 APPN: 31X0200.607			
15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	The contractor shall perform research entitled, "Analysis of State-of-the-Art Methods for Containment Integrated Leak Rate Testing" in accordance with the schedule and the contractor's proposal dated March 25, 1987, which is incorporated herein and made a part hereof.  This is a firm fixed price contract				
15G. TOTAL AMOUNT OF CONTRACT					\$ 49,500.00

16. TABLE OF CONTENTS							
(W)	SEC	DESCRIPTION	PAGE(S)	(W)	SEC	DESCRIPTION	PAGE(S)
PART I — THE SCHEDULE				PART II — CONTRACT CLAUSES			
X	A	SOLICITATION/CONTRACT FORM	1	X	I	CONTRACT CLAUSES	13
X	B	SUPPLIES OR SERVICES AND PRICES/COSTS	2	PART III — LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.			
X	C	DESCRIPTION/SPECS./WORK STATEMENT	2	X	J	LIST OF ATTACHMENTS	14
X	D	PACKAGING AND MARKING	2	PART IV — REPRESENTATIONS AND INSTRUCTIONS			
X	E	INSPECTION AND ACCEPTANCE	2	X	K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	15
X	F	DELIVERIES OR PERFORMANCE	2				
X	G	CONTRACT ADMINISTRATION DATA	3	X	L	INSTRS., CONDS., AND NOTICES TO OFFERORS	21
X	H	SPECIAL CONTRACT REQUIREMENTS	8		M	EVALUATION FACTORS FOR AWARD	

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 3 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. <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.	
19A. NAME AND TITLE OF SIGNER (Type or print)  Charles C. Tuff, President		20A. NAME OF CONTRACTING OFFICER  Ronald D. Thompson	
19B. NAME OF CONTRACTOR BY 		20B. UNITED STATES OF AMERICA BY 	
19C. DATE SIGNED 9-9-87		20C. DATE SIGNED 9-16-87	

8709180382 870915  
PDR CONTR  
NRC-04-87-373 PDR

26-107

☆ GPO : 1985 O - 461-275 (418)

STANDARD FORM 26 (REV. 4-85)  
Prescribed by GSA  
FAR (48 CFR) 53.214(a)

## Section B - Supplies or Services and Prices/Costs

## B.1 Brief Description of Work

The contractor shall conduct research entitled "Analysis of the State-of-the-Art Methods for containment Integrated leak Rate Testing"

B.2 Total Fixed Price.....\$49,500.00.

Section C - Description/Specifications/Work StatementC.1 Statement of Work

The work to be performed and the objectives to be met in this contract shall be in accordance with the contractor's technical proposal in response to the FY 1987 Small Business Innovation Research Program (SBIR) which is incorporated as attached (Attachment 4).

Section D - Packaging and Marking

D.1 The contractor shall use standard commercial packaging for all items to be delivered. On the front of the package, the contractor shall clearly identify the contract number under which the product is being provided.

Section E - Inspection and Acceptance

## E.1 FAR Citations

The contractor shall refer to Section I, Clause No. 52.252-2 for citations incorporated by reference.

Section F - Deliveries and PerformanceF.1 Reports, Documentation and Other Deliverable End Items

- a. Letter progress reports in three copies to the Project Officer and one copy to the Contracting Officer shall be due by November 30, 1987 and January 30, 1988.
- b. A final report to include the results of the work performed under this contract shall be submitted to the project officer in one camera ready copy and three copies on March 30, 1988. In addition, one copy of the final report shall be submitted to the Contracting Officer on March 30, 1988.

F.2 Place of Delivery

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

1. Copies to Project Officer:

U.S. Nuclear Regulatory Commission  
ATTN: G. Arndt  
Office of Nuclear Regulatory Research  
Division of Engineering Technology  
Mail Stop: NL-007  
Washington, DC 20555

2. Copies to Contracting Officer:

U.S. Nuclear Regulatory Commission  
ATTN: Contracting Officer  
Division of Contracts  
Mail Stop: AR 2223  
Washington, DC 20555

F.3 Duration of Contract Period

This contract shall become effective on September 30, 1987 as specified in Block 3 of the SF26, and shall continue to completion thereof, on March 30, 1988.

F.4 FAR Citations

The contractor shall refer to Section I, Clause No. 52.252-2 for citations incorporated by reference.

Section G - Contract Administration Data

G.1 Technical Direction

A. Performance of the work under this contract shall be subject to the technical direction of the NRC Project Officer named in Section G.2 of this contract. 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, requires pursuit of certain lines of inquiry, fills in details or otherwise serves to accomplish the contractual scope of work.



2. Providing assistance 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 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 general scope 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 additional work outside the general scope of the contract.
  2. Constitutes a change as defined in the clause of the General Provisions, entitled "Changes."
  3. In any way causes an increase or decrease in the total 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.
- C. ALL TECHNICAL DIRECTIONS SHALL BE ISSUED IN WRITING BY THE PROJECT OFFICER OR SHALL BE CONFIRMED BY SUCH PERSON IN WRITING WITHIN TEN (10) WORKING DAYS AFTER VERBAL ISSUANCE. A copy of said written direction shall be submitted to the Contracting Officer.

The Contractor shall proceed promptly with the performance of technical directions duly issued by the Project Officer in the manner prescribed by this article and within such person's authority under the provisions of this article.

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 B(1) through (4) above, the Contractor shall not proceed but shall notify the Contracting Officer in writing within five (5) working days after the receipt of any such instruction or direction and shall request the Contracting Officer to modify the contract accordingly. Upon receiving such 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.



- D. 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.
- E. 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 thereto shall be subject to the provisions of the contract clause entitled "Disputes."

## G.2

Project Officer

- A. The individual(s) listed in "B" below is (are) hereby designated as the Contracting Officer's authorized representative (hereinafter called Project Officer) for technical aspects of this contract. The Project Officer is not authorized to approve or request any action which results in or could result in an increase in contract cost; or terminate, settle any claim or dispute arising under the contract, or issue any unilateral directive whatever.

The Project Officer is responsible for: (1) monitoring the Contractor's technical progress, including surveillance and assessment of performance, and recommending to the Contracting Officer changes in requirements; (2) interpreting the scope of work; (3) performing technical evaluation as required; (4) performing technical inspections and acceptances required by this contract; and (5) assisting the Contractor in the resolution of technical problems encountered during performance. Within the purview of this authority, the Project Officer is authorized to review all costs requested for reimbursement by Contractors and submit recommendations for approval, disapproval, or suspension for supplies/services required under the contract. The Contracting Officer is responsible for directing or negotiating any changes in terms, conditions, or amounts cited in the contract.

For guidance from the Project Officer to the Contractor to be valid, it must: (1) be consistent with the description of work set forth in the contract; (2) not constitute new assignment of work or change to the expressed terms, conditions or specifications incorporated into this contract; (3) not constitute a basis for an extension to the period of performance or contract delivery schedule; and, as stated above, (4) not constitute a basis for any increase in the contract cost.

B. Name and Mail Code: G. Arndt  
Office Address: U.S. Nuclear Regulatory Commission  
Office of Nuclear Regulatory Research  
Mail Stop NL-007  
Washington, DC 20555  
(301) 443-7893

G.3 Invoice Requirements

Invoices shall be submitted in an original and 4 copies to:

U.S. Nuclear Regulatory Commission  
Division of Accounting and Finance  
Office of Administration and Resources Management  
ATTN: GOV/COM Accounts Section  
Washington, D.C. 20555.

To constitute a proper invoice, the invoice must include the following information and/or attached documentation:

- (1) Name of the business concern and invoice date.
- (2) Contract number or other authorization for delivery of property or services.
- (3) Description price and quantity of property and services actually delivered or rendered.
- (4) Shipping and payment terms.
- (5) Name (where practicable), title, phone number, and complete mailing address of responsible official to whom payment is to be sent.
- (6) Other substantiating documentation or information as required by the contract.

G.4 Payment

- (a) Payment shall be made in the amount of \$16,500.00 to the contractor within 30 days after receipt of each of the two letter progress reports as required in Section F.1.a. Payment shall not be made prior to receipt of said progress reports.
- (b) Final payment shall be made in the amount of \$16,500.00 to the contractor within 30 days after receipt of the final report as required in Section F.1.b.

- (c) All contractor invoices shall identify the contract number and the monthly letter progress report for which payment is claimed.
- (d) If this contract provides for a discount, the contract shall indicate the contract's discount terms (Block 9 of Standard Form 26) on the face page of the invoice.

## G.5

Interest on Overdue Payments

- (a) The Prompt Payment Act, Public Law 97-177 (96 STAT. 85, 31 USC 1801) is applicable to payments under this contract and requires the payment of interest to contractors on overdue payments and improperly taken discounts.
- (b) Determinations of interest due will be made in accordance with the provisions of the Prompt Payment Act and Office of Management and Budget Circular A-125, Vol. 47 Federal Register 37321, August 25, 1982. Among other considerations, OMB Circular A-125 provides that:
  - (1) Interest penalties are not required when payment is delayed because of a disagreement over the amount of payment or other issues concerning compliance with the terms of the contract.
  - (2) Whenever a proper invoice is paid after the due date plus 15 days, interest will be included with the payment at the interest rate applicable on the payment date. Interest will be computed from the day after the due date through the payment date.

## G.6

Method of Payment

- (a) Payment under this contract will be made by wire transfer through the Treasury Financial Communications System for each individual payment in excess of \$25,000 and by Treasury check for each individual payment of \$25,000 or less.
- (b) Within seven days after the effective date of the contract, the Contractor shall forward the following information in writing to the Contracting Officer to facilitate wire transfer of contract payments. In the event that the Contractor's financial institution has access to the Federal Reserve Communications System, Contractor shall complete all items except items 7 - 9. In the event the Contractor's financial institution does not have access to the Federal Reserve Communications System, Contractor shall complete all items except item 4.



1. Name and address of organization
  2. Contact person and telephone number
  3. Name and address of financial institution
  4. Financial institutions's 9-digit ABA identifying number for routing transfer of funds
  5. Telegraphic abbreviation of financial institution
  6. Account number at your financial institution your financial institution receives electronic funds transfer messages through, if it does not have access to the Federal Reserve Communications System
  7. Name and address of the correspondent financial institution your financial institution receives electronic funds transfer messages through, if it does not have access to the Federal Reserve Communications System
  8. Correspondent financial institution 9-digit ABA identifying number for routing transfer of funds
  9. Telegraphic abbreviation of correspondent financial institution
  10. Signature and title of person supplying this information
- (c) Any changes to the information furnished under paragraph (b) of this clause shall be furnished to the Contracting Officer in writing. It is the Contractor's responsibility to furnish these changes promptly to avoid payments to erroneous bank accounts.

#### Section H - Special Contract Requirements

##### H.1 Key Personnel

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

J. P. Langan, Principal Investigator

The Contractor agrees that such personnel shall not be removed from the contract work or replaced without compliance with paragraphs (b) and (c) hereof.

(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 or his authorized representative, promptly replace such personnel with personnel of at least substantially equal ability and qualifications.

(c) All requests for approval of substitutions hereunder must be in writing and provide a detailed explanation of the circumstances necessitating the proposed substitutions. They must contain a complete resume for the proposed substitute, and other information requested by the Contracting Officer or needed by him to approve or disapprove the proposed substitution. The Contracting Officer or his authorized representative will evaluate such requests and promptly notify the Contractor of his approval or disapproval thereof in writing.

(d) If the Contracting Officer determines that suitable and timely replacement of key personnel who have been reassigned, terminated or have otherwise become unavailable for the contract work is not reasonably forthcoming or that the resultant reduction of productive effort would be so substantial as to impair the successful completion of the contract or the service order, the contract may be terminated by the Contracting Officer for default or for the convenience of the Government, as appropriate, or, at the discretion of the Contracting Officer if he 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.

## H.2

### Consultant or Other Comparable Employment Services of Contractor Employees (OMB Clearance Number 3150-0112)

The Contractor shall require all employees who are employed full-time (an individual who performs work under the cost-type contract on a full-time annual basis) or part-time (50 percent or more of regular annual compensation received under terms of a contract with the Commission) on the contract work to disclose to the Contractor all consultant or other comparable employment services which the employees proposed to undertake for others. The Contractor shall transmit to the Contracting Officer all information obtained from such disclosures. The Contractor will require any employee who will be employed full-time on the contract to agree, as a condition of his participation in such work, that he will not perform consultant or other comparable employment services for another Commission cost-type Contractor under its contract with the Commission except with the prior approval of the Contractor.



H.3 Safety, Health, and Fire Protection

The Contractor shall take all reasonable precautions in the performance of the work under this contract to protect the health and safety of employees and of members of the public and to minimize danger from all hazards to life and property and shall comply with all health, safety, and fire protection regulations and requirements (including reporting requirements) of the Commission and the Department of Labor. In the event that the Contractor fails to comply with said regulations or requirements, the Contracting Officer may, without prejudice to any other legal or contractual rights of the Commission, issue an order stopping all or any part of the work; thereafter, a start order for resumption of work may be issued at the discretion of the Contracting Officer. The Contractor shall make no claim for an extension of time or for compensation or damages by reason of or in connection with such work stoppage.

H.4 Dissemination of Contract Information (OMB Clearance Number 3150-0112)

The Contractor shall not publish, permit to be published, or disseminate to the public any information, oral or written, concerning the work performed under this contract without the prior written consent of the Contracting Officer. Two copies of any information proposed to be published or disseminated shall be submitted to the Contracting Officer. Failure to comply with this clause shall be grounds for termination of this contract.

H.5 Private Use of Contract Information and Data

Except as otherwise specifically authorized by Section H., publication of contract work of this contract, or as otherwise approved by the Contracting Officer, information and other data developed or acquired by or furnished the Contractor in the performance of this contract, shall be used only in connection with the work under this contract.

H.6 Drawings, Designs, and Specifications

All drawings, sketches, designs, design data, specifications, notebooks, technical and scientific data, and all photographs, negatives, reports, findings, recommendations, data and memoranda of every description relating thereto, as well as all copies of the foregoing relating to the work or any part thereto, shall be subject to inspection by the Commission at all reasonable times (for which inspection the proper facilities shall be afforded the Commission by the Contractor and its subcontractors), shall be the property of the Government and may be used by the Government for any purpose



whatsoever without any claim on the part of the Contractor and its subcontractors and vendors for additional compensation and shall, subject to the right of the Contractor to retain a copy of said material for its own use, be delivered to the Government, or otherwise disposed of by the Contractor either as the Contracting Officer may from time to time direct during the progress of the work or in any event as the Contracting Officer shall direct upon completion or termination of this contract. The Contractor's right of retention and use shall be subject to the security, patent, and use of information provisions, if any, of this contract.

H.7 Proprietary Data and Confidential Information

In connection with the performance of the work under this contract, the Contractor may be furnished, or may develop or acquire, proprietary data (trade secrets) or confidential or privileged technical, business, or financial information, including Commission plans, policies, reports, financial plans, internal data protected by the Privacy Act of 1974 (P.L. 93-579), or other information which has not been released to the public or has been determined by the Commission to be otherwise exempt from disclosure to the public. Contractor agrees to hold such information in confidence and not to directly or indirectly duplicate, disseminate, or disclose such information in whole or in part to any other person or organization except as may be necessary to perform the work under this contract. Contractor agrees to return such information to the Commission or otherwise dispose of it either as the Contracting Officer may from time to time direct during the progress of the work or in any event as the Contracting Officer shall direct upon completion or termination of this contract. Failure to comply with this clause shall be grounds for termination of this contract.

H.8 Contractor Organizational Conflicts of Interest (OMB Clearance Number 3150-0112)

(a) Purpose. The primary purpose of this clause is to aid in ensuring that the Contractor: (1) Is not placed on 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 forgo 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 prescriptions 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.



PART II - CONTRACT CLAUSES

Section I - Contract Clauses

52.252-2 CLAUSES INCORPORATED BY REFERENCE. (APR 1984)

This contract incorporates the following 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

Section E

52.246-4 INSPECTION OF SERVICES--FIXED-PRICE. (APR 1984)

Section F

52.212-13 STOP-WORK ORDER. (APR 1984)

Section I

- 52.202-1 DEFINITIONS. (APR 1984)
- 52.203-1 OFFICIALS NOT TO BENEFIT. (APR 1984)
- 52.203-3 GRATUITIES. (APR 1984)
- 52.203-5 COVENANT AGAINST CONTINGENT FEES. (APR 1984)
- 52.215-1 EXAMINATION OF RECORDS BY COMPTROLLER GENERAL. (APR 1984)
- 52.215-31 WAIVER OF FACILITIES CAPITAL COST OF MONEY. (APR 1984)
- 52.215-33 ORDER OF PRECEDENCE. (JAN 1986)
- 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS AND SMALL DISADVANTAGED BUSINESS CONCERNS. (JUN 1985)
- 52.219-13 UTILIZATION OF WOMEN-OWNED SMALL BUSINESSES. (APR 1984)
- 52.220-3 UTILIZATION OF LABOR SURPLUS AREA CONCERNS. (APR 1984)
- 52.222-1 NOTICE TO THE GOVERNMENT OF LABOR DISPUTES. (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)
- 52.227-1 AUTHORIZATION AND CONSENT. (APR 1984)--Alternate I. (APR 1984)
- 52.227-2 NOTICE AND ASSISTANCE, REGARDING PATENT AND COPYRIGHT INFRINGEMENT. (APR 1984)
- 52.227-11 PATENT RIGHTS--RETENTION BY THE CONTRACTOR (SHORT FORM). (APR 1984)
- 52.229-3 FEDERAL, STATE, AND LOCAL TAXES (APR 1984)
- 52.229-5 TAXES--CONTRACTS PERFORMED IN U.S. POSSESSIONS OR PUERTO RICO. (APR 1984)

- 52.232-1 PAYMENTS. (APR 1984)
- 52.232-23 ASSIGNMENT OF CLAIMS. (JAN 1986)
- 52.243-1 CHANGES--FIXED-PRICE. (APR 1984)--Alternate 5. (APR 1984)
- 52.246-25 LIMITATION OF LIABILITY--SERVICES. (APR 1984)
- 52.247-63 PREFERENCE FOR U.S.-FLAG AIR CARRIERS. (APR 1984)
- 52.249-1 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT  
(FIXED-PRICE) (SHORT FORM). (APR 1984)
- 52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE). (APR 1984)
- 52.233-1 DISPUTES. (APR 1984)

### PART III - LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

#### Section J - List of Attachments

<u>Attachment Number</u>	<u>Title</u>
1	NRC Contractor Organizational Conflicts of Interest (41 CFR Part 20)
2	NRC Manual Chapter 3202
3	Billing Instructions for Fixed Price Contracts
4	Contractor's technical and cost proposal in response to the FY 1986 Small Business Innovation Research Program (SBIR) entitled "Analysis of the State-of-the-Art Methods for Containment Integrated Leak Rate Testing"

### PART IV - REPRESENTATIONS AND INSTRUCTIONS

#### Section K - Representations, Certifications and Other Statements of Offerors or Quoters

- K.1 CONTRACTOR ORGANIZATIONAL CONFLICTS OF INTEREST (OMB Clearance Number 3150-0112)

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

The award to Sentry Equipment Corp. of a contract  
or the modification of an existing contract does / / or does not / X  
/ involve situations or relationships of the type set forth in  
Attachment , paragraph 20-1.5403(b).

If the representation as completed indicates that situations or  
relationships of the type set forth in Attachment 2 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 factors

bearing on his representation to the Contracting Officer. If the Contracting Officer determines that organizational conflicts exist, the following actions may be taken:

- (a) impose appropriate conditions which avoid such conflicts,
- (b) disqualify the offeror, or
- (c) 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.

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 awards; or if such nondisclosure or misrepresentation is discovered after 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.

#### K.2 CERTIFICATION REGARDING DEBARMENT STATUS

The offeror hereby certifies by submission of this offer that it and any subcontractor(s) that will be performing under this contract is not a debarred person or firm.

#### K.3 FAR Provisions

##### 52.203-2 CERTIFICATE OF INDEPENDENT PRICE DETERMINATION. (APR 1985)

(a) The offeror certifies that--

(1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered;

(2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.



(b) Each signature on the offer is considered to be a certification by the signatory that the signatory--

(1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or

(2) (i) Has been authorized in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above ..... Charles C. Tuff, President ..... [insert full name of person(s) in the offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the offeror's organization].

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the offeror deletes or modifies subparagraph (a)(2) above, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

(End of provision)  
(R 7-2003.1 1975 OCT)  
(R 1-1.317)

#### 52.203-4 CONTINGENT FEE REPRESENTATION AND AGREEMENT. (APR 1984)

(a) Representation. The offeror represents that, except for full-time bona fide employees working solely for the offeror, the offeror--

Note: The offeror must check the appropriate boxes. For interpretation of the representation, including the term "bona fide employee," see Subpart 3.4 of the Federal Acquisition Regulation.

(1) / / has, / X/ has not employed or retained any person or company to solicit or obtain this contract; and

(2) / / has, / X/ has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) Agreement. The offeror agrees to provide information relating to the above Representation as requested by the Contracting Officer and, when subparagraph (a)(1) or (a)(2) is answered affirmatively, to promptly submit to the Contracting Officer--

(1) A completed Standard Form 119, Statement of Contingent or Other Fees, (SF 119); or

(2) A signed statement indicating that the SF 119 was previously submitted to the same contracting office, including the date and applicable solicitation or contract number, and representing that the prior SF 119 applies to this offer or quotation.

(End of provision)  
(R 7-2002.1 1974 APR)  
(R 1-1.505)

52.215-6 TYPE OF BUSINESS ORGANIZATION. (APR 1984)

The offeror or quoter, by checking the applicable box, represents that it operates as / X/ a corporation incorporated under the laws of the State of ...Wisconsin....., / X/ an individual, / / a partnership, / / a nonprofit organization, or / / a joint venture.

(End of provision)  
(AV SF 33 1977 MAR)  
(R SF 19B, Para 4, 1976 JUNE)

52.215-11 AUTHORIZED NEGOTIATORS. (APR 1984)

The offeror or quoter represents that the following persons are authorized to negotiate on its behalf with the Government in connection with this request for proposals or quotations:

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>
Charles C. Tuff	President	(414) 567-7256

(End of provision)  
(R 3-501(b) Sec K (iv))

52.215-20 PLACE OF PERFORMANCE. (APR 1984)

(a) The offeror or quoter, in the performance of any contract resulting from this solicitation, / / intends, / X/ does not intend (check applicable block) to use one or more plants or facilities located at a different address from the address of the offeror or quoter as indicated in this proposal or quotation.

(b) If the offeror or quoter checks "intends" in paragraph (a) above, it shall insert in the spaces provided below the required information:

<u>Place of Performance (Street Address, City, County, State, Zip Code)</u>	<u>Name and Address of Owner and Operator of the Plant or Facility if Other than Offeror or Quoter</u>
.....	.....
.....	.....
.....	.....

(End of provision)  
(R 3-501(b) Sec K (viii))

52.219-1 SMALL BUSINESS CONCERN REPRESENTATION. (APR 1984)

The offeror represents and certifies as part of its offer that it /X/ is, / / is not a small business concern and that /X/ all, / / not all supplies to be furnished will be manufactured or produced by a small business concern in the United States, its possessions, or Puerto Rico. "Small business concern,"

as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the size standards in this solicitation.

(End of provision)

(R 3-501(b)(3), Part IV, Section K, (i)(A) 1979 SEP)

52.219-2 SMALL DISADVANTAGED BUSINESS CONCERN REPRESENTATION. (APR 1984)

(a) Representation. The offeror represents that it / / is, / X/ is not a small disadvantaged business concern.

(b) Definitions.

"Asian-Indian American," as used in this provision, means a United States citizen whose origins are in India, Pakistan, or Bangladesh.

"Asian-Pacific American," as used in this provision, means a United States citizen whose origins are in Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territory of the Pacific Islands, the Northern Mariana Islands, Laos, Cambodia, or Taiwan.

"Native Americans," as used in this provision, means American Indians, Eskimos, Aleuts, and native Hawaiians.

"Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria and size standards in 13 CFR 121.

"Small disadvantaged business concern," as used in this provision, means a small business concern that (1) is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business having at least 51 percent of its stock owned by one or more socially and economically disadvantaged individuals and (2) has its management and daily business controlled by one or more such individuals.

(c) Qualified groups. The offeror shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Asian-Indian Americans, and other individuals found to be qualified by the SBA under 13 CFR 124.1.

(End of provision)

(R 7-2003.74 1980 AUG)

(R 3-501(b)(3), Part IV, Section K, (i)(B) 1980 AUG)

52.219-3 WOMEN-OWNED SMALL BUSINESS REPRESENTATION. (APR 1984)

(a) Representation. The offeror represents that it / / is, / X/ is not a women-owned small business concern.

(b) Definitions.

"Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria and size standards in 13 CFR 121.



"Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.

(End of provision)  
(R FPR Temp. Reg 48 1978 DEC)

52.222-21 CERTIFICATION OF NONSEGREGATED FACILITIES. (APR 1984)

(a) "Segregated facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

(b) By the submission of this offer, the offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in the contract.

(c) The offeror further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will--

(1) Obtain identical certifications from proposed subcontractors before the award of subcontracts under which the subcontractor will be subject to the Equal Opportunity clause;

(2) Retain the certifications in the files; and

(3) Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT  
FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES.

A Certification of Nonsegregated Facilities must be submitted before the award of a subcontract under which the subcontractor will be subject to the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

(End of provision)  
(R 7-2003.14(b)(1)(A) 1970 AUG)  
(R 1-12.803-10(d))

52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS. (APR 1984)

The offeror represents that--

- (a) It / X / has, / / has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation, the clause originally contained in Section 310 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114;
- (b) It / X / has, / / has not, filed all required compliance reports; and
- (c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

(End of provision)

(R 7-2003.14(b)(1)(B) 1973 APR)

52.222-25 AFFIRMATIVE ACTION COMPLIANCE. (APR 1984)

The offeror represents that (a) it / X / has developed and has on file, / / has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) it / / has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(End of provision)

(R 7-2003.14(b) 1979 SEP)

(R 1-12.805-4)

Section L - Instructions, Conditions, and Notices to Offerors or Quoters

L.1 Solicitation Provisions

52.233-2 SERVICE OF PROTEST (JAN 1985)

Protests, as defined in section 33.101 of the Federal Acquisition Regulation, shall be served on the Contracting Officer by obtaining written and dated acknowledgement of receipt from the Division of Contracts; U.S. Nuclear Regulatory Commission; 4550 Montgomery Avenue; Suite 2223; Bethesda, Maryland 20814.

(End of Provision)

L.2 Nondiscrimination Because of Age (FAR 22.901)

It is the policy of the Executive Branch of the Government that (a) Contractors and Subcontractors engaged in the performance of Federal contracts shall not, in connection with the employment, advancement, or discharge of employees or in connection with the terms, conditions, or privileges of their employment, discriminate against persons because of their age except upon the basis of a bonafide occupational qualification, retirement plan, or statutory requirement, and (b) that Contractors and Subcontractors, or persons

acting on their behalf, shall not specify, in solicitations or advertisements for employees to work on Government contracts, a maximum age limit for such employment unless the specified maximum age limit is based upon a bonafide occupational qualification, retirement plan, or statutory requirement.



PART 20-1 -- GENERAL

Subpart 20-1.54--Contractor Organizational Conflicts of Interest

Sec.

- 20-1.5401 Scope and policy.
- 20-1.5402 Definitions.
- 20-1.5403 Criteria for recognizing contractor organizational conflicts of interest.
- 20-1.5404 Representation.
- 20-1.5405 Contract clauses.
- 20-1.5405-1 General contract clause.
- 20-1.5405-2 Special contract provisions.
- 20-1.5406 Evaluation, findings, and contract award.
- 20-1.5407 Conflicts identified after award.
- 20-1.5408 (Reserved)
- 20-1.5409 (Reserved)
- 20-1.5410 Subcontractors.
- 20-1.5411 Waiver.
- 20-1.5412 Remedies.

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, affiliation 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.



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 (1) 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 1979.

For the Nuclear Regulatory Commission

  
\_\_\_\_\_  
Samuel J. Chilk  
Secretary of the Commission