



April 1, 2024

Mr. James Smith
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20852-2738

Ms. Rachel Miller
Oklahoma Department of Environmental Quality
707 North Robinson
Oklahoma City, OK 73101

Robert William Yalen
Office of the United States Attorney for the Southern District of New York
86 Chambers Street, Third Floor
New York, NY 10007

Re: Docket No. 07000925; License No. SNM-928
Cimarron Environmental Response Trust
Request for Waiver of Competitive Bidding Requirement pursuant to Section 3.2.5 of the
Environmental Response Trust Agreement (Cimarron)

Dear Recipients:

Solely as Trustee for the Cimarron Environmental Response Trust (CERT), Environmental Properties Management LLC (EPM) conducted discussions with representatives of the U. S. Nuclear Regulatory Commission (NRC), the Oklahoma Department of Environmental Quality (DEQ), and Mr. Robert Yalen, of the Office of the United States Attorney for the Southern District of New York on February 16, 2024. The purpose of these discussions was to discuss the provisions of Section 3.2.5 of the Environmental Response Trust Agreement (Cimarron), hereinafter referred to as the Trust Agreement.

This letter addresses three provisions of Section 3.2.5 of the Trust Agreement:

1. "The Cimarron Trustee shall seek the approval of the appropriate Lead Agency of any contractor hired by the Cimarron Trustee and any work plans to be undertaken by the Cimarron Trust under the oversight of the appropriate Lead Agency, unless the Lead Agency has provided a written waiver of such approval or requirements."
2. "Except for architectural services and engineering services, the Trustee shall use competitive bidding to select the most suitable contractor for any work on matters to which the Cimarron Trust Federal Environmental Cost Account or the Cimarron Standby Trust Fund applies, and that is not carried out by the Trustee."

3. “The Trustee shall be responsible for the review and selection of any contractors sought to perform work, however, the Trustee shall provide NRC with its intended selection at least 30 days before the contract is awarded, and NRC may object or otherwise deny the award of any contract for any reasonable reason.”

In January 2015, EPM retained Kurion, Inc., the predecessor to Veolia Nuclear Solutions – Federal Services (VNSFS), to conduct groundwater treatment treatability tests and design groundwater treatment and waste processing systems. Kurion provided water treatment engineering services through the submission of the 2015 decommissioning plan, and after purchasing Kurion, VNSFS continued to provide these services through all three revisions of the plan; the last revision was submitted to the NRC in October 2022. In 2023, EPM contracted VNSFS to provide engineering support required to respond to NRC and DEQ requests for additional information (RAIs) on the 2022 decommissioning plan and advance the groundwater treatment and waste processing facility design to 90% status. In 2024, VNSFS will continue to advance the treatment and waste processing facility treatment system design to 90% status and provide pre-construction support services consisting of bid package preparation, cost estimating, and other construction preparation activities.

The previous and current VNSFS scopes of work described above constitute engineering services; however, beginning in 2025, VNSFS’s scope of work will include the fabrication, delivery and startup of groundwater treatment and waste processing systems. These activities are subject to the competitive bidding requirements stipulated in Section 3.2.5 of the Trust Agreement. Due to VNSFS’s extensive experience on the Cimarron project, including design of the facility that will house the groundwater treatment and waste processing systems, EPM proposes to direct award, without competitive bidding, a contract for equipment provisioning services to VNSFS. EPM will require VNSFS to competitively bid the subcontracts they will award for equipment component procurement and system fabrication and assembly and present the competitive bidding results to EPM demonstrate best value to the Trust. This equipment provisioning contract approach benefits the Trust by reducing the potential for additional treatment and waste processing facility design modifications to be required following award of the equipment provisioning scope. Such modifications would increase costs and potentially cause schedule delays. Because VNSFS is the certifying engineer of record for the groundwater treatment and waste processing facility, they are uniquely qualified to provide an equipment design and procurement approach that minimizes potential conflicts with the facility design. In addition, because of VNSFS’s experience on the project, now spanning several years, they are well versed in project requirements and uniquely qualified to provide technical support during remediation system startup.

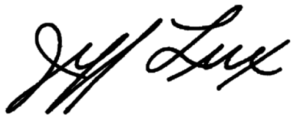
Based on these factors, EPM has concluded that the equipment procurement approach that provides best value to the Trust is to direct award equipment provisioning to VNSFS while requiring VNSFS to competitively bid their subcontracts for equipment procurement and system fabrication and assembly of the equipment units. In order to proceed in this manner, EPM

requests that DEQ and NRC respond to this letter with a written waiver of the competitive bidding requirement stipulated in Section 3.2.5 of the Trust Agreement. This waiver will be limited to the fabrication, testing, installation, and startup of groundwater treatment and waste processing systems.

EPM will continue to retain BMcD and VNSFS to provide engineering support during the construction phase of the Cimarron Remediation project. These services will not be competitively bid since they constitute engineering services and are therefore not subject to the competitive bidding requirement stipulated in Section 3.2.5 of the Trust Agreement.

If you have any questions or desire clarification, please call me at (405) 642-5152.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Lux". The signature is stylized with a large, sweeping "J" and "L".

Jeff Lux
Project Manager

cc: (electronic copies only)
Angela Coggins, NRC
Paul Davis, Christopher Robinson, DEQ
NRC Public Document Room