

<b>INTERAGENCY AGREEMENT</b>		1. IAA NO. NRC-HQ-50-14-I-0001		PAGE OF 1 24	
2. ORDER NO.		3. REQUISITION NO. NMSS-14-0034		4. SOLICITATION NO.	
5. EFFECTIVE DATE 04/01/2014		6. AWARD DATE 04/01/2014		7. PERIOD OF PERFORMANCE 04/01/2014 TO 09/30/2019	
8. SERVICING AGENCY DEPARTMENT OF ENERGY ALC: DUNS: +4: NATIONAL NUCLEAR SECURITY ADMINISTRATION WASHINGTON DC 20585  POC Jim Crabtree TELEPHONE NO. 301-903-6008			9. DELIVER TO BRIAN HORN 11555 ROCKVILLE PIKE ROCKVILLE MD 20852		
10. REQUESTING AGENCY ACQUISITION MANAGEMENT DIVISION ALC: 310001 DUNS: 040535809 +4: US NUCLEAR REGULATORY COMMISSION ONE WHITE FLINT NORTH 11555 ROCKVILLE PIKE ROCKVILLE MD 20852-2738  POC Jerry Purcell Jr TELEPHONE NO. 301-287-0848			11. INVOICE OFFICE US NUCLEAR REGULATORY COMMISSION ONE WHITE FLINT NORTH 11555 ROCKVILLE PIKE MAILSTOP 03-E17A ROCKVILLE MD 20852-2738		
12. ISSUING OFFICE US NRC - HQ ACQUISITION MANAGEMENT DIVISION MAIL STOP 3WFN-05-C64MP WASHINGTON DC 20555-0001			13. LEGISLATIVE AUTHORITY 31 U.S.C. 1535 - The Economy Act		
			14. PROJECT ID		
			15. PROJECT TITLE NUCLEAR MATERIALS MANAGEMENT AND SAFEGUARDS SYSTE		
16. ACCOUNTING DATA 2014-X0200-FEEBASED-50-50D001-38-2-130-1020-253D					
17. ITEM NO.	18. SUPPLIES/SERVICES	19. QUANTITY	20. UNIT	21. UNIT PRICE	22. AMOUNT
00001	Servicing Agency Control# 89 Project Title: Nuclear Materials Management and Safeguards System (NMSS) Master IAA: N/A  The work to be performed, using the requested funds, is as specified in the new Interagency Agreement between the NRC and DOE/NNSA. The work involves the day-to-day operations of the U.S. national database to track the location and inventory of source and special nuclear materials within the U.S.A.				9,285,910.00
23. PAYMENT PROVISIONS		24. TOTAL AMOUNT \$500,000.00			
25a. SIGNATURE OF GOVERNMENT REPRESENTATIVE (SERVICING) 		25b. SIGNATURE OF GOVERNMENT REPRESENTATIVE (REQUESTING) 			
25d. NAME AND TITLE MARIA R. BARELA, Contracting Officer		25c. DATE 4/3/14		25e. CONTRACTING OFFICER DOMINIQUE MALONE	
				25f. DATE 4/8/2014	

## Section B- STATEMENT OF WORK

### I. BASIC PROJECT INFORMATION

TITLE: Nuclear Materials Management and Safeguards System  
TYPE OF CONTRACT: Interagency Agreement  
JOB CODE: J1020  
B&R NUMBER: 13-50-38-2-130  
BOC: 253D  
NAICS: C2584, Computer Related Services, Other  
FEE RECOVERABLE: No  
NRC ISSUING OFFICE: Nuclear Material Safety and Safeguards (NMSS)  
NRC CONTRACTING OFFICER'S REPRESENTATIVE (COR): Brian G. Horn, (301) 287-9129

### II. PURPOSE

This Part of the IA (hereinafter "Part B") serves as the funding document. It provides specific information on the requirements of U.S. Nuclear Regulatory Commission, hereinafter "the Requesting Agency" sufficient to demonstrate a bona fide need and identifies funds associated with the requirement to allow The Department of Energy, National Nuclear Security Administration, hereinafter "the Servicing Agency," to provide acquisition assistance and conduct an interagency acquisition. The purpose of this Interagency Agreement (IA) between the NRC and the DOE/NNSA is to provide for the joint use of the Nuclear Materials Management and Safeguards System (NMMSS) for the period starting April 1, 2014.

### III. BACKGROUND

The Nuclear Materials Management and Safeguards System (NMMSS) is the national data base and information support system for nuclear materials that are under safeguards controls or special accounting procedures of the United States Government (USG). NMMSS is a classified database and access to the database is limited for security purposes.

The Nuclear Regulatory Commission (NRC) relies on NMMSS to support its domestic safeguards program as well as in the fulfillment of international commitments derived from bilateral agreements including:

- International Atomic Energy Agency (IAEA) reporting requirements for import/export reporting (INFCIRC/207),
- IAEA reporting requirements under the US/IAEA Safeguards Agreement (INFCIRC/288),
- USG's voluntary reporting in accordance with IAEA Gov. 2588, INFCIRC/549, and
- Possible future USG reporting commitments.

DOE/NNSA has its own unique and separate list of safeguards agreements and reporting requirements for NMMSS data independent of NRC's. Interagency Agreements (IAs) between DOE/NNSA and NRC covering NMMSS funding, usage, maintenance, operation and upgrades date back to the creation of both organizations (i.e., 1976). Under previous IAs, a number of operating plans and procedures have been established

and are being used for the day-to-day operations of the NMMSS IA and these operating plans and procedures remain in place.

#### IV. OBJECTIVE

The objective of the proposed work is to continue to allow the NRC to use and rely on DOE/NNSA's NMMSS database to satisfy NRC's domestic and international nuclear material information requirements for licensee facilities (e.g., NRC licensee, Agreement State licensee, or NRC certificate holder) for natural uranium, depleted uranium, thorium, enriched uranium, uranium in cascades, U-233, plutonium, and Pu-238.

#### V. SCOPE OF WORK

The Scope of Work to be covered under this IA shall include Tasks 1 through 6 outlined below. The DOE/NNSA will be the performing organization with the responsibility to provide the technical expertise, training, operating personnel, material and services required to accomplish the tasks or activities based on the priorities established by the NRC Contracting Officer Representative (COR). The plans and procedures currently used for the operations of the NMMSS database shall remain in place under the Agreement.

Under this Agreement NRC will utilize DOE/NNSA's system of which there is no connection to any NRC IT system.

##### Task 1. Nuclear Materials Located Within the United States

The NMMSS Operator shall perform the following as described:

- a. NRC requires licensee facilities to submit all DOE/NNSA and NRC Forms directly to the NMMSS operator. The quantity of forms to be supplied per year is estimated to be 15,000 Form-741, 700 Form-742, 700 Form-742C and 50 Form-740M. These forms will be provided daily by the licensee facilities. DOE/NNSA shall maintain the ability to receive these documents in paper and electronic format. Perform pre-audits of the information prior to inputting the data into NMMSS and obtain additional data, as required, from licensees. Maintain an up-to-date computer virus protection process for the NMMSS database. Operate NMMSS within time limits and edit-check routines that are jointly agreed to by DOE/NNSA and NRC.
- b. Interact with designated contacts at licensee facilities, as needed, to request actions to correct licensee facilities submission errors. Document all changes, and authorizations to changes, to data submitted by licensee facilities.
- c. Ensure that only licensee facilities data, that is determined to be error-free for NMMSS purposes, shall be transferred into the NMMSS data for permanent storage.
- d. Maintain and update the authority reference files used in validating and interpreting data as a part of initial processing and in the creation of report products for the NRC. Produce and issue, as required, all information directories associated with the reference information.
- e. Assign Reporting Identification Symbols (RIS) to licensee facilities when requested to do so by the NRC COR. Maintain a record of all RIS combinations

that are available for assignment. Ensure that any RIS combination is unique and issued only once. At least once a year, update the list of licensee facilities RIS Codes Directory (D-3) and make the list available to licensee facilities.

f. Maintain and distribute the NMMSS software package (SAMS) to licensee facilities. This software shall be reviewed and updated, at least twice a year, to ensure that it assists licensee facilities in preparing and submitting data to the NMMSS. The SAMS software shall be publicly available with no restrictions on its distribution or use by licensee facilities.

g. Maintain a current NMMSS guidance document (D-24) to assist licensee facilities in preparing data for electronic submission to NMMSS. This document shall be available to all licensee facilities.

h. Prepare and distribute reports to licensee facilities and NRC as requested or at prescribed frequencies. These reports shall clearly describe any constraints or limitations of the validity of the data contained in the reports.

i. Reconcile NMMSS-generated material balances with licensee-submitted material balance and inventory information within sixty (60) calendar days of receipt of licensee data unless otherwise directed by the NRC COR. Interact, as needed, with designated licensee contacts to correct balance differences.

j. Maintain sufficient facilities to allow for secure storage of the source documents that contain proprietary and classified information for the retention periods that are jointly agreed to by DOE/NNSA and NRC.

k. Maintain the ability to distribute requested database information electronically and as hardcopy. Maintain the ability to produce reports that are based on both facility needs and NRC needs.

l. Provide the technical expertise to assist licensee facilities in evaluating and resolving reporting problems. Provide necessary assistance in programming, scheduling, processing and distributing reports in order to answer both licensee facility and NRC inquiries using pre-formatted and/or ad hoc report formats.

m. Maintain the capability to produce and distribute all NMMSS report products electronically and as hardcopy. A report distribution log shall be maintained documenting distribution of all reports to licensees. Generate and distribute NMMSS reports based on a schedule approved by the NRC COR.

n. Maintain and update approved procedures concerning the operation and, if needed, the recovery of the NMMSS system. Develop administrative measures to insure procedural compliance by NMMSS staff. Such administrative measures must be maintained in a form that can be audited (i.e., sign-off sheets).

## **Task 2. Nuclear Materials Entering or Exiting the United States**

- a. Receive from the U.S. Government (i.e., NRC and DOE/NNSA); copies of the documents authorizing the import, export and international retransfer of source material and special nuclear material. Such documents will include copies of the NRC's Office of International Programs (OIP) documents involving nuclear export/import licensing authority for source materials and special nuclear materials. The NMMSS operator shall compare the information contained in the aforementioned documents against transaction reports documenting the transfers involving licensee facilities. If inconsistencies are identified, the COR or designee, shall be promptly notified in writing.
- b. Maintain the export licensing monitoring report (TJ-110) which permits the NRC to monitor all aspects of import/export activity within the U.S., (e.g., material exported by specific facilities during a particular time frame, license expiration warning monitors, quantity and material limits transferred under each import/export license, etc.). This report shall be maintained so that it is available to the NRC upon request.
- c. Assign Reporting Identification Symbols (RIS) to foreign nuclear facilities when requested to do so by the NRC COR. Maintain a record of all RIS combinations that are available for assignment. Ensure that any RIS combination is unique and issued only once. At least once a year, update the list of International Nuclear Facilities Codes Directory (D-15) and make the list available to licensee facilities.
- d. Maintain an up-to-date International Nuclear Material Tracking System (INMTS) program in NMMSS for the purpose of monitoring export license limits against export license authority.
- e. Provide necessary assistance in programming, scheduling, processing and, distributing reports in order to answer both licensee facility and NRC inquiries using pre-formatted and/or ad hoc report formats.
- f. Maintain the capability to produce and distribute all NMMSS report products electronically and as hardcopy. A report distribution log shall be maintained. Promptly notify the COR, in writing, if NMMSS reports are not distributed on the prescribed schedule.

**Task 3. Tracking Obligated Nuclear Materials Within the United States**

At this time, the following agreements require tracking and reporting of obligated nuclear materials that may be located at licensee facilities: Agreements for Peaceful Nuclear Cooperation Australia, Canada, European Atomic Energy Community (EURATOM), Japan, People's Republic of China, Argentina, Brazil, and the DOE/Minatome High Enriched Uranium Down Blending Agreement. Additional Agreements may be established and enacted in the future that also require obligation tracking activities.

- a. Receive copies of the Foreign Government documents expressing plans to ship, or confirmation of shipment of, foreign obligated nuclear materials to licensee facilities.

- b. Reconcile licensee-declared quantities of foreign obligated source material and special nuclear material against NMMSS-generated balances as part of the reconciliation process NMMSS performs with licensee facilities.
- c. As directed by the COR, prepare and distribute reports documenting imports, exports and inventory balances of foreign obligated nuclear material at licensee facilities required by Agreements.

**Task 4. Reporting licensee facility data to the International Atomic Energy Agency**

The NMMSS Operator shall perform the following as described:

- a. Maintain up-to-date knowledge of the reporting requirements documented in Code-10 of the Subsidiary Arrangement to the US/IAEA Safeguards Agreement.
- b. Prepare NMMSS reports to the IAEA following the requirements contained in Code-10 of the Subsidiary Arrangement to the US/IAEA Safeguards Agreement, or modified requirements agreed to by the U.S. Government.
- c. Perform operational activities necessary to meet U.S. reporting requirements under INFCIRC/207, the US/IAEA Safeguards Agreement (INFCIRC/288), GOV-2588, or other identified requirements, and revisions as recommended by the COR for licensees.
- d. Audit and reconcile the IAEA selected licensee's submitted Material Balance Reports with the NMMSS database inventory and transaction reports. Reconciliation to be completed within thirty (30) calendar days of receipt of licensee facility data unless otherwise directed by COR. When reconciliation cannot be accomplished, investigate all differences and inform the COR, in writing, of the discrepancies between the licensee facilities reports and NMMSS records. Provide technical expertise to the COR in evaluating and resolving reporting problems and accommodate special reporting situations within the database through special program modifications.
- e. For each licensee facility selected by the IAEA, maintain the background database which contains all of the authority reference files used in validating the IAEA data as part of initial processing and in the creation of report products for the IAEA and others (licensees, contractors, Department of State). Maintain the ability to allow the use of special reporting codes (i.e., composition codes) and perform edit checks required for reporting by licensee.
- f. Ensure that the quality of the information for IAEA selected licensee facilities contained in the NMMSS data base and subsequently distributed through the issuance of the Inventory Change Reports, Concise Notes, Physical Inventory Listings, and Material Balance Reports is of the highest possible degree of

integrity. This may be accomplished by performing ongoing "quality assurance" actions such as performing detailed audits of the data input procedures, the file updating procedures, and the report generation programs.

- g. Maintain and update, when appropriate, the NMMSS plans and procedures for actions associated with IAEA reporting by licensees, including the review and audit of IAEA data to be performed before transmittal of licensee data to the NRC.
- h. Investigate and resolve questions concerning import and export transactions as requested by the COR. Prepare all letters to transmit responses to IAEA questions concerning imports and exports by licensees as requested by the COR.
- i. Prepare all letters for the transmittal of the Inventory Change Reports, Concise Note Reports, Physical Inventory Listings, and Material Balance Reports for IAEA selected licensee facilities. Transmit these reports to the IAEA per approved channels of communication upon approval from the COR. As directed by the COR, transmit copies of these reports to other specified recipients.
- j. Reconcile, as requested by the COR, all reports generated by the IAEA in accordance with the US/IAEA Safeguards Agreement (INFCIRC/288) with licensee facilities information maintained within the NMMSS. Prepare reports detailing the results of these reconciliations and transmit these reports to the IAEA per approved channels of communication upon approval from the COR.
- k. Participate, on a technical basis, in meetings with the staff of the IAEA as requested by the COR.

**Task 5.     General Systems Maintenance and Enhancements**

The NMMSS Operator shall perform the following as described:

- a. Maintain a formal configuration control program that will evaluate and approve all system design changes before they take place. The COR shall have the opportunity to review all proposed changes before they are implemented.
- b. Maintain the capability to test and assess all changes before they are loaded on the production database. Maintain a formal approval process for all procedural changes. The COR shall be informed of all procedural changes prior to them being implemented.
- c. Develop and maintain the ability to control staff access to the system and sufficient audit records to monitor staff's access of, and changes to, the system. Develop and maintain the ability to ensure consistent and continuous NMMSS operations. Analyze and modify the NMMSS on a periodic basis to ensure optimum system operations. Perform routine maintenance, testing and, quality assurance consistent with current industry practices for a system of similar complexity and scope.

- d. Develop and maintain the capability to recover the system and data from software and/or hardware failures.
- e. Maintain required certification and accreditation to allow NMMSS to receive and handle classified information.

**Task 6. System Product Reports**

The NMMSS Operator shall perform the following as described:

- a. Provide any technical assistance necessary in programming, processing, scheduling, and distributing reports to answer ad hoc or special information request from the COR.
- b. The performing organization shall furnish to the NRC COR, when requested, specified reports generated by the NMMSS. The reports may deal with material inventory, material balance, safeguards data monitors, material transactions, international accounts, licensee performance, etc.

**VI. PLACE OF PERFORMANCE**

The work to be performed under this Agreement shall be performed at the performing organization's facility in Germantown, Maryland.

**VII. MEETINGS AND TRAVEL**

It is estimated there will be two trips by the NMMSS operator from Germantown, Maryland to NRC Headquarters, located in Rockville, Maryland, annually. The purpose of the trips will typically be related to database operational issues, development of database products and/or presentations to NRC. When practical, telephonic conference calls shall be held in lieu of meetings at NRC Headquarters. For pricing purposes, assume each trip will consist of two people for two days.

The NRC will support the annual NMMSS Users Group Training Conference. In addition, NMMSS training for the NRC licensees shall be for six (6) days per year for each year of the Agreement.

The NRC does not expect to receive any foreign travel requests. However, if any foreign travel is required and preliminarily authorized by the COR, the trip must be approved by the Director of the Office of Nuclear Materials Safety and Safeguards and the Office of International Programs. The contractor shall submit its request to NRC at least 45 days in advance of travel to allow for processing of the request. NRC Form 279 and NRC Form 445 must be completed for approval of foreign travel. NRC will provide these forms as required.

All travel associated with this project shall be approved by the NRC COR in advance. All such travel shall result in trip reports, which may be issued separately or as part of the next monthly letter status report. Copies of separately issued trip reports shall be submitted within 15 days of the completion of travel.



**VIII. DELIVERABLES AND SCHEDULE**

The servicing agency shall submit the following deliverables in accordance with the below schedule:

<b>DELIVERABLE</b>	<b>SCHEDULE</b>	<b>REFERENCE</b>
Monthly Letter Status Report	Due no later than 45 calendar days after the end of the month.	Section IX – Deliverables and Schedule
DOE/NNSA Financial MLSR	Within 10 calendar days of receipt of the NMMSS operator's input.	Section IX – Deliverables and Schedule
Special reports for MC&A inspectors	Within 10 calendar days of request	
Issue inspection packages for small licensees	Within 10 calendar days of request	
Report to NRC any apparent export license limit violation	Within 2 calendar days of finding	
Provide up-to-date copy of export licensee monitoring package (TJ-110) to NRC	Within 10 calendar days of request	
Issue update of the directories of domestic and international facilities	At Annual Users and Training Meeting	
Issue to the IAEA the monthly import/export report	By the 28 <sup>th</sup> day of the next month	
Issue to the IAEA the monthly inventory change reports	By the 28 <sup>th</sup> day of the next month	
Issue to the IAEA the inventory reports	Within 30 calendar days of receipt from the facility	
Reconcile license inventory with database	Within 60 calendar days of receipt from the facility	

**Monthly Letter Status Report**

The NMMSS operator shall submit a Technical Monthly Letter Status Report (MLSR) as reflected in this IA no later than calendar 45 days after the end of each month. The DOE/NNSA

Financial MLSR shall be submitted within 10 calendar days of receipt of the NMMSS operator's input.

The status report shall, as a minimum, contain the information required below.

The status report must include the following: the full name and address of the performing organization; the job code number and the title of the project; the principal investigator's name and full telephone number; and the project period of performance, the task assignment periods of performance (if applicable), and the reporting period. Financial information must be provided on each individual task under project job code numbers and by individual task order under basic task order agreements (if applicable).

A project may be omitted from the performing organization's status report following NRC's determination that all work is completed and that the final cost information is acceptable. However, the final status report for the project must be included in the performing organization's monthly activities report covering the last month of NRC's fiscal year.

It is acceptable to indicate in the status report that the project was inactive during the reporting period if a previous monthly activities report that contained the latest financial and progress status information is referenced.

As a minimum, the status report must include the following sections:

#### **Objective**

Provide a brief statement of the performing organization's understanding of the objective(s) of the program/project.

#### **Progress During Reporting Period**

For each task and/or task order (if applicable), provide a clear, concise discussion of the work performed during the reporting period. As a minimum, these discussions must include sufficient detail to support the hours and costs reported for the period. Progress reported as "worked on all tasks" is not acceptable. Names and dates of meetings and conference calls must be included. In addition, the current status of each task shall be identified.

#### **Travel**

Travel taken during the reporting period must be fully described and must include, as a minimum, the purpose of the travel, whether prior NRC authorization was required and obtained, the identity of all travelers, beginning and ending dates of the travel, and the origin and destination points. If portions of the travel costs are split between projects, the appropriate corresponding job code number must be identified.

#### **Anticipated and Encountered Problem Areas**

Problems both encountered during the reporting period and anticipated for the next period(s) must be identified.

Discussion of problems encountered during the reporting period must include the actual solution

or, if action is not implemented by the time of report issuance, the proposed solution. The status of the problem shall be updated in subsequent status reports until problem resolution is achieved and reported. **Note:** The person(s) and/or organization(s) with responsibility for action to address the problem must be clearly identified. In the event that NRC is required to take action, a separate letter to the appropriate NRC individual must be transmitted.

Problems or circumstances that require a change in the level of effort or estimated cost, scope of work, or travel requirements shall be discussed. **Note:** A separate letter identifying the need for a modification must be sent to the office as soon as the problem is identified. Such notification must not be delayed until issuance of the status report.

**Reminder:** Changes to the statement of work (SOW) that constitute new assignments of work or changes of such a nature as to justify an adjustment in overall cost or period of performance may only be authorized by the appropriate official.

#### **Plans for the Next Reporting Period**

A discussion of the work to be performed and a description of anticipated travel must be provided. Milestones that will be completed during the period must be described. **Note:** Where prior NRC travel authorizations are required, a separate notification must be written to NRC.

#### **Variance**

Any variance in either schedule or spending rate must be identified and discussed in detail. Discussion must include the cause for the variance, together with any proposed solution to bring the dates and cost within planned dates and amounts.

#### **Financial Schedule Status**

In addition to the Financial MLSR, a narrative description of the financial status of the project must be provided. Statements such as "See attached financial status" are not acceptable. A discussion of the status of the projected cost and schedule of the project must be included. If the projected actual cost is expected to be greater than or less than the planned cost and/or if the schedule is projected to be longer than or less than the planned schedule, a discussion of the reasons for the differences must be provided. Actions to mitigate any delays in schedule and/or increases in cost shall be thoroughly described.

Encumbered costs shall be noted and briefly described.

#### **Spending Plan Update**

The spending plan agreed to by the parties for projects and task orders (if applicable) shall be included in the initial status report. Thereafter, the spending plan shall be updated in the status report when incurred costs (cumulative to date) vary by 20 percent or more from planned spending (cumulative to date).

#### **Acquired Property**

Report property including software acquired for the project during the month with an acquisition cost of \$500 or more. Provide the following information for each item of property: item

description, manufacturer, model number, serial number, acquisition cost, receipt date, and property identification number, when appropriate. If no property was acquired during the reporting month, include a statement to that effect in the status report.

In the final status report for the project, provide a closeout property report certifying that property (excluding software) with an acquisition cost of greater than \$5000, as well as sensitive property acquired under the NRC project, is included in the official property records and that the list is complete. For each item listed, the report shall contain item description, manufacturer, model number, serial number, acquisition or development cost, receipt date, and property identification number, when appropriate. The closeout property report also shall identify any ongoing or contemplated NRC projects on which the property could be utilized. If no property was acquired under a project, provide a negative report. Note any property requiring special handling for security, health, safety, or other reasons as part of the report.

#### **NRC-Funded Software Developed**

Report NRC-funded software with a useful life of 2 years or more and a development cost of \$5,000 or more in the month the development is completed. Provide the following information for each item of NRC-funded software:

- . Software name and functions
- . Development cost
- . Computer language used
- . System on which it will operate
- . Physical location of the software and/or the hardware system
- . Date the development of the software was completed
- . Date of scheduled replacement or projected useful life (If none can be determined, use a date 5 years from the date the software became operational.)

Both the technical and financial MLSR shall be submitted to Brian Horn, NRC COR at [Brian.Horn@nrc.gov](mailto:Brian.Horn@nrc.gov), Jerry Purcell Jr., NRC CO at [Jerry.Purcell@nrc.gov](mailto:Jerry.Purcell@nrc.gov), and Office of Administration/Acquisition Management Division to [ContractsPOT.Resource@nrc.gov](mailto:ContractsPOT.Resource@nrc.gov). In addition, a hard copy should be forwarded to the Nuclear Regulatory Commission, Attn: Director, Division of Fuel Cycle Safety and Safeguards; Office of Nuclear Material Safety and Safeguards; Washington, DC 20555-0001.

#### **X. LEVEL OF EFFORT**

This IA is estimated to require approximately 5.5 staff years of NMMSS operator support per year.

#### **XI. PERIOD OF PERFORMANCE**

The work specified herein shall commence on April 1, 2014, and shall continue through September 30, 2019.

#### **XII. PROPERTY**

The Serving Agency retains title to all equipment purchased under this agreement. DOE/NNSA must notify the Office of Nuclear Material Safety and Safeguards (Attn: Director, Program Planning, Budgeting, and Analysis Staff), and the NRC COR, in writing, when capital equipment

of information Technology equipment, to include software, with an estimated acquisition cost of \$500 or more, is to be purchased by and for the use of the NMMSS operator and for which DOE/NNSA expects NRC to jointly fund. All such purchases shall require approval of the NRC's Issuing Authority as designated on Form 7600.

**XIII. CLASSIFICATION OR SENSITIVITY**

All licensee data should be treated at a minimum as "Business Sensitive" and handled as proprietary information. Additionally some NRC licensee data is classified up to Secret Restricted Data (S/RD) and required additional measures. DOE/NNSA and the system operator are expected to assure that all NRC licensee data is afforded appropriate protection. Questions regarding the disclosure of licensee information shall be directed to the NRC COR. Disclosure of licensee information, to other than the licensee that submitted the data and/or the NRC, shall not be made without the prior approval of the NRC COR.

## SECTION C – NRC CLAUSES

### 1. TECHNICAL DIRECTION

The NRC Contracting Officer's Representative (COR), as named in the NRC SOW, is responsible for ensuring that the services required under this project are delivered in accordance with the terms of the SOW. All technical direction instructions to the Servicing agency must be issued through the COR.

Technical direction includes interpreting technical specifications, providing needed details, and suggesting possible lines of inquiry. Technical direction must not constitute new work or affect overall project cost or period of performance. Technical direction must be confirmed in writing to the servicing agency with a copy provided to the cognizant NRC Contracting Officer (CO).

### 2. KEY PERSONNEL

The individual(s) identified as key personnel is (are) considered essential to the successful performance of the work. The servicing agency agrees that these personnel shall not be removed from the project or replaced without complying with the following:

- If one or more of the key personnel, for whatever reason, becomes or is expected to become unavailable for work under this IAA for a continuous period exceeding 30 workdays, or is expected to devote substantially less effort to the work than indicated in the proposal or initially anticipated, the servicing agency shall immediately notify the NRC CO of its intent to make key personnel replacements.
- All requests for approval of substitutions on a project shall be in writing and shall provide detailed explanation of the circumstances necessitating the proposed substitutions. The request shall contain a complete résumé for the proposed substitute and other information requested by the NRC CO to approve or disapprove the proposed substitution. The NRC will evaluate such requests and promptly notify the servicing agency of its approval or disapproval thereof in writing.
- The project may be terminated if the NRC determines that:
  - o Suitable and timely replacements of key personnel who have been reassigned, terminated, or have otherwise become unavailable for the project are not reasonably forthcoming.
  - o The resultant reduction of effort or expertise would be so substantial as to impair the successful completion of the work order.

### 3. BILLING REQUIREMENTS

Servicing agency shall bill NRC monthly for costs paid in support of NRC projects by the agreement number. The servicing agency shall bill and collect from NRC by an electronic transfer of funds through the U.S. Treasury Intergovernmental Payment and Collection System (IPAC).

The servicing agency voucher shall identify the NRC agreement number, and the NRC and servicing agency budget and reporting (B&R) numbers.

The servicing agency voucher, at a minimum, shall indicate the month that costs were incurred and the dollar amount of these costs. In some instances because of accrual accounting and other adjustments, the amounts may differ slightly from the original accrual amount.

When the Status Report costs differ from the amount billed, servicing agency shall provide an explanation of the difference on the voucher.

The servicing agency voucher shall be sent to support the IPAC funds transfer. The instructions must identify the billable activities as specified by 10 CFR Part 170. The servicing agency voucher and other required documentation shall be submitted to—

NRC Payments  
U.S. Nuclear Regulatory Commission  
One White Flint North  
11555 Rockville Pike  
Mailstop O3-E17A  
Rockville, MD 20852-2738

Electronic Commercial Vendor and IPAC Payments:  
Effective immediately, commercial vendors and Federal entities should use the new electronic mailing addresses shown below:

Invoice and training billing Email address – [NRCPayments@NRC.gov](mailto:NRCPayments@NRC.gov)  
IPAC billing Email address – [NRCIPAC.Resource@NRC.gov](mailto:NRCIPAC.Resource@NRC.gov)

#### 4. LIMITATION OF FUNDS

NRC is not obligated to reimburse the servicing agency for costs incurred by its contractors in excess of the total amount obligated by an appropriately executed IAA form. The NRC Contracting Officer will formally notify the servicing agency of any projects that are intended to be phased out or terminated as soon as such intent is known, preferably at least 30 days before the proposed termination date. For IAAs with fixed performance periods, the servicing agency should assume that the program will terminate on the last day of the period specified on the IAA form.

If at any time the servicing agency has reason to believe that the costs will exceed the total amount authorized, the servicing agency must notify the NRC CO. In the absence of formal NRC instructions to continue or to terminate a work order, the servicing agency will notify the NRC CO in writing when the accrued costs of any NRC Order approaches 75 percent of the authorized funding level provided on the IAA form. The notification should include the estimated date when the accrued costs will equal the authorized funds, and may, if appropriate, recommend or request the NRC action desired. After this notification, the NRC will evaluate costs incurred against technical progress and, if necessary, will:

- Increase funding authorization
- Change the scope of the work
- Change the period of performance
- Terminate the project

The servicing agency shall notify the NRC CO in writing when it is anticipated that the work

cannot be completed within the period of performance indicated on the IAA form. Notification shall be made in sufficient time to allow for the issuance of a modification to the IAA authorizing an extension of the work period to the date necessary to complete the authorized work. If the period of performance is not extended, the NRC CO shall notify the servicing agency via issuance of a modification for closeout of the IAA.

#### **5. INCOMPATIBILITY BETWEEN REGULAR DUTIES AND PRIVATE INTERESTS**

(a) Employees of the servicing agency's contractor shall not be permitted to make or influence any decision on behalf of the contractor which directly or indirectly affect the interest of the Government, if the employee's personal concern in the matter may be incompatible with the interest of the Government. For example: An employee of a contractor will not negotiate, or influence the award of, a subcontract with a company in which the individual has employment relationship or significant financial interest; and an employee of a contractor will not be assigned the preparation of an evaluation for the servicing agency for any technical aspect of the work of another organization with which the individual has an employment relationship, or significant financial interest, or which is a competitor of an organization (other than the contractor who is the individual's regular employer) in which the individual has an employment relationship or significant financial interest.

(b) The contractor shall be responsible for informing employees that they are expected to disclose any incompatibilities between duties performed for the contractor and their private interests and to refer undecided questions to the contractor.

#### **6. ACQUIRED MATERIAL, EQUIPMENT, OR SOFTWARE (PROPERTY)**

In accordance with the SOW, the servicing agency proposal must include a description of the property required for project performance that has an estimated acquisition cost of \$500 or more. The proposal must also identify the potential development of NRC-funded software during the project. NRC-funded software is software specifically developed for NRC by the servicing agency and is generally the deliverable for the project.

After the NRC reviews the list of property and NRC-funded software included in the servicing agency proposal, any questions regarding the acquisition of property or the development of NRC-funded software will be addressed with the servicing agency during negotiations. After negotiating project terms and conditions, NRC shall issue the IAA for the servicing agency's acceptance authorizing the work and approving acquisition of property or development of NRC-funded software.

The servicing agency shall submit a written request to the NRC CO for approval to develop additional NRC-funded software or purchase additional property with an estimated acquisition cost of \$500 or more after work initiation. The NRC CO shall approve or disapprove the acquisition or development of any additional items in writing.

The servicing agency shall report property, including software, with an acquisition cost of \$500 or more in the status report in the month the property or software was acquired. The servicing agency shall provide the information required by the Status Report Requirements for each item reported as appropriate, in the status report.

The requesting agency retains title to all Government-Furnished Property. The requesting



agency is responsible for disposition.

## **7. DISSEMINATION OF PROJECT INFORMATION/PUBLICATION REQUIREMENTS**

(a) Prior to any dissemination, display, publication, presentation, or release of papers, articles, reports, summaries, or abstracts developed under the NRC/servicing agency agreement, the servicing agency shall submit them to the NRC for review and comment. NRC shall have a review and comment period of at least [60] days, after which both an NRC and servicing agency representative at the lowest management level, shall attempt to resolve any differing viewpoints or statements which are the subject of NRC objection. If the matter cannot be resolved at that level, the issue shall be brought up to the next management level in both organizations until an agreement can be reached or it reaches the Office Director level. In the event resolution cannot be achieved, the NRC may direct the servicing agency to not publish the work as a NUREG/CR, but publish as a servicing agency report without the NRC office name or Contracting Officer's Representative (COR)'s name listed on the report, and with a Disclaimer conspicuously noted on the report, article, summary, abstract or related document that the servicing agency intends to release, display, disseminate or publish to other persons, the public or any other entities:

"The views expressed in this [paper, journal article, report, summary, or abstract] do not represent those of the U.S. Nuclear Regulatory Commission."

(b) The NRC and servicing agency agree to handle all classified information provided or developed during the course of this project in accordance with all applicable laws and regulations governing the handling of such information. In the event NRC determines during its review and comment period that a draft servicing agency paper, article, report, summary, or abstract contains classified information regarding the work performed for NRC, NRC, in addition to commenting on the subject matter, shall also direct the servicing agency to direct an authorized classification authority to appropriately review, classify and mark the product, pursuant to nationally acceptable standards/guidelines. Under these circumstances, the Laboratory will either publish the work solely as a classified product pursuant to NRC direction, or not publish the work in any format. In cases where classification of the product is in dispute, NRC may consult with servicing agency's Office of Classification; however NRC retains the ultimate authority over the classification of the product.

(c) In addition, travel costs to present papers or reports developed under the NRC/servicing agency agreement may not be authorized if the NRC determines that presentation of the paper does not support the NRC program or project. Such determination will not affect payment of the contract work costs.

(d) The servicing agency contractor, to the extent it is permitted to and asserts copyright therein, 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, abstracts, and related documents developed under the Agreement, for any governmental purposes and to have or authorize others to do so.

## **8. REVIEW AND APPROVAL OF REPORTS**

The servicing agency shall comply with the terms and conditions of the agreement regarding the contents of the draft and final reports, summaries, data and related documents, to include correcting, deleting, editing, revising, modifying, formatting and supplementing and of the

information contained therein. Corrective actions shall not be undertaken unless sufficient funding from NRC is available to cover the costs of the corrective actions. Performance under the agreement shall not be deemed accepted or completed until it complies with NRC's directions.

**Identification/Marking of Sensitive Unclassified and Safeguards Information.** The servicing agency shall comply with the requirements stated MD's 12.7 "NRC Safeguards Information Security Program as follows:

**a) Classification Clause**

To the extent that the performance of work under this work order involves classified information, the following clause is applicable:

- In the performance of work under this work order, servicing agency shall ensure that a servicing agency authorized classifier shall assign classification levels to all documents, material, and equipment originated or generated by the performing organization in accordance with classification guidance furnished by the Commission. Each subcontract and purchase order issued hereunder involving the generation of classified documents, material, or equipment shall include a provision to the effect that in the performance of such subcontract or purchase order, a servicing agency authorized classifier shall assign classification levels to all such documents, material, and equipment in accordance with classification guidance furnished by the NRC.

- When appropriate, the attached NRC Form 187, "Contract Security and/or Classification Requirements," is a part of this work order. It is the responsibility of the NRC office originating the work order to review the classification assigned and to refer any problems to the NRC Division of Security Operations (DSO), NSIR, for resolution.

**b) Safeguards Information, Unclassified Controlled Nuclear Information, or Unescorted Access to Protected and Vital Areas of Nuclear Power Plants**

To the extent that the performance of work under this work order involves Safeguards Information (SGI), the following clause is applicable:

In the performance of the work under this project, servicing agency shall assure that the Servicing agency shall mark and protect all documents, material, and equipment originated, generated, or received by the performing organization in accordance with the provisions of Section 147 of the Atomic Energy Act of 1954, as amended, its implementing regulations (10 CFR 73.21), "Protection of Safeguards Information: Performance Requirements." Further guidance on the protection of Safeguards Information and examples of proper marking of cover, title page, and back cover are contained in NRC Management Directive (MD) 12.7, "NRC Safeguards Information Security Program" and the NRC Guide to Marking Safeguards Information.

To the extent that performance of work under this work order involves unclassified controlled nuclear information (UNCI), the following clause is applicable:

In the performance of the work under this project, servicing agency shall assure that the Servicing agency shall mark and protect all documents, material, and equipment originated, generated, or received by the performing organization in accordance with the provisions of Section 148 of the Atomic Energy Act of 1954, as amended, its implementing servicing agency

regulations, and servicing agency orders and guidance.

It is the responsibility of the NRC office originating the work to indicate whether the work will involve SGI or unescorted access to protected and vital areas of nuclear power plants. An NRC Form 187, "Contract Security and/or Classification Requirements," shall be completed to indicate such access.

**c) Proprietary Information**

In connection with the performance of work under this work order, NRC may furnish for the servicing agency review, evaluation, or other use certain trade secrets or confidential or privileged commercial or financial information determined by the office to be exempt from public inspection or disclosure. A synopsis of such information must be submitted in writing to the servicing agency before reaching agreement with the office on the acceptance and use of the information. Up-to-date guidance on the protection of proprietary information used in reports prepared by the Servicing agency on proper marking of cover, title page, and back cover may be obtained from the NRC COR.

Proprietary or other privileged information may be provided by the office on an individual basis to servicing agency employees working as NRC consultants with the understanding that it shall be protected from disclosure and shall be returned to the office upon completion of the work. Any such claimed proprietary data will be appropriately identified and marked as such. The use of proprietary information in reports prepared by consultants requires protection. Further information may be obtained from the NRC COR.

**d) Other Sensitive Unclassified Non-Safeguards Information (SUNSI)**

Information other than safeguards, unclassified controlled nuclear, proprietary information, and pre-decisional information may at times be determined to be sensitive. The use of such information in reports requires the specific NRC designation and protection as prescribed by the NRC SUNSI policy. Further information may be obtained from the NRC COR.

**9. SENSITIVE INFORMATION WORK EFFORTS**

To the extent that the performance under this work order involves classified information, the following clauses are applicable:

- **Responsibilities.** The servicing agency and the servicing agency contractor, if any, shall be responsible for safeguarding Restricted Data, Formerly Restricted Data, and other National Security Information and for protecting it against sabotage, espionage, loss, and theft in accordance with applicable NRC and servicing agency security regulations and requirements.
- **Transmission of Classified Matter.** Except as otherwise expressly provided, servicing agency or the servicing agency contractor shall, upon completion or termination of the work, transmit to the NRC program office all classified matter in its possession or in the possession of any person under its control in connection with performance of this work. If retention of any classified matter is required by servicing agency or the servicing agency contractor, servicing agency must obtain the approval of the NRC program office and complete a certificate of possession specifying the classified matter to be retained.
- **Regulations.** Servicing agency and the servicing agency contractors shall be responsible for compliance with all applicable NRC and servicing agency security regulations and

requirements.

- **Definition of Restricted Data.** The term "Restricted Data," as used in this clause, means all data concerning (1) the design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but does not include data declassified or removed from the Restricted Data category pursuant to Section 142 of the Atomic Energy Act of 1954, as amended.
- **Definition of Formerly Restricted Data.** The term "Formerly Restricted Data," as used in this clause, means classified information related primarily to the military utilization of atomic weapons that can be adequately safeguarded as National Security Information, subject to the restrictions on transmission to other countries and regional defense organizations that apply to Restricted Data.
- **Definition of National Security Information.** National Security Information is information that has been determined pursuant to Executive Order 13526 or any predecessor order to require protection against unauthorized disclosure and is so designated.
- **Security Clearance of Personnel.** servicing agency and servicing agency laboratories shall not permit any individual to have access to Restricted Data, Formerly Restricted Data, or National Security Information, except in accordance with the Atomic Energy Act of 1954, as amended, Executive Orders 12968 and 10865, and servicing agency regulations or requirements applicable to the particular type or category of classified information to which access is required.
- **Safeguards Information Access.** The servicing agency and servicing agency laboratories shall not permit any individual to have access to Safeguards Information, except in accordance with 10 Code of Federal Regulations Part 73.22 and NRC Management Directive 12.7.
- **Liability.** It is understood that the unauthorized disclosure or the failure to properly safeguard Restricted Data, Formerly Restricted Data, or National Security Information that may come to the servicing agency or to any person under an NRC/servicing agency order in connection with work under the order may subject the performing organization, and its agents, employees, or subcontractors, to administrative sanctions and criminal liability under the laws of the United States. (See the Atomic Energy Act of 1954, as amended [42 U.S.C. 2011et seq.], 18 U.S.C. 793 and 794; and Executive Orders 13526 and 12968.)
- **Subcontracts and Purchase Orders.** Except as otherwise authorized in writing by the Commission, servicing agency shall insert provisions similar to the foregoing in all subcontracts and purchase orders under this work order.

## 10. STOP-WORK ORDER

The NRC CO may, at any time, by written modification to the servicing agency, require the servicing agency to stop all or any part of the work called for by this work order for a period of up to 90 days after the order modification is delivered to the servicing agency, and for any further period to which the parties may agree. Any such order will be specifically identified as a "stop-work order" issued pursuant to this clause. Upon receipt of such an order, the servicing agency shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of cost allocable to the work covered by the order during the period of work stoppage.

Within a period of 90 days after a stop-work order is delivered to servicing agency or within any extension of that period to which the parties shall have agreed the office shall either:

- Cancel the stop-work order
- Terminate the work covered by this work order

If a stop-work order issued under this clause is cancelled or the period of the stop-work order or any extension thereof expires, servicing agency will authorize the resumption of the work. An adjustment will be made in the delivery schedule or cost, or both, and the Order must be modified in writing accordingly. If a stop-work order is not cancelled and the work covered by the order is terminated in accordance with the terms of the GT&C section of the IAA, costs resulting from the stop-work order will be allowed in arriving at the termination settlement.

#### **11. TERMINATION**

This Agreement may be unilaterally terminated by either party generally upon 30 days' written notice to the other party. NRC will pay its share of any project expenses up to the termination date. Any expenses incurred in terminating this agreement will be paid by the party terminating the agreement. Any unexpended funds shall be returned to the NRC.

#### **12. AMENDMENTS**

Any amendments to the terms and conditions within this agreement shall be made in writing and signed by both the Servicing Agency and the Requesting Agency.

#### **13. INTERPRETATION OF IA**

If the Servicing Agency and Requesting Agency are unable to agree about a material aspect of either Part A or Part B of the IA, the parties agree to engage in an effort to reach mutual agreement in the proper interpretation of this IA, including amendment of this IA, as necessary, by escalating the dispute within their respective organizations.

If a dispute related to funding remains unresolved for more than 30 calendar days after the parties have engaged in an escalation of the dispute, the parties agree to refer the matter to their respective Agency Chief Financial Officers with a recommendation that the parties submit the dispute to the CFO Council Intragovernmental Dispute Resolution Committee for review in accordance with Section VII of Attachment 1 to the Treasury Financial Manual, Volume 1, Bulletin No. 2007-03, Intragovernmental Transactions, Subject: Intragovernmental Business Rules, or subsequent guidance.