

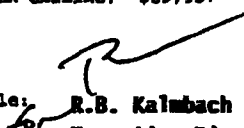
ORDER FOR SUPPLIES OR SERVICES

IMPORTANT: Mark all packages and papers with contract and/or order numbers.

BPA NO.

1. DATE OF ORDER 12/30/2011		2. CONTRACT NO. (if any) NRC-03-10-081		3. SHIP TO:	
3. ORDER NO. NRC-T009		4. REQUISITION/PREFERENCE NO. NRR-12-009 NRR-12-050		a. NAME OF CONSIGNEE U.S. Nuclear Regulatory Commission	
5. ISSUING OFFICE (Address correspondence to) U.S. Nuclear Regulatory Commission Div. of Contracts Attn: Mail Stop: TWB-01-B10M Washington, DC 20555				b. STREET ADDRESS Linda Yee Mail Stop OMPN 13E24	
7. TO:		c. CITY Washington		d. STATE DC	e. ZIP CODE 20555
a. NAME OF CONTRACTOR SOUTHWEST RESEARCH INSTITUTE INC				f. SHIP VIA	
b. COMPANY NAME				g. TYPE OF ORDER	
c. STREET ADDRESS 6220 COLEBRA RD				<input type="checkbox"/> a. PURCHASE	
d. CITY SAN ANTONIO				<input checked="" type="checkbox"/> b. DELIVERY	
e. STATE TX		f. ZIP CODE 782385166		REFERENCE YOUR Please furnish the following on the terms and conditions specified on both sides of this order and on the attached sheet, if any, including delivery as indicated. Except for billing instructions on the reverse, this delivery order is subject to instructions contained on this side only of this form and is issued subject to the terms and conditions of the above-numbered contract.	
8. ACCOUNTING AND APPROPRIATION DATA RFFA: NRR-12-050; FAIRIS: 120374 B&R: 2012-x0200-20-11-4-148; JC: J4473; BOC: 252A Approp. No.: 31x0200.220; Obl.: \$72,000; DONS: 007936842				10. REQUISITIONING OFFICE NRR	
11. BUSINESS CLASSIFICATION (Check appropriate box(es))				12. F.O.B. POINT N/A	
<input type="checkbox"/> a. SMALL				<input checked="" type="checkbox"/> b. OTHER THAN SMALL	
<input type="checkbox"/> c. DISADVANTAGED				<input type="checkbox"/> d. WOMEN-OWNED	
<input type="checkbox"/> e. SERVICE-DISABLED VETERAN-OWNED				<input type="checkbox"/> f. WOMEN-OWNED SMALL BUSINESS (WOSB) ELIGIBLE UNDER THE WOMEN-OWNED SMALL BUSINESS PROGRAM	
<input type="checkbox"/> g. ECONOMICALLY DISADVANTAGED WOMEN-OWNED SMALL BUSINESS (EDWOSB)				<input type="checkbox"/> h. HUBZone	
13. PLACE OF		14. GOVERNMENT B/L NO.		15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date)	
a. INSPECTION		b. ACCEPTANCE		16. DISCOUNT TERMS	

17. SCHEDULE (See reverse for Rejections)

ITEM NO. (a)	SUPPLIES OR SERVICES (b)	QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QUANTITY ACCEPTED (g)
	<p>The Contractor shall provide services in accordance with the attached Statement of Work, entitled: "Grand Gulf Nuclear Station, Unit 1 (Safety Review)".</p> <p>Total CFFP Amount: \$89,937 Total Obligated Amount: \$72,000 Period of Performance: 12-30-2011 through 12-31-2012 Option Period: 1-1-2013 through 6-30-2013</p> <p>NRC COR: Linda Yee 301-415-3072 Technical Monitor: Robert Sun 301-415-3421 Statement of Work attached DONS: 007936842 NAICS: 541690 PSC: R49</p> <p>TOTAL TASK ORDER CEILING: \$89,937</p> <p>ACCEPTED:</p> <p>Signature:  Print Name/Title: R.B. Kalmbach Executive Director, Contracts</p>					

SEE BILLING INSTRUCTIONS ON REVERSE	18. SHIPPING POINT		19. GROSS SHIPPING WEIGHT		20. INVOICE NO.		\$89,937.00	17(b) TOTAL (Cont. pages)
	21. MAIL VOICE TX:							
	a. NAME Department of Interior / NBC NRCpayments_NBCDenver@nbc.gov		PHONE:		FAX:		\$89,937	
	b. STREET ADDRESS (or P.O. Box) Attn: Fiscal Services Branch - 12770 7301 W. Mansfield Avenue		c. CITY Denver		d. STATE CO	e. ZIP CODE 80235-2230		

22. UNITED STATES OF AMERICA BY (Signature) 	22. NAME (Typed) Donna Berkowitz Acting Branch Chief, MSA TITLE: CONTRACTING/ORDERING OFFICER
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TEMPLATE - ADM001 **SUNSI REVIEW COMPLETE** **JAN 6 2012** **ADM002**

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DELIVERY ORDER TERMS AND CONDITIONS NOT SPECIFIED IN THE CONTRACT

A.1 BRIEF PROJECT TITLE AND WORK DESCRIPTION (AUG 2011)

(a) The title of this project is: Grand Gulf Nuclear Station, Unit 1 (Safety Review)

(b) Summary work description:

The objective of this contract is to provide technical peer review support in the area of corrosion/materials engineering to the DLR project team in reviewing and evaluating the operating license renewal application of Grand Gulf Nuclear Station, Unit 1.

A.2 CONSIDERATION AND OBLIGATION—COST-PLUS-FIXED-FEE (AUG 2011) ALTERNATE I (AUG 2011)

(a) The total estimated cost to the Government for full performance of this contract is **\$89,937.00**, of which the sum of **\$83,324.00** represents the estimated reimbursable costs, and of which **\$6,613** represents the fixed-fee.

(b) There shall be no adjustment in the amount of the Contractor's fixed fee.

(c) The amount currently obligated by the Government with respect to this contract is **\$72,000.00**, of which the sum of **\$66,704.00** represents the estimated reimbursable costs, and of which **\$5,296** represents the fixed-fee.

(d) It is estimated that the amount currently obligated will cover performance through **09-15-2012**.

(e) This is an incrementally-funded contract and FAR 52.232-22 - "Limitation of Funds" applies.

(f) In accordance with FAR 52.216-8 - Fixed Fee, it is the policy of the NRC to withhold payment of fee after payment of 85 percent of the fee has been paid in order to protect the Government's interest. The amount of fixed-fee withheld from the contractor will not exceed 15 percent of the total fee or \$100,000, whichever is less. Accordingly, the maximum amount of fixed-fee that may be held in reserve is **\$991.95**.

BUDGET

CLIN: 0001

Base Period: 12-30-2011 through 12-31-2012

Cost Element	Total
Direct Labor	[REDACTED]
Fringe Benefits	[REDACTED]
Overhead	[REDACTED]
G&A	[REDACTED]
CFC	[REDACTED]
ODCs	[REDACTED]
Travel	<u>\$0</u>

Total Estimated Cost
Fixed-Fee (less CFC) [REDACTED]

Total Estimated Cost-Plus-Fixed-Fee: \$89,937 (Base Amount)

Option Period: 1-1-2013 through 6-30-2013

CLIN: 0002
Optional Task 6

Cost Element	Total
Direct Labor	[REDACTED]
Fringe Benefits (6.2%)	[REDACTED]
Overhead	[REDACTED]
G&A	[REDACTED]
CFC	[REDACTED]
ODCs	[REDACTED]
Travel	[REDACTED]
Total Estimated Cost	[REDACTED]
Fixed-Fee (less CFC)	[REDACTED]

Total Estimated Cost-Plus-Fixed-Fee: \$6,823 (Optional Task 6)

Option Period: 1-1-2013 through 6-30-2013

CLIN: 0003
Optional Task 7

Cost Element	Total
Direct Labor	[REDACTED]
Fringe Benefits	[REDACTED]
Overhead	[REDACTED]
G&A	[REDACTED]
CFC	[REDACTED]
ODCs	[REDACTED]
Travel	[REDACTED]
Total Estimated Cost	[REDACTED]

Fixed-Fee (less CFC) \$719

Total Estimated Cost-Plus-Fixed-Fee: \$9,715 (Optional Task 7)

A.3 PACKAGING AND MARKING (AUG 2011)

(a) 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 Surface Transportation Board, Uniform Freight Classification Rules, or regulations of other carriers as applicable to the mode of transportation.

(b) On the front of the package, the Contractor shall clearly identify the contract number under which the product is being provided.

(c) Additional packaging and/or marking requirements are as follows: N/A

A.4 BRANDING (AUG 2011)

The Contractor is required to use the official NRC branding logo or seal on any publications, presentations, products, or materials funded under this contract, to the extent practical, in order to provide NRC recognition for its involvement in and contribution to the project. If the work performed is funded entirely with NRC funds, then the contractor must acknowledge that information in its documentation/presentation.

Access the following websites for branding information and specifications:
<http://www.internal.nrc.gov/ADM/branding/> and Management Directive and Handbook 3.13 -

(internal NRC website): <http://www.internal.nrc.gov/policy/directives/toc/md3.13.htm>

(external public website): <http://pbadupws.nrc.gov/docs/ML1122/ML112280190.pdf>

A.5 PLACE OF DELIVERY-REPORTS (AUG 2011)

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

- a. Name:Linda Yee (1 hard copy)
- b. Contracting Officer's Representative (COR)
- c. U.S. Nuclear Regulatory Commission
- d. Address:

U.S. Nuclear Regulatory Commission
Linda Yee
Mail Stop OWFN 13E24

Washington, DC 20555

- e. Electronic copies to:
- f. (List names and email addresses)
- g. Name:Valerie Whipple (1 hard copy)
- h. Contracting Officer (CO)
- i. U.S. Nuclear Regulatory Commission

j. Address:

U.S. Nuclear Regulatory Commission
Div. of Contracts

Mall Stop: TWB-01-B10M
Washington, DC 20555

A.6 TASK/DELIVERY ORDER PERIOD (OF PERFORMANCE (AUG 2011))

This order shall commence on **12-30-2011** and will expire on **12-31-2012**.

Base Period: 12-30-2011 thru 12-31-2012
Option Period: 1-1-2013 thru 6-30-2013

A.7 52.217-7 OPTION FOR INCREASED QUANTITY--SEPARATELY PRICED LINE ITEM (MAR 1989)

The Government may require the delivery of the numbered line item, identified in the Schedule as an option item, in the quantity and at the price stated in the Schedule. The Contracting Officer may exercise the option by written notice to the Contractor within **60 calendar days**. Delivery of added items shall continue at the same rate that like items are called for under the contract, unless the parties otherwise agree.

A.8 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)

(a) The Government may extend the term of this contract by written notice to the Contractor within **30 days**; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least **60 days** before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed **18 months**.

A.9 2052.215-70 KEY PERSONNEL (JAN 1993)

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

Lane Howard
Dr. Todd Mintz

Principal Investigator and SME
SME

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 90 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 and the project officer shall evaluate the contractor's request and the contracting officer shall promptly notify the contractor of his or her decision 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. 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.

A.10 2052.215-71 PROJECT OFFICER AUTHORITY (NOVEMBER 2006)

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

Name: Linda Yee

Address: Mail Stop OWFN 13E24
Washington, DC 20555

Telephone Number: 301-415-3072

(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, authorizes travel which was unanticipated in the Schedule (i.e., travel not contemplated in the Statement of Work (SOW) or changes to specific travel identified in the SOW), fills in details, or otherwise serves to accomplish the contractual SOW.

(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 reports, 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 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. A copy of NRC Form 446, Request for Approval of Official Foreign Travel, which has received final approval from the NRC 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 thereto is subject to 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.

(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.

(4) Assist the contractor in obtaining the badges for the contractor personnel.

(5) Immediately notify the Security Branch, Division of Facilities and Security (SB/DFS) (via e-mail) when a contractor employee no longer requires access authorization and return of any NRC issued badge to SB/DFS within three days after their termination.

(6) Ensure that all contractor employees that require access to classified Restricted Data or National Security Information or matter, access to sensitive unclassified information (Safeguards, Official Use Only, and Proprietary Information) access to sensitive IT systems or data, unescorted access to NRC controlled buildings/space, or unescorted access to protected and vital areas of nuclear power plants receive approval of SB/DFS prior to access in accordance with Management Directive and Handbook 12.3.

(7) For contracts for the design, development, maintenance or operation of Privacy Act Systems of Records, obtain from the contractor as part of closeout procedures, written certification that the contractor has returned to NRC, transferred to the successor contractor, or destroyed at the end of the contract in accordance with instructions provided by the NRC Systems Manager for Privacy Act Systems of Records, all records (electronic or paper) which were created, compiled, obtained or maintained under the contract.

A.11 2052.215-78 TRAVEL APPROVALS AND REIMBURSEMENT -ALTERNATE 1 (OCT 1999)

(a) Total expenditure for travel may not exceed \$1,740 (Optional Task 6) and \$1,191 (Optional Task 7) without the prior approval of the contracting officer.

(b) All foreign travel must be approved in advance by the NRC on NRC Form 445, Request for Approval of Official Foreign Travel, and must be in compliance with FAR 52.247-63 Preference for U.S. Flag Air Carriers. The contractor shall submit NRC Form 445 to the NRC no later than 30 days prior to the commencement of travel.

(c) The contractor will be reimbursed only for those travel costs incurred that are directly related to this contract and which are allowable subject to the limitations prescribed in FAR 31.205-46.

(d) It is the responsibility of the contractor to notify the contracting officer in accordance with the FAR Limitations of Cost clause of this contract when, at any time, the contractor learns that travel expenses will cause the contractor to exceed the travel ceiling amount identified in paragraph (a) of this clause.

(e) Reasonable 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.

A.12 ELECTRONIC PAYMENT (AUG 2011)

The Debt Collection Improvement Act of 1996 requires that all payments except IRS tax refunds be made by Electronic Funds Transfer. Payment shall be made in accordance with FAR 52.232-33, entitled "Payment by Electronic Funds- Central Contractor Registration".

To receive payment, the contractor shall prepare invoices in accordance with NRC's Billing Instructions. Claims shall be submitted on the payee's letterhead, invoice, or on the Government's Standard Form 1034, "Public Voucher for Purchases and Services Other than Personal," and Standard Form 1035, "Public Voucher for Purchases Other than Personal - Continuation Sheet." The preferred method of submitting invoices is electronically to the Department of the Interior at NRCPayments_NBCDenver@nbc.gov. If the contractor submits a hard copy of the invoice, it shall be submitted to the following address:

Department of the Interior
National Business Center
Attn: Fiscal Services Branch - D2770
7301 West Mansfield Avenue
Denver, CO 80235-2230

A.13 SECURITY REQUIREMENTS FOR INFORMATION TECHNOLOGY LEVEL I OR LEVEL II ACCESS APPROVAL (AUG 2011)

The contractor must identify all individuals selected to work under this contract. The NRC Contracting Officer's Representative (COR) shall make the final determination of the level, if any, of IT access approval required for all individuals working under this contract/order using the following guidance. The Government shall have full and complete control and discretion over granting, denying, withholding, or terminating IT access approvals for contractor personnel performing work under this contract/order.

The contractor shall conduct a preliminary security interview or review for each employee requiring IT level I or II access and submit to the Government only the names of candidates that have a reasonable probability of obtaining the level of IT access approval for which the employee has been proposed. The contractor shall pre-screen its applicants for the following:

(a) felony arrest in the last seven (7) years; (b) alcohol related arrest within the last five (5) years; (c) record of any military courts-martial convictions in the past ten (10) years; (d) illegal use of narcotics or other controlled substances possession in the past year, or illegal purchase, production, transfer, or distribution of narcotics or other controlled substances in the last seven (7) years; and (e) delinquency on any federal debts or bankruptcy in the last seven (7) years.

The contractor shall make a written record of its pre-screening interview or review (including any information to mitigate the responses to items listed in (a) - (e)), and have the employee verify the pre-screening record or review, sign and date it. The contractor shall supply two (2) copies of the signed contractor's pre-screening record or review to the NRC Contracting Officer's Representative (COR) who will then provide them to the NRC Office of Administration, Division of Facilities and Security, Personnel Security Branch with the employee's completed IT access application package.

The contractor shall further ensure that its personnel complete all IT access approval security applications required by this clause within fourteen (14) calendar days of notification by the NRC Contracting Officer's Representative (COR) of initiation of the application process. Timely receipt of properly completed records of the pre-screening record and IT access approval applications (submitted for candidates that have a reasonable probability of obtaining the level of security assurance necessary for access to NRC's IT systems/data) is a requirement of this contract/order. Failure of the contractor to comply with this requirement may be a basis to terminate the contract/order for cause, or offset from the contract's invoiced cost or price the NRC's incurred costs or delays as a result of inadequate pre-screening by the contractor.

SECURITY REQUIREMENTS FOR IT LEVEL I

Performance under this contract/order will involve contractor personnel who perform services requiring direct access to or operate agency sensitive information technology systems or data (IT Level I). The IT Level I involves responsibility for the planning, direction, and implementation of a computer security program; major responsibility for the direction, planning, and design of a computer system, including hardware and software; or the capability to access a computer

system during its operation or maintenance in such a way that could cause or that has a relatively high risk of causing grave damage; or the capability to realize a significant personal gain from computer access.

Contractor personnel shall not have access to sensitive information technology systems or data until they are approved by DFS/PSB and they have been so informed in writing by the NRC Contracting Officer's Representative (COR). Temporary IT access may be approved by DFS/PSB based on a favorable review or adjudication of their security forms and checks. Final IT access may be approved by DFS/PSB based on a favorable review or adjudication of a completed background investigation. However, temporary access authorization approval will be revoked and the employee may subsequently be denied IT access in the event the employee's investigation cannot be favorably adjudicated. Such an employee will not be authorized to work under any NRC contract/order requiring IT access without the approval of DFS/PSB, as communicated in writing to the contractor by the NRC Contracting Officer's Representative (COR). Where temporary access authorization has been revoked or denied by DFS/PSB, the contractor shall assign another contractor employee to perform the necessary work under this contract/ order without delay to the contract/order performance schedule, or without adverse impact to any other terms or conditions of the contract/order. When an individual receives final IT access approval from DFS/PSB, the individual will be subject to a reinvestigation every ten (10) years thereafter (assuming continuous performance under contract/order at NRC) or more frequently in the event of noncontinuous performance under contract/order at NRC.

The contractor shall submit a completed security forms packet, including the OPM Standard Form (SF) 86 (Questionnaire for National Security Positions), two (2) copies of the Contractor's signed pre-screening record and two (2) FD 258 fingerprint charts, to the NRC PO who will then provide them to DFS/PSB for review and adjudication, prior to the individual being authorized to perform work under this contract/order requiring access to sensitive information technology systems or data. Non-U.S. citizens must provide official documentation to the DFS/PSB, as proof of their legal residency. This documentation can be a Permanent Resident Card, Temporary Work Visa, Employment Authorization Card, or other official documentation issued by the U.S. Citizenship and Immigration Services. Any applicant with less than seven (7) years residency in the U.S. will not be approved for IT Level I access. The Contractor shall submit the documents to the NRC Contracting Officer's Representative (COR) who will give them to DFS/PSB. The contractor shall ensure that all forms are accurate, complete, and legible. Based on DFS/PSB review of the contractor employee's security forms and/or the receipt of adverse information by NRC, the contractor individual may be denied access to NRC facilities and sensitive information technology systems or data until a final determination is made by DFS/PSB and thereafter communicated to the contractor by the NRC Contracting Officer's Representative (COR) regarding the contractor person's eligibility.

In accordance with NRCAR 2052.204-70 "Security," IT Level I contractors shall be subject to the attached NRC Form 187 and SF-86 which furnishes the basis for providing security requirements to contractors that have or may have an NRC contractual relationship which requires access to or operation of agency sensitive information technology systems or remote development and/or analysis of sensitive information technology systems or data or other access to such systems and data; access on a continuing basis (in excess more than 30 calendar days) to NRC buildings; or otherwise requires issuance of an unescorted NRC badge.

SECURITY REQUIREMENTS FOR IT LEVEL I:

Performance under this contract/order will involve contractor personnel that develop and/or analyze sensitive information technology systems or data or otherwise have access to such systems or data (IT Level II).

The IT Level II involves responsibility for the planning, design, operation, or maintenance of a computer system and all other computer or IT positions.

Contractor personnel shall not have access to sensitive information technology systems or data until they are approved by DFS/PSB and they have been so informed in writing by the NRC Contracting Officer's Representative (COR). Temporary access may be approved by DFS/PSB based on a favorable review of their security forms and checks. Final IT access may be approved by DFS/PSB based on a favorable adjudication. However, temporary

access authorization approval will be revoked and the contractor employee may subsequently be denied IT access in the event the employee's investigation cannot be favorably adjudicated. Such an employee will not be authorized to work under any NRC contract/order requiring IT access without the approval of DFS/PSB, as communicated in writing to the contractor by the NRC Contracting Officer's Representative (COR). Where temporary access authorization has been revoked or denied by DFS/PSB, the contractor is responsible for assigning another contractor employee to perform the necessary work under this contract/order without delay to the contract/order performance schedule, or without adverse impact to any other terms or conditions of the contract/order. When a contractor employee receives final IT access approval from DFS/PSB, the individual will be subject to a review or reinvestigation every ten (10) years (assuming continuous performance under contract/order at NRC) or more frequently in the event of noncontinuous performance under contract/order at NRC.

The contractor shall submit a completed security forms packet, including the OPM Standard Form (SF) 86 (Questionnaire for National Security Positions), two (2) copies of the Contractor's signed pre-screening record and two (2) FD 258 fingerprint charts, through the NRC Contracting Officer's Representative (COR) to DFS/PSB for review and adjudication, prior to the contractor employee being authorized to perform work under this contract/order. Non-U.S. citizens must provide official documentation to the DFS/PSB, as proof of their legal residency. This documentation can be a Permanent Resident Card, Temporary Work Visa, Employment Authorization Card, or other official documentation issued by the U.S. Citizenship and Immigration Services. Any applicant with less than seven (7) years residency in the U.S. will not be approved for IT Level II access. The Contractor shall submit the documents to the NRC Contracting Officer's Representative (COR) who will give them to DFS/PSB. The contractor shall ensure that all forms are accurate, complete, and legible. Based on DFS/PSB review of the contractor employee's security forms and/or the receipt of adverse information by NRC, the contractor employee may be denied access to NRC facilities, sensitive information technology systems or data until a final determination is made by DFS/PSB regarding the contractor person's eligibility.

In accordance with NRCAR 2052.204-70 "Security," IT Level II contractors shall be subject to the attached NRC Form 187, SF-86, and contractor's record of the pre-screening which furnishes the basis for providing security requirements to contractors that have or may have an NRC contractual relationship which requires access to or operation of agency sensitive information technology systems or remote development and/or analysis of sensitive information technology systems or data or other access to such systems or data; access on a continuing basis (in excess of more than 30 calendar days) to NRC buildings; or otherwise requires issuance of an unescorted NRC badge.

CANCELLATION OR TERMINATION OF IT ACCESS/REQUEST

When a request for IT access is to be withdrawn or canceled, the contractor shall immediately notify the NRC Contracting Officer's Representative (COR) by telephone so that the access review may be promptly discontinued. The notification shall contain the full name of the contractor employee and the date of the request. Telephone notifications must be promptly confirmed by the contractor in writing to the NRC Contracting Officer's Representative (COR), who will forward the confirmation to DFS/PSB. Additionally, the contractor shall immediately notify the NRC Contracting Officer's Representative (COR) in writing, who will in turn notify DFS/PSB, when a contractor employee no longer requires access to NRC sensitive automated information technology systems or data, including the voluntary or involuntary separation of employment of a contractor employee who has been approved for or is being processed for IT access.

The contractor shall flow the requirements of this clause down into all subcontracts and agreements with consultants for work that requires them to access NRC IT resources.

A.14 INFORMATION TECHNOLOGY (IT) SECURITY REQUIREMENTS - GENERAL (JULY 2011)**INFORMATION TECHNOLOGY (IT) SECURITY REQUIREMENTS - GENERAL****Basic Contract IT Security Requirements**

For unclassified information used for the effort, the contractor shall provide an information security categorization document indicating the sensitivity of the information processed as part of this contract if the information security categorization was not provided in the statement of work. The determination shall be made using National Institute of Standards and Technology (NIST) Special Publication (SP) 800-60 and must be approved by CSO. The NRC contracting officer and Contracting Officer's Representative (COR) shall be notified immediately before the contractor begins to process information at a higher sensitivity level.

If the effort includes use or processing of classified information, the NRC contracting officer and Contracting Officer's Representative (COR) shall be notified before the contractor begins to process information at a more restrictive classification level.

All work under this contract shall comply with the latest version of policy, procedures and standards. Individual task orders will reference latest versions of standards or exceptions as necessary. These policy, procedures and standards include: NRC Management Directive (MD) volume 12 Security, Computer Security Office policies, procedures and standards, National Institute of Standards and Technology (NIST) guidance and Federal Information Processing Standards (FIPS), and Committee on National Security Systems (CNSS) policy, directives, instructions, and guidance. This information is available at the following links:

NRC Policies, Procedures and Standards (CIO internal website): <http://www.internal.nrc.gov/CSO/policies.html>

NRC Policy and Procedures For Handling, Marking and Protecting Sensitive Unclassified Non-Safeguards Information (SUNSI): <http://www.internal.nrc.gov/sunsi/pdf/SUNSI-Policy-Procedures.pdf>

All NRC Management Directives (public website):
<http://www.nrc.gov/reading-rm/doc-collections/management-directives/>

NIST SP and FIPS documentation is located at: <http://csrc.nist.gov/>

CNSS documents are located at: <http://www.cnss.gov/>

The Contractor shall ensure compliance with the latest version of NIST guidance and FIPS standards available at contract issuance and continued compliance with the latest versions within one year of the release date.

When e-mail is used, the Contractors shall only use NRC provided e-mail accounts to send and receive sensitive information (information that is not releasable to the public) or mechanisms to protect the information during transmission to NRC that have been approved by CSO.

All Contractor employees must sign the NRC Agency-Wide Rules of Behavior for Authorized Computer Use prior to being granted access to NRC computing resources.

The Contractor shall adhere to following NRC policies:

1. Management Directive 12.5, Automated Information Security Program
2. NRC Sensitive Unclassified Non-Safeguards Information (SUNSI)
3. Computer Security Policy for Encryption of Data at Rest When Outside of Agency Facilities
4. Policy for Copying, Scanning, Printing, and Faxing SGI & Classified Information

5. **Computer Security Information Protection Policy**
6. **Remote Access Policy**
7. **Use of Commercial Wireless Devices, Services and Technologies Policy**
8. **Laptop Security Policy**
9. **Computer Security Incident Response Policy**

Contractor will adhere to NRC's prohibition of use of personal devices to process and store NRC sensitive information.

All electronic process of NRC sensitive information, including system development and operations and maintenance performed at non-NRC facilities shall be in facilities, networks, and computers that have been accredited by NRC for processing information at the highest sensitivity of the information that is processed or will ultimately be processed.

Contract Performance And Closeout

The contractor shall ensure that the NRC data processed during the performance of this contract shall be purged from all data storage components of the contractor's computer facility. Tools used to perform data purging shall be approved by the CISO. The contractor shall provide written certification to the NRC contracting officer that the contractor does not retain any NRC data within 30 calendar days after contract completion. Until all data is purged, the contractor shall ensure that any NRC data remaining in any storage component will be protected to prevent unauthorized disclosure.

When contractor employees no longer require access to an NRC system, the contractor shall notify the Contracting Officer's Representative (COR) within 24 hours.

Upon contract completion, the contractor shall provide a status list of all contractor employees who were users of NRC systems and shall note if any users still require access to the system to perform work if a follow-on contract or task order has been issued by NRC.

Control Of Information And Data

The contractor shall not publish or disclose in any manner, without the contracting officer's written consent, the details of any security controls or countermeasures either designed or developed by the contractor under this contract or otherwise provided by the NRC.

Any IT system used to process NRC sensitive information shall:

1. Include a mechanism to require users to uniquely identify themselves to the system before beginning to perform any other actions that the system is expected to provide.
2. Be able to authenticate data that includes information for verifying the claimed identity of individual users (e.g., passwords)
3. Protect authentication data so that it cannot be accessed by any unauthorized user
4. Be able to enforce individual accountability by providing the capability to uniquely identify each individual computer system user
5. Report to appropriate security personnel when attempts are made to guess the authentication data whether inadvertently or deliberately.

Access Controls

Any contractor system being used to process NRC data shall be able to define and enforce access privileges for individual users. The discretionary access controls mechanisms shall be configurable to protect objects (e.g., files, folders) from unauthorized access.

The contractor system being used to process NRC data shall provide only essential capabilities and specifically prohibit and/or restrict the use of specified functions, ports, protocols, and/or services.

The contractors shall only use NRC approved methods to send and receive information considered sensitive or classified. Specifically,

1. **Classified Information** - All NRC Classified data being transmitted over a network shall use NSA approved encryption and adhere to guidance in MD 12.2 NRC Classified Information Security Program, MD 12.5 NRC Automated Information Security Program and Committee on National Security Systems. Classified processing shall be only within facilities, computers, and spaces that have been specifically approved for classified processing.

2. **SIGINT Information** - All SIGINT being transmitted over a network shall adhere to guidance in MD 12.7 NRC Safeguards Information Security Program and MD 12.5 NRC Automated Information Security Program. SIGINT processing shall be only within facilities, computers, and spaces that have been specifically approved for SIGINT processing. Cryptographic modules provided as part of the system shall be validated under the Cryptographic Module Validation Program to conform to NIST FIPS 140-2 overall level 2 and must be operated in FIPS mode. The contractor shall provide the FIPS 140-2 cryptographic module certificate number and a brief description of the encryption module that includes the encryption algorithm(s) used, the key length, and the vendor of the product.

The most restrictive set of rights/privileges or accesses needed by users (or processes acting on behalf of users) for the performance of specified tasks must be enforced by the system through assigned access authorizations.

Separation of duties for contractor systems used to process NRC information must be enforced by the system through assigned access authorizations.

The mechanisms within the contractor system or application that enforces access control and other security features shall be continuously protected against tampering and/or unauthorized changes.

Configuration Standards

All systems used to process NRC sensitive information shall meet NRC configuration standards available at: <http://www.internal.nrc.gov/CSO/standards.html>.

Media Handling

All media used by the contractor to store or process NRC information shall be controlled in accordance with the sensitivity level.

The contractor shall not perform sanitization or destruction of media approved for processing NRC information designated as SIGINT or Classified. The contractor must provide the media to NRC for destruction.

Vulnerability Management

The Contractor must adhere to NRC patch management processes for all systems used to process NRC information. Patch Management reports will be made available to the NRC upon request for following security categorizations and reporting timeframes:

- 5 calendar days after being requested for a high sensitivity system
- 10 calendar days after being requested for a moderate sensitivity system
- 15 calendar days after being requested for a low sensitivity system

For any contractor system used to process NRC information, the contractor must ensure that information loaded into the system is scanned for viruses prior to posting; servers are scanned for viruses, adware, and spyware on a regular basis; and virus signatures are updated at the following frequency:

- 1 calendar day for a high sensitivity system
- 3 calendar days for a moderate sensitivity system
- 7 calendar days for a low sensitivity system

A.15 IT SECURITY REQUIREMENTS - CERTIFICATION AND ACCREDITATION (MAR 2011)

IT SECURITY REQUIREMENTS - CERTIFICATION AND ACCREDITATION

SECURITY RISK ASSESSMENT

The contractor shall work with the NRC Contracting Officer's Representative (COR) in performing Risk Assessment activities according to NRC policy, standards, and guidance. The contractor shall perform Risk Assessment activities that include analyzing how the architecture implements the NRC documented security policy for the system, assessing how management, operational, and technical security control features are planned or implemented and how the system interconnects to other systems or networks while maintaining security.

SYSTEM SECURITY PLAN

The contractor shall develop the system security plan (SSP) according to NRC policy, standards, and guidance to define the implementation of IT security controls necessary to meet both the functional assurance and security requirements. The contractor will ensure that all controls required to be implemented are documented in the SSP.

ASSESSMENT PROCEDURES - SECURITY TEST & EVALUATION

The contractor shall follow NRC policy, standards, and guidance for execution of the test procedures. These procedures shall be supplemented and augmented by tailored test procedures based on the control objective as it applies to NRC. The contractor shall include verification and validation to ensure that appropriate corrective action was taken on identified security weaknesses.

The contractor shall perform ST&E activities, including but not limited to, coordinating the ST&E and developing the ST&E Plan, execution ST&E test cases and documentation of test results. The contractor shall prepare the Plan of Action and Milestones (POA&M) based on the ST&E results.

PLAN OF ACTION AND MILESTONES (POA&M) MAINTENANCE & REPORTING

The contractor shall provide a determination, in a written form agreed to by the NRC Contracting Officer's Representative (COR) and Computer Security Office, on whether the implemented corrective action was adequate to resolve the identified information security weaknesses and provide the reasons for any exceptions or risk-based decisions. The contractor shall document any vulnerabilities indicating which portions of the security control have not been implemented or applied.

The contractor shall develop and implement solutions that provide a means of planning and monitoring corrective actions; define roles and responsibilities for risk mitigation; assist in identifying security funding requirements; track and prioritize resources; and inform decision-makers of progress of open POA&M items.

The contractor shall perform verification of IT security weaknesses to ensure that all weaknesses identified through third party (e.g., OIG) audits are included in the FOA&Ms that the quarterly reporting to OMB is accurate, and the reasons for any exceptions or risk-based decisions are reasonable and clearly documented. This verification process will be done in conjunction with the continuous monitoring activities.

CERTIFICATION & ACCREDITATION DOCUMENTATION

The contractor shall create, update maintain all Certification and Accreditation (C&A) documentation in accordance with the following NRC Certification and Accreditation procedures and guidance:

- C&A Non-SGI Unclassified Systems
- C&A SGI Unclassified Systems
- C&A Classified Systems

The Contractor must develop contingency plan and ensure annual contingency testing is completed within one year of previous test and provide an updated security plan and test report according to NRC's policy and procedure.

The Contractor must conduct annual security control testing according to NRC's policy and procedure and update POA&M, SSP, etc. to reflect any findings or changes to management, operational and technical controls.

A.16 IT SECURITY REQUIREMENTS - NRC AND CONTRACTOR (NON-NRC) FACILITIES (MAR 2011)

IT SECURITY REQUIREMENTS - NRC AND CONTRACTOR (NON-NRC) FACILITIES

BACKUPS

The contractor shall ensure that backup media is created, encrypted (in accordance with information sensitivity) and verified to ensure that data can be retrieved and is restorable to NRC systems based on information sensitivity levels. Backups shall be executed to create readable media that allows successful file/data restoration at the following frequencies:

- At least every 1 calendar day for a high sensitivity system
- At least every 1 calendar day for a moderate sensitivity system
- At least every 7 calendar days for a low sensitivity system

PERIMETER PROTECTION

The Contractor must employ perimeter protection mechanisms, such as firewalls and routers, to deny all communications unless explicitly allowed by exception.

The contractor must deploy and monitor intrusion detection capability and have an always deployed and actively engaged security monitoring capability in place for systems placed in operation for the NRC. Intrusion detection and monitoring reports will made available to the NRC upon request for following security categorizations and reporting timeframes:

- 5 calendar days after being requested for a high sensitivity system
- 10 calendar days after being requested for a moderate sensitivity system
- 15 calendar days after being requested for a low sensitivity system

CONTRACTOR FACILITY REVIEW AND APPROVAL PROCESS

The contractor shall complete a security survey of the proposed facility in accordance with MD 12.1 in order for NRC to determine the adequacy and effectiveness of the administration of the security program and the protection afforded NRC information, employees, and assets before the facility is used for any NRC effort that includes IT.

Upon facility approval per MD 12.1, the contractor shall perform a full certification and obtain accreditation of the facility and computing systems that will be used by the contractor as part of the NRC effort that includes IT prior to commencing the effort. The certification shall be performed at the level of the highest sensitivity of the data that is used at the facility or will ultimately be used by the product of the effort.

A.17 LICENSE FEE RECOVERY COSTS (AUG 2011)

Included as an attachment are Billing Instructions for license fee recovery costs. A fee recovery report must be submitted by the contractor in conjunction with its monthly invoice.

A.18 NRC INFORMATION TECHNOLOGY SECURITY TRAINING (AUG 2011)

NRC contractors shall ensure that their employees, consultants, and subcontractors with access to the agency's information technology (IT) equipment and/or IT services complete NRC's online initial and refresher IT security training requirements to ensure that their knowledge of IT threats, vulnerabilities, and associated countermeasures remains current. Both the initial and refresher IT security training courses generally last an hour or less and can be taken during the employee's regularly scheduled work day.

Contractor employees, consultants, and subcontractors shall complete the NRC's online annual, "Computer Security Awareness" course on the same day that they receive access to the agency's IT equipment and/or services, as their first action using the equipment/service. For those contractor employees, consultants, and subcontractors who are already working under this contract, the on-line training must be completed in accordance with agency Network Announcements issued throughout the year, within three weeks of issuance of this modification.

Contractor employees, consultants, and subcontractors who have been granted access to NRC information technology equipment and/or IT services must continue to take IT security refresher training offered online by the NRC throughout the term of the contract. Contractor employees will receive notice of NRC's online IT security refresher training requirements through agency-wide notices.

The NRC reserves the right to deny or withdraw Contractor use or access to NRC IT equipment and/or services, and/or take other appropriate contract administrative actions (e.g., disallow costs, terminate for cause) should the Contractor violate the Contractor's responsibility under this clause.

A.19 SECURITY REQUIREMENTS RELATING TO THE PRODUCTION OF REPORT(S) OR THE PUBLICATION OF RESULTS UNDER CONTRACTS, AGREEMENTS, AND GRANTS (AUG 2011)

Review and Approval of Reports

(a) Reporting Requirements. The contractor/grantee shall comply with the terms and conditions of the contract/grant regarding the contents of the draft and final report, summaries, data, and related documents, to include correcting, deleting, editing, revising, modifying, formatting, and supplementing any of the information contained therein, at no

additional cost to the NRC. Performance under the contract/grant will not be deemed accepted or completed until it complies with the NRC's directions. The reports, summaries, data, and related documents will be considered draft until approved by the NRC. The contractor/ grantee agrees that the direction, determinations, and decisions on approval or disapproval of reports, summaries, data, and related documents created under this contract/grant remain solely within the discretion of the NRC.

(b) **Publication of Results.** Prior to any dissemination, display, publication, or release of articles, reports, summaries, data, or related documents developed under the contract/grant, the contractor/grantee shall submit them to the NRC for review and approval. The contractor/ grantee shall not release, disseminate, display or publish articles, reports, summaries, data, and related documents, or the contents therein, that have not been reviewed and approved by the NRC for release, display, dissemination or publication. The contractor/grantee agrees to conspicuously place any disclaimers, markings or notices, directed by the NRC, on any articles, reports, summaries, data, and related documents that the contractor/grantee intends to release, display, disseminate or publish to other persons, the public, or any other entities. The contractor/grantee agrees, and grants, a royalty-free, nonexclusive, irrevocable worldwide license to the government, to use, reproduce, modify, distribute, prepare derivative works, release, display or disclose the articles, reports, summaries, data, and related documents developed under the contract/grant, for any governmental purpose and to have or authorize others to do so.

(c) **Identification/Marking of Sensitive Unclassified Non-Safeguards Information (SUNSI) and Safeguards Information (SGI).** The decision, determination, or direction by the NRC that information possessed, formulated or produced by the contractor/grantee constitutes SUNSI or SGI is solely within the authority and discretion of the NRC. In performing the contract/grant, the contractor/grantee shall clearly mark SUNSI and SGI, to include for example, OIU-Allegation Information or OIU-Security Related Information on any reports, documents, designs, data, materials, and written information, as directed by the NRC. In addition to marking the information as directed by the NRC, the contractor shall use the applicable NRC cover sheet (e.g., NRC Form 461 Safeguards Information) in maintaining these records and documents. The contractor/grantee shall ensure that SUNSI and SGI is handled, maintained and protected from unauthorized disclosure, consistent with NRC policies and directions. The contractor/grantee shall comply with the requirements to mark, maintain, and protect all information, including documents, summaries, reports, data, designs, and materials in accordance with the provisions of Section 147 of the Atomic Energy Act of 1954 as amended, its implementing regulations (10 CFR 73.21), Sensitive Unclassified Non-Safeguards and Safeguards Information policies, and NRC Management Directives and Handbooks 12.5, 12.6 and 12.7.

(d) **Remedies.** In addition to any civil, criminal, and contractual remedies available under the applicable laws and regulations, failure to comply with the above provisions, and/or NRC directions, may result in suspension, withholding, or offsetting of any payments invoiced or claimed by the contractor/grantee.

(e) **Flowdown.** If the contractor/grantee intends to enter into any subcontracts or other agreements to perform this contract/grant, the contractor/grantee shall include all of the above provisions in any subcontracts or agreements.

A.20 WHISTLEBLOWER PROTECTION FOR NRC CONTRACTOR AND SUBCONTRACTOR EMPLOYEES (AUG 2011)

(a) The U.S. Nuclear Regulatory Commission (NRC) contractor and its subcontractor are subject to the Whistleblower Employee Protection public law provisions as codified at 42 U.S.C. 5851. NRC contractor(s) and subcontractor(s) shall comply with the requirements of this Whistleblower Employee Protection law, and the implementing regulations of the NRC and the Department of Labor (DOL). See, for example, DOL Procedures on Handling Complaints at 29 C.F.R. Part 24 concerning the employer obligations, prohibited acts, DOL procedures and the requirement for prominent posting of notice of Employee Rights at Appendix A to Part 24 entitled: "Your Rights Under the Energy Reorganization Act".

(b) Under this Whistleblower Employee Protection law, as implemented by regulations, NRC contractor and subcontractor employees are protected from discharge, reprisal, threats, intimidation, coercion, blacklisting or other employment discrimination practices with respect to compensation, terms, conditions or privileges of their employment because the contractor or subcontractor employe(e) has provided notice to the employer, refused to engage in unlawful practices, assisted in proceedings or testified on activities concerning alleged violations of the Atomic Energy Act of 1954 (as amended) and the Energy Reorganization Act of 1974 (as amended).

(c) The contractor shall insert this or the substance of this clause in any subcontracts involving work performed under this contract.

A.21 GREEN PURCHASING (JUN 2011)

(a) In furtherance of the sustainable acquisition goals of Executive Order 13514, "Federal Leadership in Environmental, Energy, and Economic Performance" products and services provided under this contract/order shall be energy-efficient (Energy Star or Federal Energy Management Program (FEMP) designated), water-efficient, biobased, environmentally preferable (e.g., Electronic Product Environmental Assessment Tool (EPEAT) certified), non-ozone depleting, contain recycled content, or are non-toxic or less toxic alternatives, where such products and services meet agency performance requirements. <http://www.fedcenter.gov/programs/eo13514/>

(b) The contractor shall flow down this clause into all subcontracts and other agreements that relate to performance of this contract/order.

A.22 USE OF AUTOMATED CLEARING HOUSE (ACH) ELECTRONIC PAYMENT/REMITTANCE ADDRESS (AUG 2011)

The Debt Collection Improvement Act of 1996 requires that all Federal payments except IRS tax refunds be made by Electronic Funds Transfer. It is the policy of the Nuclear Regulatory Commission to pay government vendors by the Automated Clearing House (ACH) electronic funds transfer payment system. Item 15C of the Standard Form 33 may be disregarded.

STATEMENT OF WORK

Project Title: Technical Assistance in Support of Reactor License Renewal and Environmental Evaluation Activities Related to Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Office of Nuclear Reactor Regulation

Job Code: J-4473

Task Area: Peer Review of SER, ACRS support, ASLBP support

Task Order #: Nine (9) – Grand Gulf Nuclear Station, Unit 1 (Safety Review)

Budget Structure Code: 2012-x020 1-20-11-4-148

NRC Issuing Office: Office of Nuclear Reactor Regulation

NRC Project Officer: Linda Yee, 301-415-3072, Linda.Yee@nrc.gov
NRC Technical Monitor: Robert Sun, 301-415-3421, Robert.Sun@nrc.gov

Fee Recoverable: Yes

TAC Numbers: Grand Gulf Nuclear Station, Unit 1- Safety - TBD

Performing Organization: Center for Nuclear Waste Regulatory Analyses

1.0 Background

U.S. Nuclear Regulatory Commission's (NRC's) Office of Nuclear Reactor Regulation (NRR) is responsible for ensuring the public health and safety through licensing and inspection activities at all commercial nuclear power reactor facilities in the United States. Evaluation of License Renewal Applications (LRAs) is performed by the Division of License Renewal (DLR). DLR performs its work in accordance with the requirements of Title 10 of the Code of Federal Regulations, Part 54 (10 CFR Part 54), "Requirements for Renewal of Operating Licenses for Nuclear Power Plants." In addition, DLR uses guidance provided in NUREG-1800, "Standard Review Plan for Review of License Renewal Applications for Nuclear Power Plants", Revision 2 (SRP-LR), dated December 2010 and in NUREG-1801, "Generic Aging Lessons Learned Report," Revision 2 (GALL Report) also dated December 2010. The NRC staff is seeking technical assistance in the peer review of LRAs in the area of corrosion/materials engineering.

2.0 Objective

The objective of this contract is to provide technical peer review support in the area of corrosion/materials engineering to the DLR project team in reviewing and evaluating the operating license renewal application of Grand Gulf Nuclear Station, Unit 1.

3.0 Scope of Work

The project team, composed of the Center for Nuclear Waste Regulatory Analyses (CNWRA or Center) and NRC staff, will audit and review aging management programs (AMPs), aging management reviews (AMRs), and time-limited aging analyses (TLAAs) submitted by the applicant. The project team will be led by a plant Project Manager (PM). The Center shall provide subject matter technical experts (SMEs) knowledgeable and experienced in the area of corrosion/materials engineering and science applicable to license renewal activities. The Center will provide technical expertise and services on a task basis for task 5. The Center may provide technical expertise and services on this task order for two optional tasks (tasks 6, and 7) which include providing technical support for Advisory Committee on Reactor Safeguards (ACRS) meetings and technical support for Atomic Safety and Licensing Board Panel (ASLBP) hearings if directed to do so by the NRC Technical Monitor (TM) or Project Officer (PO).

For its AMP review, the project team evaluates and audits the AMPs the applicant proposes to ensure that they are consistent with the GALL Report and reviews other selected plant-specific AMPs. For the assigned task scope of work the project team reviews the applicant's aging management activities and programs to determine whether these AMPs are adequate to manage the effects of aging on systems, structures, and components so their intended functions will be maintained consistent with the plant's current licensing basis (CLB) during the proposed period of extended operation.

For its AMR review, the project team evaluates the AMRs assigned in work packages called technical review packages (TRPs). The TRP concept will be explained below.

For the TLAAs review, the project team evaluates the information provided by the applicant addressing the GALL Report recommendations and plant-specific TLAAs and determines if the information provided meets the requirements of 10 CFR 54.21.

An important attribute of this statement of work (SOW) is to provide flexibility in support. DLR will have multiple license renewal applications being reviewed concurrently and intends to use a blend of NRC personnel with Center support. Therefore, the contract support will need to be flexible and integrated with DLR's needs. DLR will provide a clear delegation of responsibility before the work begins for this project/plant to prevent any duplication of effort.

The following table provides examples of corrosion/materials engineering areas Center support staff will be expected to review and/or audit. Each of these topical areas is referred to as a "technical review package." The TRP contains:

- Relevant SRP Sections
- AMRs that are not associated with a SRP section (Note E's)
- AMR line items (Non-note A-D)
- AMRs questioned by the plant project manager as to their consistency with the GALL Report
- Relevant AMPs
- Final Safety Analysis Report Supplement (Associated with AMPS/TLAAs to be verified by Technical Reviewer)
- GALL items where there was no associated aging effect claimed by the applicant

TLAAs will also be included in a TRP. TRPs are work packages that are developed to focus the reviewers on the specific areas for review. Audits are performed for the technical areas where the applicant claims consistency with the GALL Report. In some cases, the NRC staff or Center may not need to audit a TRP item because the items are not consistent with the GALL Report and will need to be technically reviewed. Items where there is a claim for consistency

with GALL will be audited at the plant site. The project team will provide the audit write up, requests for additional information (RAIs) and safety evaluation report (SER) input for the audited items. Areas not audited will be reviewed, RAIs developed, and SER input provided.

The table below lists examples of TRPs in the corrosion/materials area for a typical license renewal application. The list may or may not reflect the final TRP assignments. The actual list of TRP assignments will be finalized at a later time.

XLM2	Reactor Water Chemistry	Materials	Yes
XLM10	Boric Acid Corrosion	Reactor Materials	Yes
XI.M17	Flow Accelerated Corrosion	Materials	Yes
XI.M18	Boiling Integrity	Materials	Yes
XI.M20	Open Cycle Cooling Water	Materials	Yes
XI.M21	Closed Cycle Cooling Water	Materials	Yes
XI.M24	Compressed Air	Materials	Yes
XLM33	Selective Leaching of Materials	Materials	Yes
XI.M34	Buried Piping and Tanks Inspection	Materials	Yes
XI.M38	External Surfaces Monitoring Program	Materials	Yes
	Special topical areas (such as Diesel Exhaust Piping, Fuel Oil Piping, Raw Water, or Titanium as needed based on uniqueness of LRA)	Various	Maybe

If any work will be subcontracted or performed by consultants, the Center shall obtain the written approval of the subcontractor or consultant prior to initiation of the subcontract effort by the NRC PO or TM. Conflict of interest considerations shall apply to any subcontracted effort.

3.1 Task 1 - Technical Support for Safety Review

Not Applicable

3.2 Task 2 - Technical Support for Environmental Review

Not Applicable

3.3 Task 3 - Technical Support for Quality Assurance Review

Not Applicable

3.4 Task 4 - Technical Support for Work Packages

Not Applicable

3.5 Task 5 - Peer Review of Safety Evaluation Report

The Center project staff shall attend a project initiation meeting with NRC staff within 10 working days of award of the agreement. This meeting will take place via teleconference. Training will also occur via teleconference. The purpose of the initial meeting is to discuss and finalize the draft project plan provided in response to the agreement request for proposal. The NRC PO, NRC TM, and the Center's PM shall establish the elements of the final project plan, inclusive of deliverables, schedules, and staffing, and shall discuss expectations and objectives of the technical assistance, timeliness and quality of review products. The Center staff shall perform the review in accordance with the final project plan approved by the NRC TM. A copy of the final Project Plan shall be sent electronically to the NRC TM and PO for the task order.

The NRC TM will provide information on the work assignments, e.g., the split of work between the Center SMEs and other NRC technical staff. The Center shall provide qualified SME(s) to provide technical expertise to support an NRC-led project team audit. The purpose of the team audit is to determine whether the applicant has sufficient on-site documentation, as indicated in its LRA, to demonstrate that the AMPs, which are determined by the applicant to be consistent with the GALL Report or previously approved staff positions, are actually consistent. The Center shall participate in this audit by calling in to relevant break-out sessions, as identified by the NRC staff, held to discuss issues identified.

The Center shall perform the front end work associated with the preparation of audit and review. This work shall be performed at the Center's office immediately after the receipt of the task order for Grand Gulf Nuclear Station, Unit 1. The SME(s) will assess the review sections provided in the TRPs, and provide input to their NRC counterpart regarding potential issues or RAIs that will be needed.

The Center shall provide peer review input on audit reports written by their NRC counterparts. The audit reports shall contain the LRA-specific information, extracted from the LRA, which are related to the audit. The audit report template will aid the SME(s) in the peer review of the assigned evaluation portion of the audit report. The TM will provide a current copy of the writing guidelines and a recently-issued audit report. The Center staff shall peer review the draft audit report in accordance with the writing guidance provided, ensure the report is technically correct and complete, and provide input to their NRC counterpart on potential draft RAI's as a result of their review.

The Center shall provide qualified SME(s) to provide input to their NRC counterpart to help prepare formal requests for additional information (RAI), when determined appropriate, to obtain additional information to continue with the LRA safety review. The RAI shall cite the technical and regulatory basis for requesting the information.

The Center shall provide peer review input on draft and final SER input written by their NRC counterparts. SERs will be written in accordance with NRC review guidance, and shall be consistent with NUREG-0650, "Publishing Documents in the NUREG Series," NUREG-1379, "NRC Editorial Style Guide," Revision 2 and "Safety Evaluation Report (SER) Style Guide." In addition, the TM will provide a current copy of any additional writing guidelines and a recently-issued SER. The Center staff shall peer review the draft and final SER input in accordance with the writing guidance provided, ensure the report is technically correct and complete, and provide input to their NRC counterpart on potential draft RAI's as a result of their review. The Center shall also review any related RAIs and RAI responses and take those into account when providing peer review to the SER section.

The Center shall develop and follow its quality control plan which outlines the procedures and system to be used for document version control, technical input tracking, change management, and technical and editorial reviews. The Center shall organize, track, and manage changes in a structured, systematic, and transparent manner, throughout the review of the draft and final SER.

The deliverable for this task is a marked (electronic) version of the assigned Audit Report, RAI, or SER section(s), with comments, as applicable and additional communication, if necessary, to clarify comments. The Center shall deliver the peer reviews to the TM in accordance with the timeframes discussed in Appendix A, "Schedule and Deliverables."

3.6 Task 6 - Advisory Committee on Reactor Safeguards Support (OPTIONAL TASK -

1/1/2013 - 6/30/2013

The Center shall provide up to 20 person-hours of key personnel SME per meeting to support DLR staff during ACRS meetings (up to two meetings - subcommittee and final) to present the results of the LRA safety review. The activities may include, but are not limited to: providing information, preparing input for the staff's presentation, and participating in the dry run and the ACRS meeting. The ACRS meeting is normally held several months after the completion of the audit report and the SER inputs. The estimated effort should include refreshing of the specialist on the review and any technical issues. The dry run could be accomplished through telephone conference, if deemed acceptable by the TM. A 2-day trip to Rockville, Maryland shall be included in the estimate to support the ACRS meeting.

There is no formal deliverable for Task 6. The Center shall support for the preparation for the ACRS meeting, support services for the dry run, and support for the duration of the ACRS meetings at the NRC Headquarters.

3.7 Task 7- Atomic Safety and Licensing Board Panel Support (OPTIONAL TASK -

1/1/2013 - 6/30/2013

The Center shall provide experienced and qualified technical experts (subject matter experts) to support DLR staff in preparation for and during ASLBP hearings (up to four hearings). The activities associated with this task may include, but are not limited to: replying to contentions, preparing for ASLBP hearings, and participating in those hearings by presenting the results of the LRA safety review and providing testimony in response to questions by the ASLBP.

The ASLBP hearings are normally held 12 months after the issuance of the final SER. The estimated effort should include refreshing of the specialist on the review and any technical issues. The preparation for the ASLBP hearings could be accomplished through telephone conference, if deemed acceptable by the TM. A 2-day trip to a town near the plant's location and 40 person-hours of work shall be included in the estimate to support the ASLBP meeting.

There is no formal deliverable for Task 7.

4.0 Technical and Other Special Qualifications Required

It is the responsibility of the Center to assign technical staff, employees, subcontractors, or specialists who have the required educational background, experience, or combination thereof to meet both the technical and regulatory objectives of the tasks specified in this SOW. The NRC will rely on representations made by the Center concerning the qualifications of the personnel assigned to this agreement, including assurance all information contained in the technical and cost proposal, including resumes, is accurate and truthful. The use of experienced personnel for the key positions on each task and technical review package under this project is essential to the success of the project.

The Center shall provide all necessary personnel, equipment, facilities and materials to accomplish the efforts placed under this contract. The use of particular personnel on this project is subject to the NRC TM's and PO's approval. This includes proposed changes to key personnel during the life of the contract.

The Center team shall consist of SMEs in corrosion/materials engineering and science capable of conducting the SOW including the following disciplines: corrosion, materials engineering, power plant engineering or equivalent disciplines, as applicable to license renewal activities. For the purpose of bidding, assume that either three or four Center SMEs from the required disciplines will participate in the assigned reviews and providing staff in other technical areas on an as-needed basis. It is expected the Center will review and comment on the sections of the SER provided by NRC staff.

If any task will be subcontracted or performed by subcontractors or consultants, the Center shall obtain the NRC PO's written approval of the subcontractor or consultant prior to initiation of the subcontracted effort. Conflict of interest considerations shall apply to any subcontracted effort.

The subject matter experts will have demonstrated their expertise as documented in resumes, describing oral presentations at public meetings, professional conferences, management briefings, and providing expert testimony in hearings.

Compilation of information to conduct site audits and document findings in the draft SER may require extensive interviewing of stakeholders including power plant personnel and Federal, State, and local government officials. All stakeholder interactions shall be coordinated with the plant PM.

The SME shall:

- Provide technical expertise to complete the review of topical areas in technical review packages
- Provide technical expertise to assist in generating RAIs, as necessary to complete the final SER
- Provide technical expertise to assist in generating input into the audit report, SER with open items, and final SER
- Provide technical expertise to conduct a thorough peer review of assigned sections of RAIs, the audit report, SER with open items, and final SER

The Center shall assign the technical staff, employees, subcontractors, or specialists who have the required educations background, work experiences, or a combination thereof to meet both the technical and regulatory objectives of the work specified in this SOW.

The Center shall ensure that each SME reviews and becomes familiar with the plant-specific LRA with emphasis on AMPs, AMRs, and TLAAs described in the technical review package. The Center shall ensure that each SME also reviews, for familiarization: (1) the audit report and (2) Sections 3 and 4 of a recently NRC issued SER (final SER or SER with open items), and the assigned TRP. The NRC TM will identify the specific audit reports and SERs for review.

5.0 Meetings and Travel

If the optional tasks are exercised, there will be travel of up to 2 days to the ACRS meeting in Rockville, Maryland and a 2-day trip to a location near the site for a public meeting.

Routine status meetings (weekly to monthly) by the NRC TM and facilitator should be conducted using electronic means of Tele/Video - conferences or other means to minimize travel costs. Progress meetings will be quarterly during any active phase of this project, at the discretion of the NRC staff. Each of these meetings is expected to last less than 1 day. The Center should plan to make available key personnel assigned to active tasks during the course of these meetings. Periodically, a program review meeting, which involves NRC and Center management, will be held at the Center office to review overall program objectives and project performance; program reviews are typically held annually. In addition, meetings at NRC Headquarters and technical information gathering trips may be necessary and will be identified by the TM. Specific meeting and travel requirements will be identified in the finalized project plan. Other travel will be confirmed with the NRC PO prior to commencement of the travel.

Meetings potentially requiring Contractor travel are summarized below.

<u>Topic</u>	<u>Location</u>	<u>Trips</u>	<u>Days</u>	<u>Contractor</u>
Optional Work (Tasks 6/7):				
ACRS Meeting	Rockville, MD	1	2	1
Hearings/Public Meeting	Near site TBD	1	2	1

6.0 Financial and Technical Status Reports

The Center shall submit periodic technical and financial reports in accordance with the contract. The estimated staff effort should be recorded at the subtask level. The work accomplished and the degree of completeness should also be tracked by subtask. The reports are due within 15 calendar days after the end of the report period (i.e., each four week period). The NRC TM shall receive one copy of the periodic status report, and the NRC PO shall receive one copy. See the contract for further distribution requirements.

SCHEDULE AND DELIVERABLES

TASK	DELIVERABLE	SCHEDULE (working days)
5	Final Project Plan	No more than 10 working days after Project Kick Off Meeting
5	Technical review and assessment input through discussion with NRC Counterpart and Team Audit breakout session call	No less than 5 working days prior to NRC Team Audit, or as directed by NRC.
5	Peer Review - marked version of the Draft RAIs	No more than 5 working days after receipt from NRC
5	Peer Review - marked version of the assigned Audit Report sections	No more than 10 working days after receipt from NRC
5	Peer Review - marked version of the assigned Final SER input- with open items	No more than 15 working days after receipt from NRC
5	Peer Review - marked version of the assigned Final SER input- with no open items	No more than 5 working days after receipt from NRC

ATTACHMENT

**BILLING INSTRUCTIONS FOR
COST REIMBURSEMENT TYPE CONTRACTS (JULY 2011)**

General: During performance and through final payment of this contract, the contractor is responsible for the accuracy and completeness of data within the Central Contractor Registration (CCR) database and for any liability resulting from the Government's reliance on inaccurate or incomplete CCR data.

The contractor shall prepare invoices/vouchers for reimbursement of costs in the manner and format described herein. **FAILURE TO SUBMIT INVOICES/VOUCHERS IN ACCORDANCE WITH THESE INSTRUCTIONS MAY RESULT IN REJECTION OF THE INVOICE/VOUCHER AS IMPROPER.**

Standard Forms: Reimbursement requests shall be submitted on the payee's letterhead, invoice/voucher, or on the Government's Standard Form 1034, "Public Voucher for Purchases and Services Other than Personal," and Standard Form 1035, "Public Voucher for Purchases Other than Personal—Continuation Sheet."

Electronic Invoice/Voucher Submissions: The preferred method of submitting invoices/vouchers is electronically to the U.S. Department of the Interior's National Business Center, via email to: NRCPayments.NBCDenver@NRC.gov.

Hard-Copy Invoice/Voucher Submissions: If you submit a hard-copy of the invoice/voucher, a signed original and supporting documentation shall be submitted to the following address:

Department of the Interior
National Business Center
Attn: Fiscal Services Branch - D2770
7301 West Mansfield Avenue
Denver, CO 80235-2230

Purchase of Capital Property: *(\$50,000 or more with life of one year or longer)*

Contractors must report to the Contracting Officer, electronically, any capital property acquired with contract funds having an initial cost of \$50,000 or more, in accordance with procedures set forth in NRC Management Directive (MD) 13.1, IV, C – "Reporting Requirements" (revised 2/16/2011).

Agency Payment Office: Payment will continue to be made by the office designated in the contract in Block 12 of the Standard Form 28, or Block 25 of the Standard Form 33, whichever is applicable.

Frequency: The contractor shall submit requests for reimbursement once each month, unless otherwise authorized by the Contracting Officer.

Format: Invoices/Vouchers shall be submitted in the format depicted on the attached sample form entitled "Invoice/Voucher for Purchases and Services Other Than Personal". Alternate formats are permissible only if they address all requirements of the Billing Instructions. The instructions for preparation and itemization of the invoice/voucher are included with the sample form.

**BILLING INSTRUCTIONS FOR
COST REIMBURSEMENT TYPE CONTRACTS (JULY 2011)**

Task Order Contracts: The contractor must submit a separate invoice/voucher for each individual task order with detailed cost information. This includes all applicable cost elements and other items discussed in paragraphs (a) through (s) of the attached instructions. In addition, the invoice/voucher must specify the contract number, and the NRC-assigned task/delivery order number.

Billing of Costs after Expiration of Contract: If costs are incurred during the contract period and invoiced after the contract has expired, you must cite the period during which these costs were incurred. To be considered a proper expiration invoice/voucher, the contractor shall clearly mark it "EXPIRATION INVOICE" or "EXPIRATION VOUCHER".

Final invoices/vouchers shall be marked "FINAL INVOICE" or "FINAL VOUCHER".

Currency: Invoices/Vouchers must be expressed in U.S. Dollars.

Supersession: These instructions supersede previous Billing Instructions for Cost Reimbursement Type Contracts (June 2008).

**BILLING INSTRUCTIONS FOR
COST REIMBURSEMENT TYPE CONTRACTS (JULY 2011)**

**INVOICE/VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL
(SAMPLE FORMAT - COVER SHEET)**

1. Official Agency Billing Office

Department of the Interior
National Business Center
Attn: Fiscal Services Branch - D2770
7301 West Mansfield Avenue
Denver, CO 80235-2230

2. Invoice/Voucher Information

- a. **Payee's DUNS Number or DUNS+4.** The Payee shall include the Payee's Data Universal Number (DUNS) or DUNS+4 number that identifies the Payee's name and address. The DUNS+4 number is the DUNS number plus a 4-character suffix that may be assigned at the discretion of the Payee to identify alternative Electronic Funds Transfer (EFT) accounts for the same parent concern.
- b. **Payee's Name and Address.** Show the name of the Payee as it appears in the contract and its correct address. If the Payee assigns the proceeds of this contract as provided for in the assignment of claims terms of this contract, the Payee shall require as a condition of any such assignment, that the assignee shall register separately in the Central Contractor Registration (CCR) database at <http://www.ccr.gov> and shall be paid by EFT in accordance with the terms of this contract. See Federal Acquisition Regulation 52.232-33(g) Payment by Electronic Funds Transfer - Central Contractor Registration (October 2003).
- c. **Contract Number.** Insert the NRC contract number (including Enterprise-wide Contract (EWC)), GSA Federal Supply Schedule (FSS), Governmentwide Agency Contract (GWAC) number, or Multiple Agency Contract (MAC) number, as applicable.
- d. **Task Order Number.** Insert the task/delivery order number (if Applicable). Do not include more than one task order per invoice or the invoice may be rejected as improper.
- e. **Invoice/Voucher.** The appropriate sequential number of the invoice/voucher, beginning with 001 should be designated. Contractors may also include an individual internal accounting number, if desired, in addition to the 3-digit sequential number.
- f. **Date of Invoice/Voucher.** Insert the date the invoice/voucher is prepared.
- g. **Billing Period.** Insert the beginning and ending dates (day, month, year) of the period during which costs were incurred and for which reimbursement is requested.
- h. **Description of Deliverables.** Provide a brief description of supplies or services, quantity, unit cost, and total cost.

**BILLING INSTRUCTIONS FOR
COST REIMBURSEMENT TYPE CONTRACTS (JULY 2011)**

- i. Work Completed. Provide a general summary description of the services performed or products submitted for the invoice period and specify the section or Contract Line Item Number (CLIN) or SubCLIN in the contract pertaining to the required deliverable(s).
- j. Shipping. Insert weight and zone of shipment, if shipped by parcel post.
- k. Charges for freight or express shipments. Attach prepaid bill if shipped by freight or express.
- l. Instructions. Include instructions to consignee to notify the Contracting Officer of receipt of shipment.
- m. For indefinite Delivery contracts, the final invoice/voucher shall be marked "FINAL INVOICE" or "FINAL VOUCHER".
- n. Direct Costs. Insert the amount billed for the following cost elements, adjustments, suspensions, and total amounts, for both the current billing period and for the cumulative period (from contract inception to end date of this billing period).

(1) **Direct Labor**. This consists of salaries and wages paid (or accrued) for direct performance of the contract itemized as follows:

<u>Labor Category</u>	<u>Hours Billed</u>	<u>Rate</u>	<u>Total</u>	<u>Cumulative Hours Billed</u>
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- (2) **Fringe Benefits**. This represents fringe benefits applicable to direct labor and billed as a direct cost. Where a rate is used indicate the rate. Fringe benefits included in direct labor or in other indirect cost pools should not be identified here.
- (3) **Contractor-acquired property (\$50,000 or more)**. List each item costing \$50,000 or more and having a life expectancy of more than one year. List only those items of equipment for which reimbursement is requested. For each such item, list the following (as applicable): (a) an item description, (b) manufacturer, (c) model number, (d) serial number, (e) acquisition cost, (f) date of purchase, and (g) a copy of the purchasing document.
- (4) **Contractor-acquired property (under \$50,000), Materials, and Supplies**. These are equipment other than that described in (3) above, plus consumable materials and supplies. List by category. List items valued at \$1,000 or more separately. Provide the item number for each piece of equipment valued at \$1,000 or more.
- (5) **Premium Pay**. This enumeration in excess of the basic hourly rate. (Requires written approval of the Contracting Officer.)
- (6) **Consultant Fee**. The supporting information must include the name, hourly or daily rate of the consultant, and reference the NRC approval (if not specifically approved in the original contract).

**BILLING INSTRUCTIONS FOR
COST REIMBURSEMENT TYPE CONTRACTS (JULY 2011)**

(7) **Travel.** Total costs associated with each trip must be shown in the following format:

<u>Start Date</u>		<u>Destination</u>		<u>Costs</u>
From	To	From	To	\$

(Must include separate detailed costs for airfare, per diem, and other transportation expenses. All costs must be adequately supported by copies of receipts or other documentation.)

(8) **Subcontracts.** Include separate detailed breakdown of all costs paid to approved subcontractors during the billing period.

(9) **Other Costs.** List all other direct costs by cost element and dollar amount separately.

o. **Indirect Costs (Overhead and General and Administrative Expense).** Cite the formula (rate and base) in effect in accordance with the terms of the contract, during the time the costs were incurred and for which reimbursement is requested.

p. **Fixed-Fee.** If the contract provides for a fixed-fee, it must be reimbursed as indicated in the contract. Cite the formula or method of computation. Include this information as it applies to individual task orders as well.

(1) The NRC will withhold payment of 15% of the negotiated contract fixed-fee amount, not to exceed \$100,000.

(2) If the fee withholding amount has reached \$100,000, the contractor may resume billing the NRC for the balance of its fee under subsequent invoices for work completed.

(3) Any fee amounts withheld by the NRC will be paid to the contractor during contract closeout in increments, following the submission/settlement of indirect rate proposals in accordance with FAR 52.216-8 (JUN 2011).

q. **Total Amount Billed.** Insert columns for total amounts for the current and cumulative periods.

r. **Adjustments.** Insert columns for any adjustments, including outstanding suspensions for deficient or defective products or nonconforming services, for the current and cumulative periods.

s. **Grand Totals.**

**BILLING INSTRUCTIONS FOR
COST REIMBURSEMENT TYPE CONTRACTS (JULY 2011)**

3. Sample Invoice/Voucher Information

Sample Invoice/Voucher Information (Supporting Documentation must be attached)

This invoice/voucher represents reimbursable costs for the billing period from _____ through _____.

	<u>Amount Billed</u>	
	<u>Current Period</u>	<u>Cumulative</u>
(a) <u>Direct Costs</u>		
(1) Direct labor	\$ _____	\$ _____
(2) Fringe benefits (% of direct labor)	\$ _____	\$ _____
(3) Government property (\$50,000 or more)	\$ _____	\$ _____
(4) Government property, Materials, and Supplies (under \$50,000 per item)	\$ _____	\$ _____
(5) Premium pay (NRC approved overtime)	\$ _____	\$ _____
(6) Consultants Fee	\$ _____	\$ _____
(7) Travel	\$ _____	\$ _____
(8) Subcontracts	\$ _____	\$ _____
(9) Other costs	\$ _____	\$ _____
Total Direct Costs:	\$ _____	\$ _____

(b) Indirect Costs (provide the rate information applicable to your firm)

(10) Overhead ___ % of _____ (Indicate Base)	\$ _____	\$ _____
(11) General and Administrative (G&A) ___ % of _____ (Indicate Base)	\$ _____	\$ _____
Total Indirect Costs:	\$ _____	\$ _____

(c) Fixed-Fee:

- (12) Fixed-Fee Calculations:**
- i. Total negotiated contract fixed-fee percent _____ and amount \$ _____
 - ii. 85% allowable fee amount \$ _____
 - iii. Cumulative fee billed on prior invoices \$ _____
 - iv. Fee due this invoice (not to exceed 85% of fee earned based upon negotiated contract fee percentage) \$ _____

Note: The fee balance withheld by NRC may not exceed \$100,000.

Total Fixed-Fee:	\$ _____	\$ _____
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**BILLING INSTRUCTIONS FOR
COST REIMBURSEMENT TYPE CONTRACTS (JULY 2011)**

(d) Total Amount Billed	\$ _____	\$ _____
(e) Adjustments (+/-)	\$ _____	\$ _____
(f) Grand Total	\$ _____	\$ _____

(The invoice/voucher format provided above must include information similar to that included below in the following to ensure accuracy and completeness.)

SAMPLE SUPPORTING INFORMATION

The budget information provided below is for format purposes only and is illustrative.

Cost Elements:

1) **Direct Labor - \$2,400**

<u>Labor Category</u>	<u>Hours Billed</u>	<u>Rate</u>	<u>Total</u>	<u>Cumulative Hours Billed</u>
Senior Engineer I	100	\$14.00	\$1,400	975
Engineer	50	\$10.00	\$ 500	465
Computer Analyst	100	\$ 5.00	\$ 500	320
			<u>\$2,400</u>	1,760 hrs.

2) **Fringe Benefits - \$480**

Fringe @ 20% of Direct Salaries

<u>Labor Category</u>	<u>Salaries</u>	<u>Fringe Amount</u>
Senior Engineer I	\$1,400	\$280
Engineer	\$ 500	\$100
Computer Analyst	\$ 500	\$100
	<u>\$2,400</u>	<u>\$480</u>

3) **Government-furnished and contractor-acquired property (\$50,000 or more) - \$60,000**

Prototype Spectrometer - item number 1000-01 = \$60,000

4) **Government-furnished and contractor-acquired property (under \$50,000). Materials and Supplies - \$2,000**

10 Radon tubes @ \$110.00	= \$1,100
6 Pairs Electrostatic gloves @ \$150.00	= \$ 900
	<u>\$2,000</u>

ATTACHMENT

**BILLING INSTRUCTIONS FOR
COST REIMBURSEMENT TYPE CONTRACTS (JULY 2011)**

5) **Premium Pay - \$150**

Walter Murphy - 10 hours @ \$10.00 Per Hour (Reg. Pay) = \$100 x 1.5 OT rate = \$150
(EX: Premium pay for this individual was approved and authorized under this contract by the NRC Contracting Officer by letter dated 6/1/2011.)

6) **Consultants' Fee - \$100**

Dr. Carney - 1 hour fully-burdened @ \$100 = \$100

7) **Travel - \$2,640**

(I) Airfare: (2 Roundtrip trips for 1 person @ \$300 per r/t ticket)

<u>Start Date</u>	<u>End Date</u>	<u>Days</u>	<u>From</u>	<u>To</u>	<u>Cost</u>
4/1/2011	4/7/2011	7	Philadelphia, PA	Wash, D.C.	\$300
7/1/2011	7/8/2011	8	Philadelphia, PA	Wash, D.C.	\$300

(II) Per Diem: \$136/day x 15 days = \$2,040

8) **Subcontracting - \$30,000**

Company A = \$10,000
Company B = \$20,000
\$30,000

(EX: Subcontracts for Companies A & B were consented to by the Contracting Officer by letter dated 6/15/2011.)

9) **Other Costs - \$5,100**

Honorarium for speaker at American Nuclear Society conference = \$5,000
Nuclear Planet Journal subscription fee = \$100

10) **Overhead Expense - \$41,148**

Overhead @ 40% of Total Direct Costs

11) **General and Administrative (G&A) Expense - \$22,784**

G&A @ 20% of Total Costs, excluding subcontracts and consultants

12) **Fixed-Fee - \$8,218**

Fixed-Fee applied to Total Costs @ 5%

ATTACHMENT

**BILLING INSTRUCTIONS FOR
COST REIMBURSEMENT TYPE CONTRACTS (JULY 2011)**

Fixed-Fee Calculations:

- i. Total contract fixed-fee \$100,000
- ii. 85% allowable fee \$85,000
- iii. Cumulative fee billed on prior invoices \$85,000
- iv. Fee due this invoice (*not to exceed 85% of fee earned based upon negotiated contract fee percentage*) \$8,218

Total Amount Billed	\$175,020
Adjustments (+/-)	<u>- \$8,218</u>
Grand Total	\$166,802

ATTACHMENT

BILLING INSTRUCTIONS FOR FEE RECOVERY (JUNE 2008)

Fee Recovery Billing: Pursuant to the provisions of 10 CFR Part 170 and 171 on license fees, the NRC must recover the cost of work performed. Accordingly, the contractor must provide the total amount of funds billed during the period, fiscal year to date and the cumulative total for each task or task assignment by facility or report. The fee recovery billing reports shall be on a separate page, and shall be in the format provided (see Attachment 1). The billing period for fee recovery costs should be from the first day of each calendar month to the last day of the same month. Each separate fee billing report must be attached to the monthly invoice and cover the same period as the invoice.

Each report will contain a docket number or other unique identifier. The NRC will provide a unique identifier for all work performed. Costs should be reported as whole number to the nearest cent. For work that involves more than one facility at the same site, each facility should be listed separately and the costs should be split appropriately between the facilities. Common costs, as defined below, shall be identified as a separate line item in the fee recovery billing report each month.

Common costs are those costs that are not licensee unique and associated with the performance of an overall program that benefit all similar licensees covered under that program or that are required to satisfactorily carry out the program. Common costs include costs associated with the following: preparatory or start-up efforts to interpret and reach agreement on methodology, approach, acceptance criteria, regulatory position, or technical reporting requirements; efforts associated with the "lead plant" concept that might be involved during the first one or two plant reviews; meetings and discussions involving the above efforts to provide orientation, background knowledge or guidance during the course of a program; any technical effort applied to a docket or other unique identifier; and project management. Common costs must be reporting monthly for each docket or unique identifier. Common costs must be computed based on the proportion of direct costs incurred against each docket or unique identifier for the billing period.

Fee Recovery Billing Report

FIN:

Facility Name or Report Title:

TAC or Inspection Report Number:

(or other unique identifier)

Docket Number (if applicable):

<u>Cost Categories</u>	<u>Period Amt.</u>	<u>Period Cost Incurred</u>	<u>Fiscal Year To Date Costs</u>	<u>Total Cumulative Costs</u>
Labor				
Materials				
Subcontractor/				
Consultant				
Travel				
Other (specify)				
Common Costs				
Total				

Remarks: