



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

MAR 16 2002

Information Systems Laboratories, Inc.
ATTN: Mr. James F. Meyer
Vice President & Manager
11140 Rockville Pike, Suite 500
Rockville, MD 20852

Subject: TASK ORDER NO. 3, ENTITLED, "COST ANALYSIS IN SUPPORT
OF GSI-189" UNDER CONTRACT NO. NRC-04-01-067

In accordance with Section G.4, Task Order Procedures, of the subject contract, this letter definitizes Task Order No. 3. This effort shall be performed in accordance with the enclosed Statement of Work.

Task Order No. 3 shall be in effect from March 18, 2002 through June 30, 2002, with a cost ceiling of \$26,780.00. The amount of \$24,912.00 represents the total estimated reimbursable cost, and the amount of \$1,868.00 represents the fixed fee.

Accounting data for this task order is as follows:

B&R No.: 26015110197
Job Code: Y6406
BOC Code: 252A
APPN No.: 31X0200.260
OBLIGATED AMOUNT: \$26,000.00

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



The Contractor agrees that such personnel shall not be removed from the effort under the task order without compliance with Contract Clause H.1, Key Personnel.

The issuance of this task order does not amend any terms or conditions of the subject contract.

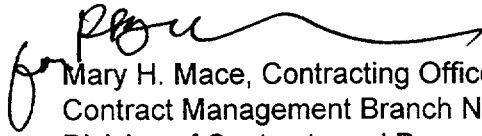
Your contacts during the course of this task are:

Technical Matters: Sidney Feld
Technical Monitor
(301) 415-6193

Contractual Matters: Anita Hughes
Contract Specialist
(301) 415-6526

Please indicate your acceptance of this task order by having an official who is authorized to bind your organization, execute three copies of this document in the spaces provided below and return two copies to the Contract Specialist. You should retain the third copy for your records. If you have any questions regarding the subject modification, please contact Anita Hughes, Contract Specialist on (301) 415-6526.

Sincerely,


Mary H. Mace, Contracting Officer
Contract Management Branch No. 1
Division of Contracts and Property Management
Office of Administration

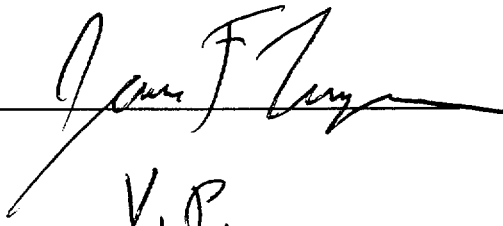
Enclosure: As stated

ACCEPTED:

NAME

TITLE

DATE


V.P.
3/18/02

STATEMENT OF WORK
Job Code Y-6406, Task Order No. 03
Contract No. NRC-04-01-067

TITLE: ASSESS AND IMPROVE REGULATORY EFFECTIVENESS

TASK ORDER 3 TITLE: COST ANALYSIS IN SUPPORT OF GSI-189

Project Manager: Sidney Feld - (301) 415-6193
Technical Monitor: Sidney Feld - (301) 415-6193
Designated Alternative: Allen Notafrancesco, RES - (301) 415-6499

1.1 Background

The Division of Systems Analysis and Regulatory Effectiveness (DSARE), Office of Nuclear Regulatory Research (RES) is responsible for RES's program to Assess and Improve Regulatory Effectiveness. The staff is currently considering options for resolution of Generic Safety Issue-189 (GSI): Post-Accident Combustible Gas Control in Pressure Suppression Containments. With respect to this activity, regulatory effectiveness will be evaluated based on a comparison of the monetized safety benefits of averting containment failure and the costs of adding the safety enhancement.

1.2 Objective

The objective is to support DSARE in the development of a cost analysis in order to determine whether the proposed safety modifications are cost justified.

1.3 Work Requirements

Task Order 3: The contractor shall prepare a cost analysis for adding an independent power supply to igniter systems installed in PWR ice condenser and BWR Mark III containments. This is viewed as the primary option and consequently costs need to be developed with a relatively high level of specificity. Two variations on this enhancement, which are of secondary importance, shall also be addressed at a lower level of detail. These are the installation of: (a) an independent power supply to power both the igniters and the air return fans; and (b) passive autocatalytic recombiners (PAR).

For each of the modifications under consideration, per reactor and industry-wide costs shall be developed and expressed on a 2002 present worth basis (in 2002 dollars). To the extent relevant, results shall reflect any meaningful differences due to ice condenser vs. Mark III containments, as well as any cost implications of having multiple units at a site. Costs shall be reported under four broad categories: Industry implementation, industry operation, NRC implementation, and NRC operation. All assumptions and bases underlying these cost estimates will be explicitly reported. Results shall capture the total cost of the modification, and thus, for example, will give careful consideration to any analytical, procedural, administrative, and licensing requirements that are likely to be incurred.

For the primary option, the contractor shall include assumptions concerning the basic characteristics of the modification that will provide a sense of how elaborate the proposed fix is (e.g. its location, how it will be connected to the igniters, and how it will be actuated in the event of station blackout). Additionally, the cost estimate shall include all relevant and meaningful cost elements such that the results are highly transparent. For example, licensee cost elements might include such items as planning, scheduling, procurement, engineering, materials and equipment, structures, installation, quality control, occupational exposure, training, procedures, documentation, licensing costs, changes to FSAR, technical specification change, record keeping, maintenance, and testing.

For the secondary options, the level of specificity can be on a par with that provided by ISL in its January 31 draft of "PAR Requirements for PWRs: Value Impact Assessment".

1.4 Technical and Other Special Qualifications Required

Personnel identified for this contract must have an understanding of NRC policy and guidance documents associated with cost benefit analysis. The two principal documents concerning cost benefit analysis are NUREG/BR-0058 and NUREG/BR-0184. In addition, contractor shall have familiarity with hydrogen control cost estimates prepared for SAMA reviews, and the regulatory analysis prepared for proposed revisions to Part 50.44.

1.5 Level of Effort

We anticipate the level of effort will be 225 hours. Staff effort is expected to be equally distributed between personnel in the senior executive and senior engineer job categories. The use of subcontractors is not anticipated.

1.6 Period of Performance

The period of performance shall be 3 months from initiation of the Task Order

1.7 Deliverables

- | | |
|---------------------------------|----------------|
| 1. First Draft of Cost Analysis | April 8, 2002 |
| 2. Final Draft of Cost Analysis | April 22, 2002 |

1.8 Meetings and Travel

It is anticipated that only local travel will be required. For planning purposes, it is estimated that three 1-hour meetings between the NRC and the contractor will be required.

1.9 NRC Furnished Materials/Equipment

The NRC shall provide the contractor with internet addresses of relevant documents or copies of such documents if they are not available on the internet for use under this task order.

1.10 Financial and Technical Status Reports

The contractor shall submit reports in accordance with Sections F.3 and F.4 of the basic contract within 15 calendar days after end of the report period.