

APPENDIX B, Amendment 000002

**STATEMENT OF SUBSTANTIAL INVOLVEMENT (DRAFT)
ADVANCED REACTOR DEMONSTRATION PROGRAM**

DEMOS

a. DOE anticipates having substantial involvement during the project period, through technical assistance, advice, intervention, integration with other awardees performing related activities, and technical transfer activities. The recipient's responsibilities are listed in paragraph b and DOE's responsibilities are listed in paragraph c.

b. Recipient's responsibilities.

The recipient is responsible for:

1. Performing the activities supported by this award, including providing the required personnel, facilities, equipment, construction, licensing activities, supplies and services;
2. Defining approaches and plans, submitting the plans to DOE for review, and incorporating DOE's comments;
3. Managing and conducting the project activities, including coordinating with DOE contractors as needed;
4. Attending annual program review meetings and reporting project status;
5. Submitting technical reports as stated in the Federal Assistance Reporting Checklist, and incorporating DOE comments;
6. Update project costs and performance data in the DOE-NE Performance Information Collection System (PICS). Recipient personnel will update project information at the work breakdown level agreed to in separate negotiations. Schedules will be developed at the appropriate level of detail to define work, key milestones will be provided with the reasonable costs assigned, and personnel will be assigned clear responsibility to update and submit work package information; and
7. Presenting the project results at appropriate technical conferences or meetings as directed by the DOE Project Officer.
8. DOE-NE Program Accrual Information. DOE requires the monthly tracking of uncosted obligations on financial assistance awards in the DOE accounting system to assist DOE in accomplishing more accurate project management and to more accurately recognize Department liabilities to the recipient. DOE personnel do this internally by subtracting paid costs and any costs accrued (yet to be paid incurred costs of the recipient) from the amounts obligated on the financial assistance award. In accomplishing this, DOE may request the recipient provide additional cost accrual information to accurately estimate/document the accrual in the DOE accounting system. If such information is needed DOE will normally do this using an e-mail to the recipient requesting the recipient identify the dollar value of work it has performed each month but not yet invoiced as of month end. Recipients will cooperate with DOE in providing the needed cost accrual information.

9. Presenting the project results at appropriate technical conferences or meetings as appropriate in coordination with the DOE Project Officer

c. DOE responsibilities.

Normal Federal Stewardship Responsibilities

DOE is responsible for the exercise of normal Federal stewardship responsibilities, including:

1. Approving recipient plans prior to award.
2. Providing technical assistance prior to the start of the activity and the recipient understands this prior to award, if requested by the recipient.
3. Providing technical assistance to correct deficiencies in project or financial performance when reports or monitoring indicates some sort of problem.
4. Performing site visits.
5. Reviewing financial, performance, and audit reports.
6. Performing technical reviews to determine whether to continue funding the next budget period.
7. Reviewing performance to ensure that the objectives, terms, and conditions of the award are accomplished.
8. Providing general administrative requirements, such as prior approvals required by the financial assistance regulations and/or OMB Circulars.
9. Reviewing performance after completion.

DOE Substantial Federal Involvement

DOE has substantial involvement in work performed under cooperative agreements made as a result of this FOA. DOE does not limit its involvement to the administrative requirements of the Award. Instead, DOE has substantial involvement in the direction and redirection of various aspects of the project as a whole. Substantial involvement includes, but is not limited to, the following:

1. DOE may share responsibility with the recipient for the management, control, direction, and performance of the Project.
2. DOE may intervene in the conduct or performance of work under this Award for programmatic reasons. Intervention includes the interruption or modification of the conduct or performance of project activities.
3. DOE may participate in major project decision-making processes.
4. DOE may promote and facilitate technology awareness activities, including disseminating program results through presentations and publications.
5. DOE may serve as scientific/technical liaison between awardees and other project stakeholders.

In addition, DOE may perform the following in the conduct of the award:

1. Reviewing in a timely manner annual project work plans, deliverables, and/or continuation requests and modifications, as well as technology transfer plans, and redirecting the work effort if the plans do not address critical programmatic issues;
2. Conducting semiannual and/or annual program review meetings to ensure adequate progress and that the work accomplishes the program and project activities. At the appropriate project review meetings, the award recipient will provide progress status and issues and present the detailed work plan and budget requirements for the following period. In addition to these scheduled reviews, DOE may conduct unscheduled reviews, if necessary, on a non-interference basis, which may be used by DOE for assessments of whether to have continued performance of the awards.
3. Redirecting work or shifting work emphasis, if needed; participating in recipient periodic project status, technical or progress review meetings and conference calls; this includes additional monitoring to permit specified kinds of direction or redirection of the work because of interrelationships with other projects;
4. Promoting and facilitating technology transfer activities, including disseminating program results through presentations and publications;
5. Serving as scientific/technical liaison between awardees and other program or industry staff;
6. Oversight of recipient progress to help ensure the projects achieve their intended results. This may include shifting work emphasis, within the various projects, if necessary, to achieve project goals. If work scope changes are required, they will be negotiated when the continuation funding is approved;
7. Assisting with coordination between reactor vendors and power companies to ensure vendor engineering and design activities support the ARD project requirements;
8. Coordinating the conduct of independent reviews of the project baseline;
9. Review and approval of one stage before work can begin on a subsequent stage;
10. Review and approval of recipient success in achieving milestones for payment;
11. The power to immediately halt an activity, if performance specifications (e.g., construction specifications) are not met.
12. As part of its substantial involvement, DOE may engage a private, independent engineering (IE) firm, or other consultants, to assist with project monitoring and oversight of the construction aspects of this project. In order to adequately monitor project progress and provide technical direction and/or redirection to the Recipient, DOE must be provided an adequate level of insight into various Recipient activities. Government Insight activities by DOE may include attendance at Recipient meetings, reviews and tests, as well as adequate and timely access for DOE's consultants to perform independent evaluations of Recipient's plans and processes. Recipient shall notify the DOE Project Officer of meetings, reviews, and tests in sufficient time to permit DOE participation, and provide all appropriate documentation for DOE review. DOE, and its consultants, may also require access to and delivery of data generated outside of the project in order to complete the review and validation tasks. Failure to provide sufficient access to data to assess project readiness may result in a no-go decision or termination.

-Activities that may be conducted by DOE:

- Risk Evaluation – DOE will review the Recipient’s initial Risk Mitigation Plan (RMP) for quality and completeness. DOE may also monitor updates to the RMP and actions taken by the Recipient during the performance of its award to mitigate risks and improve the probability of successful execution of the project. At DOE’s discretion, additional independent risk analyses of the project by DOE consultants may be requested.
- Independent Engineering Assessments – DOE may engage a private, IE firm to assist in assessing the progress of the project and provide timely and accurate reports to DOE. The Recipient will ensure that the IE has access to any and all relevant documentation sufficient to allow the IE to provide independent evaluations to DOE on the progress of the project. Such documentation includes but is not limited to the following:
 - Drawings and specifications
 - Construction and Execution plans
 - Resource loaded schedules
 - Design functions and requirements for the site final design review
 - Risk management plans
 - Value management and engineering studies and/or plans
 - Acquisition strategies
 - Project execution plans
 - Project controls including earned value management systems
 - Qualifications of the integrated project team.
 - Financial strategy for funding the construction project
 - Updated marketing and business plan
 - Invoices submitted to DOE

DOE will evaluate the quality and completeness of information and documentation provided by the Recipient to DOE and its consultants in order to allow DOE to provide technical direction and/or redirection to the Recipient about how best to achieve the purposes of the award. Consultants to DOE may not provide technical direction and/or redirection to the Recipient.

d. There are limitations on recipient and DOE responsibilities and authorities in the performance of the project activities. Performance of the project activities must be within the scope of the Statement of Objectives, the terms and conditions of the Cooperative Agreement, and the funding and schedule constraints.

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