

**U.S. NUCLEAR REGULATORY COMMISSION MANAGEMENT DIRECTIVE (MD)**

<b>MD 11.8</b>	<b>NRC PROCEDURES FOR PLACEMENT AND MONITORING OF WORK WITH FEDERAL AGENCIES OTHER THAN U.S. DEPARTMENT OF ENERGY (DOE) LABORATORY WORK</b>	<b>DT-12-06</b>
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**EXECUTIVE SUMMARY**

Directive and Handbook 11.8 are being retitled and revised as part of NRC’s ongoing effort to improve the agency’s Management Directives (MD) program. This revision updates the MD to comply with the most current policies, standards, and procedures, including corrective actions initiated by the Office of Administration following the fiscal year 2011 Federal Managers’ Financial Integrity Act reasonable assurance certification. In addition, the handbook has been reorganized to provide clarity, eliminate duplicative sections, and remove most of the exhibits from the handbook. These exhibits now are available electronically.

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## **I. POLICY**

- A.** It is the policy of the U.S. Nuclear Regulatory Commission to effectively manage work placed with other Federal agencies or their contractors pursuant to the provisions of the Economy Act of 1932, the Energy Reorganization Act of 1974, as amended, and other relevant statutes authorizing an agency to perform work for other Federal agencies.
- B.** This directive and handbook specify NRC responsibilities, authorities, and procedures for placement and monitoring of interagency agreements (IAAs) for work with other Federal agencies.
- C.** This directive does not cover procedures for placement of work with U.S. Department of Energy (DOE) laboratories or with commercial contractors.

## **II. OBJECTIVES**

- Ensure that procedures for conducting negotiations and managing IAAs with other Federal agencies are consistent with sound business practices and contracting principles.
- Ensure uniform application of an agencywide standard of contract management for agreements placed with other Federal agencies.
- Ensure that a framework exists for program management control, administration, monitoring, and closeout of agreements placed with other Federal agencies.

## **III. ORGANIZATIONAL RESPONSIBILITIES AND DELEGATIONS OF AUTHORITY**

### **A. Chairman**

1. Delegates contracting authority to the Executive Director for Operations (EDO) to authorize agency procurements at all dollar levels for IAAs.
2. Reviews significant IAAs that may have policy implications for the Commission (matters that may be sensitive, highly visible, have agencywide implications, or otherwise be of high interest to the Commission).

### **B. Executive Director for Operations (EDO)**

1. Delegates contractual authority to the Senior Procurement Executive (SPE) to execute and modify IAAs and settle claims and terminations thereof, with authority to redelegate to office directors, as appropriate.
2. Delegates authority to the Director of the Office of Administration (ADM) to serve as the agency's Chief Acquisition Officer (CAO).

3. Informs the Chairman, with a copy to the Commission, of significant IAAs that may have policy implications for the Commission (matters that may be sensitive, highly visible, have agencywide implications, or otherwise be of high interest to the Commission).
4. Notifies the Commission (within 5 working days) once a determination has been made that a potential organizational conflict of interest (OCOI) will require a waiver.
5. Approves or disapproves the OCOI waiver request as appropriate (after a minimum of 5 working days) following notification to the Commission.
6. Notifies the Commission of approval or disapproval of the OCOI waiver request.
7. Approves foreign travel.

**C. Deputy Executive Director for Corporate Management (DEDCM)**

1. Serves as the agency's Chief Information Officer (CIO).
2. Provides senior level oversight of strategic acquisition initiatives and establishes Portfolio Councils (PCs).
3. Ensures that performance reports on IAA acquisitions are provided to the Chairman, the Commission, senior managers, and the staff on a quarterly basis.

**D. Office of the Inspector General (OIG)**

1. Investigates allegations of fraud, waste, or abuse within the IAA process.
2. Periodically audits NRC's management of the IAAs.
3. Provides annual fraud awareness briefings to all NRC Contracting Officer Representatives (CORs).
4. Investigates reported violations of NRC's OCOI rules.

**E. Office of the General Counsel (OGC)**

1. Reviews the COR's proposed decision regarding OCOI concerns with work placed or to be placed with other Federal agencies.
2. Reviews and makes recommendations regarding any legal questions concerning work placed or to be placed with other Federal agencies.

**F. Director, Office of Information Services (OIS)**

1. Provides program guidance, advice, and assistance to NRC offices in obtaining information technology (IT) resources for IAAs.
2. Reviews and approves documentation and IAAs where IT resources (excluding IT supplies) are to be delivered to NRC or the NRC-designee in accordance with the requirements of NRC Management Directive (MD) 2.8, "Project Management Methodology."
3. Provides support to NRC offices, as requested, in preparing the statement of work (SOW), reviewing and evaluating proposals, and preparing other documentation for IAAs involving IT resource acquisitions.
4. Provides technical advice on complying with Section 508 of the Rehabilitation Act, which requires that the electronic and information technology deliverables acquired by the agency are accessible to people with disabilities.

**G. Director, Office of Administration (ADM)**

5. Serves as the NRC's Chief Acquisition Officer (CAO).
6. Serves as the NRC's Senior Procurement Executive (SPE) as required by 41 U.S.C. 414, "Executive Agency Responsibilities," and Executive Order 12931, "Federal Procurement Reforms."
7. Designates in writing, as the SPE and CAO, the alternate SPE and CAO.
8. Develops and directs acquisition policy for IAAs.
  1. Delegates, as SPE, contractual authority to the office directors and regional administrators to execute and modify IAAs and settle claims and terminations thereof.
  2. Establishes policy and provides services in support of security clearance, access authorization, and facility access.

**H. Director, Computer Security Office (CSO)**

Provides support to NRC offices, as requested, in preparing the SOW, reviewing and evaluating proposals, and preparing other documentation for IAAs involving IT resource acquisitions.

**I. Office of Federal and State Materials and Environmental Management (FSME)**

Provides assistance for projects involving waste characterization, packaging, and disposal.

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**J. Office Directors and Regional Administrators or Designees (Offices Executing Interagency Agreements in Accordance With Delegations of Authority)**

1. Execute and modify IAAs and settle claims and terminations in accordance with delegated authority.
  - (a) Delegations of authority are issued to the appropriate office directors by the SPE.
  - (b) The list of specific delegations can be found in the MD 11.8 Documents library at <http://portal.nrc.gov/edo/adm/dc/pms/layouts/viewlists.aspx?BaseType=1> (hereafter referred to as "MD 11.8 Documents library").
9. Inform the Chairman, through the EDO, with a copy to the Commission, of significant IAAs that may have policy implications for the Commission (matters that may be sensitive, highly visible, have agencywide implications, or otherwise be of high interest to the Commission).
10. Review and request a waiver of Commission requirements for avoidance of OCOI.
11. Ensure that the proposed IAAs comply with OCOI requirements when issued under the authority of the Energy Reorganization Act of 1974 (as amended).
12. Inform the Chairman, through the EDO, with a copy to the Commission, of OCOI waiver requests that raise sensitive, highly visible, or agencywide implications for agreements previously approved or reviewed by the Chairman.
13. Ensure timely development of and updates to an office advance procurement plan (APP).
14. Appoint CORs, in writing.
15. Appoint an Office Associate Competition Advocate (OACA) in writing.
16. Approve the Source Selection Justification (SSJ) or the Determination and Findings (D&F) up to \$1 million except for Assisted Acquisitions which are approved by the Division of Contracts (DC) regardless of dollar threshold.
17. Issue request for proposals per Financial Management Service (FMS) Form 7600, its instructions, and the NRC addendum to the FMS 7600 instructions (available in the MD 11.8 Documents library).
18. Authorize and issue, as the funding official, the FMS Form 7600 and accompanying attachments.
19. Ensure that the COR properly manages all aspects of the IAAs assigned.
20. Ensure that the proposed work does not give rise to an OCOI based on information available to the agency.

21. Ensure that the COR responsible for the management of agreements attends required training consistent with agency guidelines.
22. Ensure appropriate review and approval of IAAs involving IT resources in compliance with MD 2.8.
23. Ensure that IAAs are properly executed, monitored, and closed out and that agreement results are properly analyzed, evaluated, and disseminated.
24. Delegate authority to execute IAAs to designee, in writing.
25. Ensure proper certification of funds before placement of IAA Orders, as described in MD 4.2, "Administrative Control of Funds."
26. Develop office procedures as necessary to implement directive and handbook requirements.

**K. Budget Director, Division of Planning and Budget (DPB),  
Office of the Chief Financial Officer (OCFO)**

1. Issues advice on allowances and approved financial plans to allowance holders.
2. Reviews and concurs on agreements requiring Division of Planning and Budget (DPB) review in accordance with MD 4.2.

**L. Controller, Division of the Controller (DOC),  
Office of the Chief Financial Officer (OCFO)**

1. Establishes job codes in the agency accounting system upon request by NRC offices.
2. Approves in writing any proposed IAA that authorizes advance payments.
3. Maintains records of IAA unexpended obligations and provides reports to NRC offices.
4. Records obligations against the IAA that have been accepted by the servicing agency and forwarded to DOC/OCFO, ensuring use of valid accounting citations. Maintains copies of the accepted IAA as the official obligating documents.
5. Determines valid accrued costs and records the cost in the accounting system.
6. Receives notice through the U.S. Department of Treasury on the Intergovernmental Payment and Collection System (IPAC) that an electronic funds transfer from NRC to reimburse the servicing agency has occurred, sends the approval form(s) with any supporting documentation sent by the servicing agency to the COR for review and approval, follows up on timely (usually 20 days) return of forms, and maintains the signed approval forms on file.

7. Assists offices in identifying erroneous billings. Executes a chargeback to the servicing agency when notified in writing by the COR that a charge is erroneous and should not be accepted.

**M. Director, Information and Records Services Division (IRSD),  
Office of Information Services (OIS)**

Advises offices on the NRC policies and procedures for the handling of documents containing sensitive unclassified non-safeguards information (SUNSI), including those containing proprietary information.

**N. Director, Division of Contracts (DC), Office of Administration (ADM), or Designee**

1. Reviews and concurs on agreements requiring senior management review or approval, as appropriate, to ensure that placing the work with another Federal agency rather than competing the work in the commercial sector is appropriate and in the NRC's best interest.
2. Oversees award and monitoring of IAAs through periodic reviews of selected agreement files.
3. Chairs meetings with the IAA user group to establish and maintain an agencywide contracting standard.
4. Prepares MDs and guidance memoranda for IAAs.
5. Establishes policy in conjunction with OGC and other NRC offices to ensure resolution of all OCOI concerns.
6. Conducts utilization reviews of Government-furnished or Government-acquired property under IAAs to determine availability and use for other NRC requirements.
7. Approves the IAA sole source justification or the D&F for assisted acquisition IAAs. In addition, approves SSJs or D&Fs and all other IAAs over \$1 million.

**O. Director, Division of Facilities and Security (DFS), Office of Administration (ADM)**

1. Confirms facility clearance for classified agreements from the appropriate servicing agency's security organization and notifies the appropriate NRC office of this clearance.
2. Processes security clearance and/or access authorization requests for individuals, as needed, in the performance of their classified or sensitive unclassified duties under an IAA.

3. Advises offices on the NRC policies and procedures for the preparation and handling of documents containing classified information and other sensitive unclassified information, including SGI and SUNSI, which encompasses proprietary information.
4. Reviews and approves NRC Form 187, "Contract Security and/or Classification Requirements" (available in the MD 11.8 Documents library).

**P. Director, Division of Security Operations (DSO), Office of Nuclear Security and Incident Response (NSIR)**

Advises offices on the NRC policies and procedures for handling of documents containing classified or safeguards information (SGI).

**Q. Branch Chief, Publications Branch, Division of Administrative Services (DAS), Office of Administration (ADM)**

1. Develops and issues instructions in conjunction with NRC offices and the servicing agency for the preparation of reports published in the NUREG series.
2. Prints and distributes reports as specified by the IAA, including all reports required by the SOW that are to be made publicly available.
3. Issues NUREG-series numbers and maintains pertinent records.

#### **IV. APPLICABILITY**

- A.** The policy and guidance in this directive and handbook apply to all NRC employees who are involved with placing and monitoring IAAs with other Federal agencies including assisted acquisition IAAs.
- B.** This directive does not address the following:
  1. Contracts with the private sector (see MD 11.1, "NRC Acquisition of Supplies and Services"),
  2. General Services Administration (GSA) schedule contracts (see MD 11.1),
  3. Orders placed against Governmentwide acquisition contracts (GWACs) and multi-agency contracts (see MD 11.1),
  4. Work orders placed with DOE laboratories (see MD 11.7, "NRC Procedures for Placement and Monitoring of Work With the U.S. Department of Energy (DOE)"),

5. Grants and cooperative agreements (see MD 11.6, "Financial Assistance Programs"), or
6. IAAs for reimbursable work performed by NRC for other agencies or interagency employee details to or from other agencies. Refer to MD 4.2 for additional guidance.

## **V. HANDBOOK**

Handbook 11.8 provides guidance, procedures, and management controls for placement and monitoring of work with other Federal agencies.

## **VI. REFERENCES**

### ***Code of Federal Regulations (CFR)***

10 CFR Part 20, Appendix G, "Requirements for Transfers of Low-Level Radioactive Waste Intended for Disposal at Licensed Land Disposal Facilities and Manifests."

36 CFR Part 1194, "Electronic and Information Technology (EIT) Accessibility Standards."

Federal Acquisition Regulation (FAR)—

48 CFR Subpart 2.101, "Definitions."

48 CFR Part 6, "Competition Requirements."

48 CFR Part 7, "Acquisition Planning."

48 CFR Part 10, "Market Research."

48 CFR Part 15.404-1, "Proposal Analysis Techniques."

48 CFR Subpart 17.5, "Interagency Acquisitions under the Economy Act."

48 CFR Part 45, "Government Property."

### ***Executive Orders***

Executive Order 12931, "Federal Procurement Reforms," October 13, 1994  
(<http://www.archives.gov/federal-register/executive-orders/pdf/12931.pdf>).

Executive Order 13526, "Classified National Security Information," January 5, 2010  
(<http://www.archives.gov/isoo/policy-documents/cnsi-eo.html>).

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### ***Nuclear Regulatory Commission***

#### Management Directives—

- 2.8, “Project Management Methodology.”
- 3.7, “NUREG-Series Publications.”
- 3.53, “NRC Records and Document Management Program.”
- 4.1, “Accounting Policy and Practices.”
- 4.2, “Administrative Control of Funds.”
- 7.4, “Reporting Suspected Wrongdoing and Processing OIG Referrals.”
- 10.6, “Use of Consultants and Experts.”
- 11.1, “NRC Acquisition of Supplies and Services.”
- 11.6, “Financial Assistance Programs.”
- 11.7, “NRC Procedures for Placement and Monitoring of Work with the U.S. Department of Energy (DOE).”
- 12.2, “NRC Classified Information Security Program.”
- 12.3, “NRC Personnel Security Program.”
- 12.5, “NRC Cyber Security Program.”
- 12.6, “NRC Sensitive Unclassified Information Security Program.”
- 12.7, “NRC Safeguards Information Security Program.”

#### NUREGS—

- NUREG-0650, “Preparing NUREG-Series Publications,” Rev. 2.
- NUREG-0910, “NRC Comprehensive Records Disposition Schedule,” Rev. 4.

### ***Other Documents***

The 12-month Employment Cost Index at <http://data.bls.gov/cgi-bin/surveymost>.

The CORner at <http://portal.nrc.gov/edo/adm/dc/pms/default.aspx>.

Federal Procurement Data System-Next Generation (FPDS-NG) at [https://www.fpds.gov/fpdsng\\_cms/index.php?pageSource=loginPage](https://www.fpds.gov/fpdsng_cms/index.php?pageSource=loginPage).

Guidance and Procedures for Federal Acquisition Certification for Contracting Officer Representatives (FAC-COR),” at <http://portal.nrc.gov/edo/adm/dc/pms/default.aspx>.

“National Industrial Security Program Operating Manual,” February 28, 2006, at <http://www.fas.org/sgp/library/nispom.htm>.

NRC Forms Library at <http://portal.nrc.gov/nrcformsportal/default.aspx>.

Office of Federal Procurement Policy (OFPP) Memorandum For Chief Acquisition Officers (CAOs) and Senior Procurement Executives (SPEs), “Improving the Management and Use of Interagency Acquisitions,” June 6, 2008.

Office of Management and Budget (OMB) Circular No. A-11, “Preparation, Submission, and Execution of the Budget,” at [http://www.whitehouse.gov/sites/default/files/omb/assets/procurement/iac\\_revised.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/procurement/iac_revised.pdf).

Procurement Oversight Guidance at <http://portal.nrc.gov/edo/adm/dc/pms/MD%20118%20Documents/Forms/AllItems.aspx>.

### ***United States Code***

Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 et seq.).

Economy Act of 1932, as amended (31 U.S.C. 1535).

Energy Reorganization Act of 1974, as amended (42 U.S.C. 5801 et seq.).

Executive Agency Responsibilities (41 U.S.C. 414).

Federal Information Security Management Act of 2002 (FISMA) (Title III of the E-Government Act, Pub. L. 107-347).

Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 et seq. and 31 U.S.C. Chapter 11).

Government Organization and Employees (5 U.S.C. 3109).

Rehabilitation Act of 1973 (29 U.S.C. 701).

Resource Conservation and Recovery Act (RCRA), enacted in 1976 (42 U.S.C. 6901 et seq.).

U.S. NUCLEAR REGULATORY COMMISSION DIRECTIVE HANDBOOK (DH)

**DH 11.8      NRC PROCEDURES FOR PLACEMENT      DT-12-06**  
**AND MONITORING OF WORK WITH**  
**FEDERAL AGENCIES OTHER THAN**  
**U.S. DEPARTMENT OF ENERGY (DOE)**  
**LABORATORY WORK**

*Volume 11:*      Procurement

*Approved by:*      Cynthia A. Carpenter, Director  
Office of Administration

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## **I. INTRODUCTION**

### **A. Overview**

1. The U.S. Nuclear Regulatory Commission follows an agencywide standard for project management that applies to placing and monitoring Interagency Agreements (IAAs) with other Federal agencies. Application of this standard affords an orderly, fully documented process and ensures that NRC offices carry out their project management responsibilities in a consistent manner. The assigned contracting officer's representative (COR) is responsible for the management of all aspects of a project to ensure the project objectives are accomplished within budget and on schedule. The term COR is used throughout this handbook consistent with Governmentwide use of this term.
2. Before being appointed in writing as a COR, an employee must be certified by the NRC's Office of Administration (ADM), Division of Contracts (DC), as possessing the minimum qualifications required to perform the COR role. The minimum training and experience requirements necessary to achieve and maintain a Federal Acquisition Certification for Contracting Officer's Representatives (FAC-COR) are discussed in Section I.C of this handbook.
3. This handbook describes the COR's major responsibilities during each phase of the acquisition process—
  - (a) Project Planning,
  - (b) Request for Proposal (RFP) Preparation and Issuance,
  - (c) Proposal Evaluation and Discussion,
  - (d) Work Authorization and Initiation,
  - (e) Project Administration, and
  - (f) Work Termination and Project Closeout.

### **B. Project Roles and Responsibilities**

1. Contracting Officer's Representative (COR)
  - (a) Oversees the technical, cost, and administrative aspects of the project to ensure that tax dollars and fees collected from NRC-regulated organizations are wisely

spent in support of the NRC mission. The COR develops the advanced procurement plan (APP), statement of work (SOW), and independent Government cost estimate (IGCE).

- (b) Authorizes any changes that impact cost, schedule, or overall scope of the project, and gets approval from the Funding Official as defined on the IAA Financial Management Service (FMS) Form 7600.
  - (c) Maintains a complete file in accordance with agency practice to ensure that auditors or follow-on CORs are able to understand the project and the rationale for decisions made.
    - (i) The file documents why and how the funds were expended and what the project accomplished.
    - (ii) The official file describes the complete story of the project in a disciplined, organized manner. The official file provides sufficient detail to enable a third party to answer questions about how the project supports the NRC's mission. For required file documentation, see Section XI, "Documentation and Filing," of this handbook.
  - (d) Identifies any possibility of a personal conflict of interest (COI) or an organizational conflict of interest (OCOI) that might jeopardize the results of the project and immediately refers the possible conflict to DC and to the Office of the General Counsel (OGC) so that the conflict is avoided, eliminated, or mitigated.
2. Office Associate Competition Advocate (OACA)
- (a) The NRC office director or designee designates in writing the NRC Office Associate Competition Advocate (OACA). A sample NRC OACA designation memorandum can be found in the Procurement Oversight Guidance that is available on The CORner at <http://portal.nrc.gov/edo/adm/dc/pms/default.aspx> in the MD 11.8 Documents library at <http://portal.nrc.gov/edo/adm/dc/pms/MD%20118%20Documents/Forms/AllItems.aspx>. It is recommended that OACAs have training and/or experience in the areas of OCOI, market research, and interagency agreements. In addition, the OACA may benefit from pursuing requirements for FAC-COR.
  - (b) Performs an independent review of the COR's written source selection justification (SSJ) or the Determination and Findings (D&F) for placing work with other Federal agencies and the project SOW to determine whether the facts and

rationale presented by the NRC COR support the criteria for placement of work with Federal agencies. See Sections IV.C and IV.D of this handbook before recommending approval or disapproval to the office director or designee.

- (c) Ensures that this project is not a duplication of other NRC projects already proposed, in progress, or completed.
  - (d) Reviews project management briefing documents prepared for senior management, as appropriate.
  - (e) Recommends alternate sources to the COR to accomplish the work, if appropriate.
3. Office of Administration (ADM), Division of Contracts (DC)
- (a) Provides oversight for agreements awarded to other Federal agencies.
  - (b) Approves the SSJ or D&F before entering into IAAs for assisted acquisitions. In addition, DC approves all other SSJs and D&Fs for IAAs in accordance with current DC guidance which is available in the MD 11.8 Documents library.
  - (c) Conducts periodic office file reviews to ensure that IAAs are being accomplished in accordance with the guidelines outlined in this handbook. These reviews help to ensure adherence to sound contract management practices and provide constructive feedback to the office, including specific findings and recommendations for improvement. The file review checklist used by DC may be found in the MD 11.8 Documents library.
  - (d) Maintains a listing of NRC certified CORs with supporting training documentation.

### **C. Training Requirements**

1. The U.S. Office of Management and Budget (OMB) requires an employee receive mandatory training in order to become FAC-COR certified.
2. The office director or designee is responsible for ensuring that all mandatory training requirements are met before assignment of an individual as the COR.
3. The acquisition training curriculum for COR certification is available on The CORner in the "Guidance and Procedures for Federal Acquisition Certification for Contracting Officer Representatives (FAC-COR)," at <http://portal.nrc.gov/edo/adm/dc/pms/default.aspx>.

#### **D. Access to Referenced Documents and Exhibits**

A list of the documents discussed in this handbook is available in the MD 11.8 Documents library. Exhibit 1 of this handbook contains definitions. Exhibit 2 of this handbook contains acronyms.

## **II. STATUTORY REQUIREMENTS FOR ESTABLISHING INTERAGENCY AGREEMENTS (IAA)**

### **A. Legal Authority for Acquiring the Services of Another Federal Agency**

IAs are used to acquire services of other U.S. Federal agencies, also referred to as servicing agencies. Before establishing an IAA, the servicing and requiring agency (NRC) must have legal authority to enter into the IAA.

### **B. Legal Authority for Interagency Agreements with Required Sources of Supplies or Services**

1. If Congress has designated a Federal agency to provide other agencies with specific supplies or services, this agency is referred to as the Required Source of Supplies and Services. These required sources have separate statutory authority. Both the servicing and requiring agency cite the same authority to establish the IAA. Justifications are not required when acquiring the services of a required source.
2. For example, if the servicing agency cites the Clinger-Cohen Act as its authority to enter into an IAA, this means OMB has designated the agency as the required source for the supplies and/or services pursuant to the Clinger-Cohen Act. NRC also cites the Clinger-Cohen Act as the authority to enter into the agreement.
3. Section III of this handbook provides further guidance for required source agreements.

### **C. IAAs Issued Pursuant to Energy Reorganization Act and the Economy Act**

1. In some cases, the servicing agency is not a required source, but has specific legal authority to provide its services to other agencies. The requiring agency must prepare a justification to use these services and cite the appropriate legal authority for establishing the IAA.
2. The most common authorities used by NRC to establish an IAA are the Energy Reorganization Act and the Economy Act. If the project directly supports the NRC nuclear mission, then the Energy Reorganization Act should be cited as the legal

authority. If the work is administrative in nature, such as financial services, then the Economy Act is usually cited as the authority. The procedures for preparing the justifications establishing IAAs pursuant to each of these Acts are discussed in Sections IV.C and IV.D of this handbook.

#### **D. Legal Authority for Assisted Acquisitions**

1. The requesting agency and the servicing agency enter into an assisted acquisition IAA when the servicing agency performs acquisition activities on the requesting agency's (NRC's) behalf, such as awarding a contract, task order, or delivery order. The IAA must ensure the roles and responsibilities of both agencies are clearly defined.
2. An assisted acquisition IAA may be entered into pursuant to either the Energy Reorganization Act or the Economy Act. The COR must also ensure that NRC complies with the guidance provided in the Office of Federal Procurement Policy (OFPP) Memorandum for Chief Acquisition Officers and Senior Procurement Executives, "Improving the Management and Use of Interagency Acquisitions," June 6, 2008 (see MD 11.8 Documents library) and Federal Acquisition Regulation 17.5. Further guidance is provided in Sections IV.C and IV.D of this handbook.

### **III. PROCEDURES FOR ESTABLISHING AND MONITORING INTERAGENCY AGREEMENTS WITH REQUIRED FEDERAL SOURCES**

#### **A. Overview**

This section applies to IAAs for supplies or services which are required by law to be placed with certain Federal agencies charged with Governmentwide responsibilities. Examples are:

1. Building services supplied by the General Services Administration (GSA),
2. Printing services supplied by the Government Printing Office (GPO), and
3. Security investigations performed by the Office of Personnel Management (OPM) and the Federal Bureau of Investigation (FBI).

## **B. Procedures for Structuring Agreements with Required Sources**

1. In determining how to structure the IAA, the COR must consider the requirement and type of agreement that best meets the NRC's needs. The IAA form used by NRC is the modified FMS Form 7600. The Form 7600 is divided into two sections: Part A and B.
  - (a) Part A is the General Terms and Conditions (GT&C). This section serves as the Memorandum of Understanding (MOU) with the servicing agency.
  - (b) Part B is the order section. This section's primary purpose is to define the NRC requirements, fund the servicing agency, and authorize the commencement of work.
  - (c) To be considered a valid IAA both sections must be executed by both parties (NRC and the servicing agency).
  - (d) Instructions for completing the Form 7600 are available in the MD 11.8 Documents library.
2. For required sources, NRC orders from a well-defined program in which the servicing agency has established price lists for supplies or services. The NRC does not negotiate the price of the supplies or services but does compare the price list to past price history for the same supplies or services. If there is a significant difference in the prices then this anomaly should be brought to the attention of the servicing agency. The resolution should be documented in the file.
3. The COR completes Parts A and B of Form 7600 for the NRC. The office director or designee then forwards the Form 7600 as part of the RFP to the servicing agency for it to complete the servicing agency's sections. Additional guidance for RFP preparation is available in Section V, "Request of Proposal RFP Preparation and Issuance." The office director or designee does not sign either part of the form until the servicing agency completes its sections.
4. When the servicing agency returns the completed Form 7600, the COR reviews the documents and forwards the GT&C (Part A) to the office director or designee for signature. The order (Part B) is forwarded to the funds certifying official (FCO) for funds certification, and then to the office director (approving official) or designee for signature. Both sections must be signed by an individual who has been delegated contracting authority.

5. When DC is the IAA contracting officer, the funds are certified on the Request for Procurement Action (RFPA) or Purchase Request (PR) which forwarded the COR's completed Form 7600.

### **C. Agreement Administration and Documentation Requirements**

1. The COR is responsible for administering the IAA in accordance with Section VIII of this handbook. The IAA will be terminated and/or closed out in accordance with Section IX of this handbook.
2. The required file documentation for the IAA is:
  - (a) Form 7600 Part A (GT&C section)
  - (b) Form 7600 Part B (Order Section) completed for all orders
  - (c) Status Reports
  - (d) Approval Forms for Interagency Billings signed by the COR
  - (e) Amendments to the GT&C section (Part A)
  - (f) Modifications to all orders (Part B)
  - (g) Annual performance assessments for multiple year projects
  - (h) Final performance assessment
  - (i) Project File Closeout (NRC Form 559)
  - (j) Voucher/Expenditure Log

## **IV. ACQUISITION PLANNING FOR INTERAGENCY AGREEMENTS ESTABLISHED PURSUANT TO THE ENERGY REORGANIZATION ACT OR THE ECONOMY ACT**

### **A. Project Planning**

1. The program or technical office is responsible for ensuring fulfillment of the agency need in a timely manner and at a reasonable cost. In order to support the strategic acquisition process, the office shall consider the following when reviewing ongoing and future requirements:

- (a) Historical data,
  - (b) Market research,
  - (c) Resources available to perform the work in-house,
  - (d) NRC's socio-economic procurement goals, and
  - (e) Funding constraints.
2. Once the office has identified a need for a procurement, the office director or designee identifies the COR and the project team to develop the project objectives. The objectives address the purpose of the work by defining the expected outcome of the project. Clear and concise objectives will help determine acquisition strategy.
- (a) Market research is used to identify any viable acquisition alternatives, including the following:
    - (i) Placing work with a commercial contractor,
    - (ii) Placing the work with a DOE laboratory, or
    - (iii) Other IAAs.
  - (b) See the MD 11.8 Documents library and the DC SharePoint site for additional guidance on market research.
3. The COR develops the detailed acquisition strategy around the selected course of action. The major considerations of acquisition planning should be addressed regardless of NRC cost review threshold. The major considerations for acquisition planning are listed in FAR Part 7, "Acquisition Planning."
4. Senior management must review or approve the following acquisitions in accordance with the current guidance available on the MD 11.8 Documents library:
- (a) Acquisitions that reach an established cost threshold (currently \$1,000,000); and
  - (b) Acquisitions that support efforts of significant interest to the Commission.
5. The COR should refer to the MD 11.8 Documents library for current guidance on the requirements for criteria for senior management review and approval.

## **B. Advance Procurement Plan**

1. Based on the project development schedule and funding availability, the COR prepares the APP and updates it quarterly, as needed. The COR should refer to the MD 11.8 Documents library and the office guidance for current APP procedures. All planned projects are reflected in the APP regardless of the source of funds used to perform the work, including IAAs. The project period of performance should normally not exceed 5 years, as discussed in Section IV.J.11 of this handbook.
2. Funding for new projects and modifications to existing projects, as well as new orders, must be included in the APP.

## **C. Source Selection Justification Pursuant to the Energy Reorganization Act**

1. When the proposed IAA is for nuclear research and/or in support of NRC's mission, it is appropriate to cite the Energy Reorganization Act of 1974 and prepare an SSJ to establish the IAA. For example, the U.S. Army Corps of Engineers (USACE) and U.S. Geological Survey (USGS) are two Federal agencies that support NRC's mission under IAAs.
2. NRC adheres to the FAR Part 6, "Competition Requirements." Specifically, FAR 6.002, "Limitations," states: "No agency shall contract for supplies or services from another agency for the purpose of avoiding the [competition] requirements of this part."
3. The COR shall prepare an SSJ (NRC Form 367, "DOE Source Selection Justification") under the following circumstances:
  - (a) The acquisition strategy is to award an agreement to another Federal agency, or
  - (b) During the administration of the agreement, "new work" is to be added via modification.
4. If new work is outside the scope of the original agreement, it must be supported with a new SSJ. The scope of an agreement is always subject to judgment of the circumstances involved in each acquisition and can be highly subjective and controversial. The basic question to ask is whether or not an action anticipated is what both parties actually contemplated when they signed the agreement. Scope analysis is not mechanical, but requires an integrated assessment of multiple factors, including specification or statement of work, cost, and performance period.

5. The COR is responsible for preparing the justification. The supporting information must document the market research results and criteria for using another Federal agency as opposed to a commercial source.
6. Market research is discussed in detail in FAR Part 10, "Market Research." Market research is based, in part, on the following:
  - (a) Contacting knowledgeable individuals in Government and industry regarding market capabilities;
  - (b) Reviewing technical or scientific papers, journals, and business publications; and
  - (c) Publishing formal requests for information in technical or scientific journals or in the Government's FedBizOpps, as a Sources Sought Announcement.
    - (i) A Sources Sought Announcement may be requested by the COR or the OACA of the requesting office.
    - (ii) Offices are encouraged to prepare an annual notice for some or all of the planned actions for the upcoming year. ADM/DC, will conduct sources sought inquiries upon request. See the MD 11.8 Documents library for additional guidance on market research.
7. When completing the SSJ, the COR must cite and support one or more of the following criteria for using a Federal agency as opposed to a commercial source.
  - (a) Unique Technical Disciplines or Combinations of Disciplines
    - (i) NRC may place work with another Federal agency when there is a reasonable basis to conclude that the NRC's minimum needs can only be satisfied by another Federal agency possessing unique technical disciplines or capabilities, or
    - (ii) A unique combination of technical skills and highly specialized experience is necessary to undertake and successfully complete the project.
  - (b) Specialized Facilities or Equipment

Specialized facilities or equipment may be necessary when the effort requires their use to successfully complete the project.

(c) Use of Patents, Copyrights, Proprietary Information, or Secret Processes

Use of patents, copyrights, proprietary information, or secret processes may be required when the following apply:

- (i) One or a combination of patents, copyrights, proprietary information, or secret processes are essential to the successful completion of the effort; and
- (ii) The requirement cannot be revised to permit competition and open disclosure in the commercial sector.

(d) Accrued Knowledge and Equipment or Facilities

Accrued knowledge and equipment or facilities may necessitate timely placement of work with a Federal agency when another source cannot realistically perform the necessary work without expending significant time and effort to understand previous project work and achieve results that are essential to the successful completion of the current project phase. In these cases, the agency does not have the time or financial resources to permit another source to undertake the current phase of the requirement. This criterion should not be used for follow-on work without sufficient market research to confirm the lack of a viable commercial source.

(e) Urgent Requirements

Urgent requirements may necessitate immediate initiation of work under a project in order to fulfill the office mission. The basis for the urgency, as determined by the NRC office director or designee, shall be documented and placed in the file as soon as practicable. However, this requirement shall not delay placing the work. The use of this criterion is not appropriate if the urgency is due to the lack of planning and/or funding. Work that is subcontracted out by the servicing agency does not meet the urgency criterion. Refer to Section VII.C of this handbook for additional guidance in processing an urgent requirement.

8. If NRC intends to use a Federally Funded Research and Development Center (FFRDC), other than a DOE FFRDC which is addressed in MD 11.7, the COR must provide documentation in the SSJ that the requested work does not place the FFRDC in direct competition with the domestic private industry. A copy of the approved SSJ is provided to the FFRDC sponsoring agency (see FAR 17.503(e)).

9. If the SOW requires the servicing agency to provide contracting services, which is an assisted acquisition IAA, then the SSJ includes the best procurement approach determination required by FAR 17.502-1(a)(1). To support this determination, the COR must address, at a minimum:
  - (a) The servicing agency's ability to satisfy NRC's schedule, performance, and delivery requirements based on the servicing agency's authority, experience, and expertise as well as past performance for customer satisfaction.
  - (b) The approach is cost-effective, considering the servicing agency's fee and the availability of in-house resources.
  - (c) The funds will be used in accordance with appropriation limitations and NRC's laws and policies.
10. The OACA performs an independent review of the SSJ and the SOW to determine if the facts and rationale presented support the COR's conclusions. As part of this review, the OACA also ensures that this project is not a duplication of other NRC projects.
11. The SSJ shall be signed and dated by the COR, the OACA, and the NRC office director or designee. The SSJ for an assisted acquisition IAA and IAAs valued at \$1,000,000 or higher must be approved by Director, DC, or designee. If acting as the office director or designee, the COR may not sign his or her own SSJ in that capacity. The COR shall include the approved SSJ with all the supporting documentation in the IAA file.
12. SSJs will be reviewed by DC in accordance with the current criteria for pre-award review available in the MD 11.8 Documents library to ensure the developed data by the COR clearly supports an award to another Federal agency.
13. SSJs will also be reviewed by DC during post-award random file reviews conducted annually.

#### **D. Determination and Findings Pursuant to the Economy Act**

1. The Economy Act is used at NRC when the Energy Reorganization Act is not appropriate or there is no other specific legal authority that allows the establishment of the IAA. If an IAA is entered into pursuant to the Economy Act, it must be supported by a D&F that states:
  - (a) The use of an IAA is in the best interest of the Government, and

- (b) The supplies or services cannot be obtained as conveniently or economically by contracting directly with a commercial enterprise.
2. If the SOW requires the servicing agency to provide contracting services, which is an assisted acquisition IAA, the D&F also serves as the best approach determination required by FAR 17.502-2 which requires a statement that at least one of the following circumstances applies:
    - (a) The acquisition will appropriately be made under an existing contract of the servicing agency, entered into before placement of the NRC order, to meet the requirements of the servicing agency for the same or similar supplies or services.
    - (b) The servicing agency has the capability or expertise to enter into a contract for such supplies or services that are not available within the requesting agency.
    - (c) The servicing agency is specifically authorized by law or regulation to purchase such supplies or services on behalf of other agencies.
  3. The OACA performs an independent review of the D&F and the SOW to determine if the facts and rationale presented support the COR's conclusions. As part of this review, the OACA also ensures that this project is not a duplication of other NRC projects.
  4. The D&F shall be signed and dated by the COR, the OACA, and the NRC office director or designee. The D&F for an assisted acquisition IAA and IAAs valued at \$1,000,000 must be approved by Director, DC, or designee. If the COR is acting as the office director or designee, then the COR may not sign his or her own D&F in that capacity. The COR shall include the approved D&F with all the supporting documentation in the IAA file.
  5. D&Fs will be reviewed by DC in accordance with the current criteria for pre-award review available in the MD 11.8 Documents library to ensure the supporting data clearly supports an award to another Federal agency.
  6. D&Fs will also be reviewed by DC during post-award random file reviews conducted annually.
  7. Sample D&Fs are located in the MD 11.8 Documents library with guidance for their use.

### **E. Organizational Conflict of Interest (OCOI)**

1. When the IAA, issued in pursuant of the Energy Reorganization Act, calls for the nuclear research and/or the support of NRC's mission, the Federal agency (servicing agency) must comply with NRC's Organizational Conflict of Interest (OCOI) policy as required by Section 170A of the Atomic Energy Act as amended by the Energy Policy Act of 2005. If a servicing agency will not execute the agreement with the OCOI clause incorporated, the COR should inform management and seek guidance from DC and OGC.
2. Procedures for Implementing NRC OCOI Policy
  - (a) The Statute requires that the Federal agencies supporting NRC's mission disclose any potential or actual conflicts of interest in regard to the NRC SOW.
  - (b) These requirements are implemented, in part, by inclusion of the OCOI clause (see MD 11.8 Documents library) in all RFPs and resulting awarded IAAs.
  - (c) If a modification resulting in an increase in the scope of the SOW is necessary, the clause will be included in the modification RFP and in the resulting modification.
  - (d) In the event that any contracts are awarded by the servicing agency to support an IAA, the OCOI clause will flow down to its contractor and subcontractors, regardless of whether they are organizations or individual consultants.
  - (e) The OCOI clause requires that the servicing agency review its past (usually limited to the past five years), current, and planned future work and disclose the following information in the proposal:
    - (i) Any work that is being performed for the servicing agency or others which is in the same technical area;
    - (ii) Any work that is being performed for the servicing agency or others that is similar to the work described in NRC's SOW;
    - (iii) The scope of work (including specifications) performed, being performed, and/or planned to be performed by the servicing agency;
    - (iv) The period of performance;

- (v) The financial impact; and
  - (vi) The name and telephone number for a point of contact at the servicing agency knowledgeable about the work.
- (f) In addition, the servicing agency shall disclose information that may give rise to an OCOI under the following circumstances:
- (i) The Federal agency provides advice and recommendations to the NRC in the same technical area in which it is also providing consulting assistance to any organization regulated by the NRC.
  - (ii) The Federal agency or its contractor provides advice and recommendations to the NRC on the same or similar matter on which it is also providing assistance to any organization regulated by the NRC.
  - (iii) The Federal agency or its contractor evaluates its own products or services or has been substantially involved in the development or marketing of the products or services of another entity.
  - (iv) The award of a project would result in placing the Federal agency or its contractor in a conflicting role in which—
    - The Federal agency's judgment may be biased in relation to its work for the NRC, or
    - An unfair competitive advantage for the Federal agency and/or its contractors would result.
  - (v) The Federal agency or its contractors solicits or performs work at an applicant or licensee site while simultaneously performing work in the same technical area for the NRC.

### 3. Criteria for Recognizing OCOIs

- (a) Recognizing and avoiding OCOIs is not always easy. In a competitive environment, the competitors help identify potential conflicts of interest. In the IAA environment, it is the responsibility of NRC and the Federal agency CORs, as well as its contractors, to identify potential and actual OCOIs.
- (b) In its OCOI decisions, the U.S. Government Accountability Office (GAO) has generally classified OCOIs into three groupings:

(i) Biased Ground Rules

Biased Ground Rules can occur when the offeror or its subcontractor(s) is in a position to affect a subsequent competition in its favor. For example, if the Federal agency and/or its contractors help develop an SOW as part of an NRC project which is later used in a competitive procurement, then the Federal agency and/or its contractors could skew the SOW to play to its strengths or that of one of its affiliates. This type of OCOI may be mitigated by including in the SOW that the Federal agency and/or its contractors and its affiliates are excluded from any follow-on procurements.

(ii) Unequal Access to Information

Unequal Access to Information also can be present in the above example. In this case, the Federal agency and/or its contractors would have source data that would better prepare them to respond to the subsequent RFP. This type of OCOI may be mitigated by requiring that all data reviewed and/or used for the development of the subsequent SOW be made available to all offerors in the subsequent procurement, or require that any affiliate of the Federal agency and/or its contractors be excluded from any follow on procurements.

(iii) Impaired Objectivity

Impaired Objectivity may occur when a Federal agency is reviewing standards or technologies that it or one of its divisions developed. In effect, it is self-evaluating, which may impair its objectivity. This type of OCOI is the hardest to mitigate or eliminate. Below are additional examples of situations or relationships that may give rise to "Impaired Objectivity" OCOIs.

- The NRC asks the Federal agency to review certain aspects of an accident analysis code for nuclear power plants. The Federal agency previously developed the code.
- The NRC asks the Federal agency to assist in maintenance inspections at ten nuclear power plant sites. The Federal agency is developing a comprehensive maintenance program for the nuclear utility industry at the request of the Electric Power Research Institute.
- The NRC asks the Federal agency to review the instrumentation and control systems of an advanced reactor design. The Federal agency has applied to NRC for design approval of the same advanced reactor.

- The NRC asks the Federal agency to analyze the potential consequences of sodium fires in liquid metal fast breeder reactors (LMFBRs) as part of an advanced reactor design review. The Federal agency or its contractor is currently funding work performed at the Federal agency or its contractor that supports design enhancements that would mitigate the potential for sodium fires in commercial LMFBRs.

#### 4. COR OCOI Role and Responsibilities

- (a) It is the COR's responsibility to screen for potential OCOIs. To make an informed decision regarding potential OCOIs, the COR is responsible for the following:
- (i) Understanding the criteria for recognizing an OCOI.
  - (ii) Analyzing the Federal agency's proposal, especially any data disclosed pursuant to the OCOI clause concerning the same or similar technical work performed by the Federal agency and other relationships that the Federal agency discloses that may give rise to potential or actual OCOIs.
  - (iii) Eliciting from informed sources all relevant OCOI information. These sources include but are not limited to the Federal agency's principal investigator, NRC staff working in the same technical area or on the same design, information on a Federal agency's ongoing projects compiled by the cognizant contracting office, the Federal agency's Web site, and information conveyed at symposiums and professional meetings.
- (b) With the three types of OCOIs in mind, and after the review and analysis of the relevant information, the NRC COR should ask, "Are there conflicting roles that might bias the servicing agency's judgment in relation to its work for the NRC?" If the answer to this question is "No," the COR should document this decision in the Summary of Proposal Evaluation, along with the data that he or she relied on to make this decision. Of particular concern is the documentation of the analysis of disclosed data by the servicing agency and its contractors. This documentation must show that the COR did a thorough analysis of the data and why it does not constitute a potential or actual OCOI.
- (c) If the COR determines that there may be a potential or actual OCOI, then the COR shall comply with the procedures set forth in Section IV.E.7 of this handbook.

5. Procedures for Addressing Potential OCOI Situations When Identified at a Federal Agency

- (a) When a COR becomes aware of a situation that poses the potential for an OCOI, the COR should discuss the situation with management and notify the Director of DC.
- (b) The Director of DC will arrange a meeting or a series of meetings with all necessary parties to decide if the potential OCOI gives rise to a real OCOI and, if so, what steps need to be taken to eliminate or mitigate the OCOI. The representatives who meet to discuss the potential OCOI are from ADM/DC; the program office, and OGC.
- (c) NRC makes the final decision on OCOI matters for NRC work placed with the servicing agency.

6. Actions to eliminate an OCOI include—

- (a) Requesting that the Federal agency transfer the non-NRC work that is creating the OCOI to another facility;
- (b) Requesting that the Federal agency forgo the work that is creating the conflict;
- (c) Transferring the NRC project, in whole or in part, to another capable source (for example, a different Federal agency or commercial firm); and
- (d) Stopping work until the situation is resolved, if the severity of the issue so warrants.

7. Opportunity to Eliminate the OCOI Before Waiver

Generally, the Federal agency will be given the opportunity to eliminate the OCOI before the NRC makes its final decision. If the NRC's final decision is that an OCOI exists and the requiring office still wants the Federal agency and/or its contractors to do the work, then the office may request a waiver. The waiver will allow the Federal agency to do the work if it is in the best interest of the Government, in accordance with the procedures set out below (see Section IV.E.8 of this handbook).

8. Procedures for Requesting a Waiver of Commission Requirements for Avoidance of OCOIs from the Executive Director for Operations (EDO).

- (a) It is the policy of NRC to avoid, eliminate, or neutralize OCOIs. However, NRC recognizes that it may be in the best interest of the Government to award projects to a Federal agency with OCOI issues. Section 170A of the Atomic

Energy Act, as amended by the Energy Policy Act of 2005, allows NRC to contract for the specialized experience of a Federal agency, even though an OCOI may exist and cannot be mitigated. However, the statute requires adequate justification to proceed despite an OCOI. Although adequate justification may be based on many different considerations associated with NRC's needs, this authority was not intended for extensive use, but is to be limited to "extraordinary circumstances" (per legislative history) when required expertise does not exist elsewhere.

- (b) NRC recognizes that there may be instances in which a Federal agency is the only available source to perform vital work for the NRC and the Federal agency would have an OCOI in performing the project work. In such cases, and where the cognizant NRC office wishes to start or continue the project at that Federal agency, the cognizant NRC office shall first consult with ADM/DC and OGC to address the following issues:
- (i) The reason(s) why an OCOI would exist if the Federal agency performs the work.
  - (ii) Whether or not project results have the potential to be biased because the Federal agency is performing work in the same technical area or on the same or similar matter for the nuclear industry or because the Federal agency would be reviewing its own work.
  - (iii) The contractual and/or technical review and surveillance methods that can be used to mitigate and neutralize the impact of having a Federal agency operator with an OCOI perform the project. For example, an independent third party with no OCOI could perform a peer review of project results. It would also be prudent to request that the Federal agency develop a mitigation plan if there are actions that the Federal agency and/or its contractors can do to mitigate the OCOI. The COR is to ensure that the plan is dated and signed by an individual who has the authority to commit the Federal agency.
  - (iv) An explanation of why the work is vital to the NRC.
  - (v) Alternative sources considered to perform the proposed work and why they are deficient or not feasible. If there is any doubt as to the availability of alternative sources, DC, in coordination with appropriate program office staff, will publish a "sources sought" market research notice to determine if alternative sources exist to perform the project free of OCOI.

- (c) After all relevant information is considered and if the NRC concludes that only the Federal agency and/or its contractor with an OCOI can perform the vital work for the NRC, then the cognizant NRC office shall prepare a Request for Waiver of Commission Requirements for Avoidance of Organizational Conflict of Interest.
  - (i) The cognizant office director or designee obtains concurrences from the OACA, OGC, and the appropriate Deputy EDO.
  - (ii) The cognizant office director or designee then signs and forwards the waiver to the EDO for consideration.
  - (iii) The required format and additional guidance for the Request for Waiver can be located in the MD 11.8 Documents library.
- (d) The EDO shall notify the Commission within 5 working days that a waiver has been received for EDO consideration. Once the EDO has decided to approve or disapprove the waiver, the EDO shall notify the Commission of the intent to approve or disapprove a waiver request.
- (e) If the EDO approves the requested waiver of an OCOI, then the justification and approval documents for the waiver must be placed in the Agencywide Documents Access and Management System (ADAMS), subject to applicable law, regulation, or policy on the disclosure of agency documents to the public.
- (f) If the EDO disapproves the waiver, the project shall not commence. For an ongoing project, the cognizant NRC office shall terminate the project or the portion of the project that creates the OCOI as expeditiously as possible in accordance with this MD.
- (g) The staff shall notify the Chairman, through the EDO, with copies to the Commission, of an OCOI waiver request and the circumstances underlying waiver decisions that raise sensitive, highly visible, or agencywide implications for Federal agency agreements previously approved or reviewed by the Chairman or that lead to termination of an agreement previously approved or reviewed the Chairman.
- (h) The COR is also responsible for determining if a potential or actual OCOI arises after the project award. If the COR becomes aware of potential or actual OCOI issues, then the COR should follow above procedures.

- (i) If a violation of the NRC's OCOI rules is discovered regarding any projects, then the COR shall notify the Office of the Inspector General (OIG).

#### **F. Pre-award Documentation Assessment**

1. Pre-award documentation and processes for the establishment of an IAA typically involve the following:
  - (a) Determination of the appropriate statutory authority,
  - (b) Preparation of the SOW,
  - (c) Calculation of an IGCE,
  - (d) Submission of a request for proposal,
  - (e) Proposal evaluation, and
  - (f) Negotiation of the project's terms, conditions, and cost.
2. Certain circumstances may result in a streamlined process in which some or most of the above processes and documentation requirements are not necessary. The following examples highlight some of the circumstances that may result in streamlined documentation requirements:
  - (a) An IAA for well-defined services pursuant to the Economy Act would not require preparation of a detailed SOW or a detailed IGCE. However, the COR should document price history, if any, which would serve as the basis for the IGCE as discussed in Section IV.K of this handbook. A D&F is always required when the Economy Act is used as the authority to enter into an IAA (see FAR 17.5).
  - (b) When the rates and/or services are predetermined, the amount of required documentation varies, but it will always be less than the full complement of documentation necessary for IAAs that have no predetermined features. At a minimum, the file must contain a price history of the services if NRC has previously acquired these supplies or services from the servicing agency. Any unusual price anomalies will be addressed with the servicing agency before IAA execution.
  - (c) An IAA to support another Federal agency's project. This type of IAA is sometimes referred to as a "Collaborative Agreement." NRC agrees to support the other agency with resources in exchange for the right to access any reports or data generated as a result of the project. This type of agreement may be

awarded pursuant to the Energy Reorganization Act or the Economy Act. If it is awarded pursuant to the Economy Act, a D&F is required.

3. The cognizant office director or designee makes the decision on the number of processes and degree of documentation needed for these types of IAAs. The file must contain the cognizant office director's or designee's determination regarding required documentation.

### **G. Structuring IAAs**

1. In determining how to structure the IAA, the COR must consider the requirement and type of agreement that best meets the NRC's needs. The NRC uses IAA Form 7600. The Form 7600 is divided into two sections: Parts A and B.
  - (a) Part A is the General Terms and Conditions (GT&C). This section serves as the Memorandum of Understanding (MOU) with the servicing agency.
  - (b) Part B is the order section. This section's primary purpose is to define the NRC requirements, fund the servicing agency, and authorize the commencement of work.
  - (c) To be considered a valid IAA both sections must be executed by both parties (NRC and the servicing agency).
2. There are two types of IAA agreements: single order and multiple order. For a one-time requirement, the COR would establish a single order IAA. For continuing services, the COR may wish to establish a multiple year agreement in the GT&C section (Part A). Then an order (Part B) would be issued as the services are needed or a requirement is defined. This is a multiple order IAA. This type of an arrangement does not exempt the COR from complying with the requirement to develop the SOW for the order, establish an IGCE, and determine that the costs are reasonable as the services are ordered.
3. The following documents are available in the MD 11.8 Documents library:
  - (a) The IAA Form 7600 titled "United States Government; Interagency (IAA) – Agreement Between Federal Agencies,"
  - (b) The preparation instructions for both sections of the form titled "Interagency Agreement (IAA) Instructions," and
  - (c) The addendum titled "NRC Addendum to Interagency Agreement Instructions for Form 7600."

## H. Developing the Statement of Work (SOW)

### 1. Purpose of the SOW

The SOW is the most important element of the entire agreement. The SOW serves as the foundation of every agreement. All other elements of an agreement evolve from the SOW. The SOW provides the servicing agency with the information needed to prepare its proposal. The SOW and the proposal, together, constitute the basis for discussions answering the question, "What is to be delivered?"

### 2. Guidelines for SOW Development

#### (a) Development of the SOW

The NRC COR is the author and independently develops the SOW. The COR, as the steward of public funds, must develop the SOW to define the Government's minimum needs. It is, therefore, unacceptable for another servicing agency to prepare or assist in any way with the preparation of the SOW. However, when the NRC COR determines that it is in the Government's best interest to obtain technical information before developing the SOW, the COR may hold fact-finding sessions with the agency. These sessions may deal with cutting edge technology, general concepts, methods, agency expertise, available equipment, and the general time frames for project completion. Under no circumstances are costs to be discussed.

#### (b) Subcontracting

The COR must not structure the SOW so that it requires the agency to subcontract the majority of the project effort or subcontract with a specific contractor. This is considered "pass-through" contracting. It is the servicing agency's responsibility to determine the most efficient way to accomplish the project and the selection of its contractors. If the IAA is an assisted acquisition IAA, see Section II.D for guidance.

#### (c) Avoidance of Personal Services Relationship

(i) A personal services relationship occurs if the SOW or the actions of NRC personnel create or give the appearance of an employer-employee relationship. For example, Government personnel may create a personal services relationship by preparing contractor work schedules, supervising contractor employees, allowing the contractor to make policy decisions, or

using contractor staff interchangeably with Government employees. Personal services contracts, unless specifically authorized by statute (for example, 5 U.S.C. 3109, "Government Organizations and Employees"), shall not be awarded. If an employee-employer relationship is required, it is the policy of the NRC to employ the services of individual consultants and experts by hiring them under the personnel appointment process in accordance with the procedures set forth in MD 10.6, "Use of Consultants and Experts."

- (ii) A definitive SOW safeguards against personal services relationships because it provides sufficient information to enable the agency and its contractors to work independently without the need for direction. However, the NRC COR is allowed to provide technical direction within the bounds of the SOW and the agreed to terms and conditions. Accordingly, the Government, not its contractors, makes policy decisions and remains accountable for inherently governmental functions that may be based on contractor performance and work products.

(d) No Release of NRC Cost Estimates

Neither the COR's budget nor the IGCE is disclosed to the servicing agency. The SOW is provided to the agency without the cost estimate in order to require the agency to develop its own estimate for the project.

3. Performance-Based SOW

- (a) A performance-based SOW emphasizes the purpose of the work to be performed with the project requirements set forth in clear, specific, and objective terms with measurable outcomes. A performance-based SOW ensures that all aspects of the project are structured around the purpose of the work to be performed. Since a performance-based SOW does not describe how the work is to be done, it gives the servicing agency the freedom to propose the most efficient method to meet the project objectives. A performance-based SOW is best suited for commercial supplies and services where the functionality of the supplies and services are well established and measurable. Payment is tied to achieving these measurable outcomes. The principles used can be applied to less defined outcomes, but the measurable parameters are where the agency will focus its efforts.

(b) In developing a performance-based SOW, the COR should—

- (i) Define the desired outcomes by listing what needs to be accomplished in order to satisfy the project's overall requirement.

This is a top-level perspective and answers the question: "What must be accomplished to satisfy the requirement?"

- (ii) Conduct an outcome analysis based on the list of desired outcomes to identify performance objectives.

Performance objectives are the tasks you want performed and delivered to the Government. This analysis answers the question: "What tasks must be accomplished to achieve the desired outcome?"

- (iii) Identify the appropriate performance standards and acceptable quality levels using the performance objectives.

This step will answer the question: "When and how will I know the outcome has been satisfactorily achieved and at what level of quality?"

- (iv) Develop a performance requirement summary matrix using the data derived in the three steps above to clearly communicate to the agency NRC's desired outcomes and quality requirements.

- (v) Develop an NRC performance assessment plan based on the performance requirement summary matrix.

The plan should state when, where, and how often the assessments will be conducted. The results of the assessments should form the basis of the agency's performance evaluations during project monitoring.

- (c) A sample SOW, including performance based elements, may be found in the MD 11.8 Documents library. The sample provides further guidance regarding standard provisions in SOWs for IAAs in keeping with Executive Order 12931, "Federal Procurement Reforms," of October 13, 1994.

#### 4. SOW Special Considerations

##### (a) Technical Reporting Requirements

- (i) The technical reports required may be classified, sensitive or non-sensitive, safeguarded, or unclassified. The SOW must specify the technical reporting requirements. The technical reports may be one or more of the following:
  - Technical evaluation reports (TERs),
  - Draft or final formal technical reports for publication in the NUREG series, or
  - Draft or final material for inclusion in NRC safety evaluation reports (SERs) or environmental impact statements (EISs) as specified in the definitions below.
- (ii) TERs are interim or final letters that provide information on the technical aspects of the work. Interim technical letter reports may be required at various stages of a project. These interim letter reports are usually followed by a final technical letter report or a formal technical report. See MD 3.7, "NUREG-Series Publications."
- (iii) Interim technical letter reports may include, but are not limited to, the following:
  - Informal interim progress reports,
  - Quick-look reports,
  - Data reports,
  - Status summary reports,
  - Project descriptions,
  - Pretest predictions,
  - Model verifications,
  - Experimental safety analyses,
  - Experimental operating procedures,
  - Facility certification reports, and
  - Test result reports.

- (iv) These reports must be identified with the job code assigned to the project. In the SOW, the NRC will specify the number of copies to be prepared and the distribution of those copies. See DH.IV.J.9 for additional guidance.
- (v) Final technical letter reports are usually specified in situations in which the technical work involves the review and evaluation of the work of others or work to be used by the staff in the licensing and regulation process.
- (vi) All unclassified technical letter reports that do not contain proprietary information, Safeguards Information (SGI), or other Sensitive Unclassified Non-Safeguards Information (SUNSI) must be made publicly available by the office by sending a copy to the NRC Public Document Room through the agency document management electronic record system, currently ADAMS. Each technical letter report must be identified with the job code assigned to the project.
- (vii) Formal technical reports are the final product of research and original investigation or are a significant compilation of information. These accepted formal technical reports will be published in the NUREG series. Formal monthly, quarterly, or semi-annual and annual technical reports may be required for extensive long-term projects. A draft of the final or periodic report may be requested for comment before preparation of the camera-ready copy.
- (viii) Draft material for inclusion in SERs or EISs consists of written material requested for input in SERs or EISs to be issued as NUREG-series reports. Such material may be abstracted and used by the NRC staff as necessary. NRC requires patent review and management review of this material by the servicing agent.
- (ix) The content of formal technical reports should follow generally accepted technical writing practices, with appropriate flexibility to meet the author's specific needs. NUREG-0650, Revision 2, "Publishing NUREG-Series Publications," provides additional guidance. The most current version should be cited in the SOW. Scientific and technical reports should not include administrative, managerial, or fiscal information that is unsuitable for wide dissemination. Further, scientific and technical reports must not contain proposals for additional work.

(b) Status Report Requirements

- (i) The status report is a required deliverable and is normally due monthly to NRC.
- (ii) If the SOW is for nuclear research or in support of the NRC regulatory mission, then the COR should require the servicing agency to submit status reports in accordance with the recommended content and format available in the MD 11.8 Documents library. The COR is not authorized to waive this requirement without the office director or designee approval. The waiver must be included in the official file.
- (iii) If the SOW is for well-defined requirements, such as debt collection, then a quarterly status report should be sufficient. The COR may modify the NRC content and format based on the SOW requirements or may accept the servicing agency's content and format as long as it meets the NRC's needs for IAA administration. In discussing report content and format with the servicing agency, the COR should keep in mind that requiring a specific content and format may incur an additional cost to the NRC.

(c) Information Technology (IT): Systems Development Considerations

If software or hardware systems development is contemplated, the COR, after consultation with the Office of Information Services (OIS) and the Computer Security Office (CSO), shall include specific language in the SOW addressing computer security and quality assurance. In addition, any systems developed by an agency must be in a format compatible with NRC equipment and software.

(d) Information Technology (IT): Resource Considerations

- (i) When work to be placed with an agency involves the acquisition of IT resources, the COR may need to submit additional documentation for review and approval before issuing a request for a proposal to the servicing agency. Contact the NRC IT Coordinator to determine documentation review and approval requirements.
- (ii) If the servicing agency's proposal indicates the need for IT resources that were not included in the SOW, the COR may need to submit additional documentation for review and approval before IAA award. Contact OIS and CSO for specific guidance in this area.

- (iii) When it has been determined that IT resources are required for IAAs, the COR, in consultation with OIS, shall determine whether it is in the NRC's best interests to have the servicing agency acquire the IT resources or whether the IT acquisition can and should be separated from the NRC IAA and be provided by NRC.
- (iv) When it is in NRC's best interests to supply the IT resources to the servicing agency as Government-furnished property, the resources may be available at the NRC, obtained through OIS, or acquired from the commercial sector. In the latter instance, NRC Form 400, "Request for Procurement Action (RFPA)," will be developed and sent to ADM/DC, to initiate the procurement action.
- (v) Circumstances may indicate that it is in NRC's best interests to have the servicing agency purchase the IT resources, as in the following instances:
  - The specifications for the IT resources required by the servicing agency are unique.
  - The schedule for project work calls for delivery of the IT resource at a certain required time and as part of a series of servicing agency-controlled efforts such that purchasing the IT resource separately could cause project schedule delays.
  - The purchase of IT resources by other than the servicing agency is more costly and less efficient.
- (vi) When IT resources are to be delivered to the NRC, OIS reviews and approves the required documentation.
- (vii) All automated information processing systems developed or used as part of a project effort must be compliant with the Federal Information Security Management Act (FISMA) (44 U.S.C. § 3541 et seq.). Compliance must be demonstrated by a copy of the letter from the servicing agency's Designated Approving Authority stating that the system(s) are accredited.
- (viii) All electronic and information technology deliverables, including reports, must be compliant with Section 508 of the Rehabilitation Act (29 U.S.C. 794d) as implemented in the "Electronic and Information Technology (EIT) Accessibility Standards" (36 CFR Part 1194) available at <http://www.gpo.gov/fdsys/pkg/FR-2000-12-21/pdf/00-32017.pdf>.

(e) Waste Characterization, Packaging, and Disposal Considerations

- (i) For projects that will generate chemical or radiological waste, the SOW shall describe those aspects of the project that will result in the generation of waste and the servicing agency's responsibility for the characterization, packaging, and disposal of the waste. NRC's financial responsibilities for these activities also should be described. Assistance for projects involved with waste characterization, packaging, and disposal can be provided by the Office of Federal and State Materials and Environmental Management (FSME).
- (ii) Categories of waste streams, materials, components, and facilities that may require characterization, packaging, and disposal include activated metals, contaminated materials, ion-exchange resins, and other low-level waste streams. Characterization of the waste streams should be designed to collect data that will fulfill the requirements of the disposal facility (for example, the data should demonstrate that the waste meets the acceptance criteria of the disposal facility) and the Uniform Manifest requirements of 10 CFR Part 20, Appendix G, "Requirements for Transfers of Low-Level Radioactive Waste Intended for Disposal at Licensed Land Disposal Facilities and Manifests," when that form is needed. The agency proposal shall include a copy of the disposal site manifest requirements that explicitly provide the information required with the shipment.
- (iii) Chemical waste is any waste that includes a chemical (for example, nickel, iron, and ethylenediamine tetraacetic acid, commonly known as EDTA) that is not classified as radioactive waste and requires special handling for its disposal. The chemical waste also may need to be characterized to meet the requirements of the waste disposal facility. Mixed waste (waste containing both Resource Conservation and Recovery Act Subtitle C (42 U.S.C. 6901 et. seq.) hazardous waste and low-level radioactive waste) shall not be generated without prior express written approval of the NRC. The agency shall institute measures to minimize the amount of waste generated. If mixed waste streams are accepted by a servicing agency contractor for analysis, an agreement for dispositioning of the samples (for example, returning to the place of origin) should be established before the sample is accepted for analysis.

- (iv) The servicing agency is responsible for the costs of decommissioning a servicing agency's facility. When a facility, or part of a facility, is dedicated exclusively to an NRC project and the residual radioactivity to be removed during decommissioning can be solely attributed to the NRC project, NRC is responsible for these costs. When an NRC project is conducted within an existing servicing agency facility, the NRC is responsible for costs associated with the removal of project materials and waste, including specialized tooling and equipment, dedicated to that project. These costs shall be explicitly identified and addressed by the servicing agency in accordance with the provisions cited in this section.
- (v) The agency proposal shall provide a full description of specific activities necessary for the NRC project including waste characterization, packaging, and disposal activities and the associated costs for conducting these activities for which the NRC is responsible.
- (vi) Guidance to determine responsibility for payment of the costs of characterization, packaging, and waste disposal follows:
  - The NRC, which generally serves as project designer, is responsible for the costs of characterization, packaging, and disposal of waste when the waste is generated as an essential part of the project.
  - The NRC is not responsible for the costs of waste volume generated beyond what can reasonably be expected in the performance of the project because of the servicing agency's noncompliance with its policies or other good practices.
- (vii) When the NRC is responsible for payment of the costs associated with characterization, packaging, and disposal of waste, then the cognizant COR shall—
  - Ensure that the project SOW contains a task for the characterization, packaging, and disposal of waste generated under the project;
  - Include, as part of the IGCE, costs for waste characterization, packaging, and disposal;
  - Evaluate the agency proposal to ascertain whether costs proposed for the waste characterization, packaging, and disposal are reasonable;

- Determine a reasonable amount for such costs and document the basis for such agreement in NRC Form 555, "Summary of Negotiations Interagency Agreements," and NRC Form 558, "Summary of Proposal Evaluation"; and
- Review the status reports submitted by the agency to ensure that expended costs for the waste characterization, packaging, and disposal are reasonable and are in accordance with the project spending plan.

(f) SOW Security Considerations

- (i) The COR shall keep apprised of, and adhere to, appropriate policy and regulations found in the following documents:
- MDs in Volume 12, "Security"— MD 12.2, "NRC Classified Information Security Program," MD 12.3, "NRC Personnel Security Program," MD 12.5, "NRC Cyber Security Program," MD 12.6, "NRC Sensitive Unclassified Information Security Program," and MD 12.7, "NRC Safeguards Information Security Program";
  - "National Industrial Security Program Operating Manual," February 28, 2006, available at <http://www.fas.org/sqp/library/nispom.htm>, and
  - Executive Order 13526, "Classified National Security Information," December 29, 2009 (material related to classified or potentially classified contracts or agreements ensure compliances with security provisions and resolve problems involving access to licensee sites).
- (ii) The COR shall complete NRC Form 187, "Contract Security and/or Classification Requirements," for work requiring access to classified or sensitive unclassified information.
- (iii) The COR must obtain required approvals for use of classified material in a project. The COR should refer to MDs in Volume 12 for guidance on the approval process.

**I. Special SOW Considerations for Assisted Acquisition Agreements**

1. If the servicing agency awards a contract action to a small business and it is funded by the NRC, then the Small Business credit is given to the NRC. The Small Business award credit is based on the Federal Procurement Data System-

Next Generation (FPDS-NG) report prepared by the contracting office providing the contracting support. To ensure that the NRC receives the Small Business credit, the IAA SOW must:

- (a) Identify the "Funding Office ID" (Data Dictionary Element 4D) for the FPDS-NG as "3100," which is the NRC's funding office identification.
  - (b) Require a copy of the FPDS-NG report by the servicing agency's contracting officer be delivered to the NRC.
  - (c) Include a copy of the FPDS-NG report in the IAA file.
2. The COR may also print a copy of the report from the FPDS-NG Web site at [https://www.fpds.gov/fpdsng\\_cms/index.php?pageSource=loginPage](https://www.fpds.gov/fpdsng_cms/index.php?pageSource=loginPage). In order to access the report, the COR must know the servicing agency's contract number.

#### **J. Standard Sections of the SOW**

##### **1. Basic Project Information**

Basic project information required on the first page of the SOW is as follows:

- (a) Project Title (should match APP),
- (b) Job Code Number,
- (c) Budget and Reporting (B&R) Number,
- (d) Budget Object Classification (BOC) Code,
- (e) North American Industry Classification (NAIC) Code,
- (f) Technical Assignment Control (TAC) Number (if work is fee-recoverable),
- (g) Docket Number (if work is fee-recoverable),
- (h) Fee-Recoverable or Non-Fee-Recoverable,
- (i) NRC Issuing Office,
- (j) NRC COR's Name,
- (k) NRC COR's Telephone Number,

(l) Servicing Agency,

(m) NRC Technical Monitor(s) (TM) Name(s), and

(n) NRC TM(s) Telephone Number(s).

## 2. Background

(a) The background section provides the following:

(i) A brief statement of the purpose of the work;

(ii) Discussions of pertinent work previously accomplished; and

(iii) Discussions of technical problems, suggested approaches, and possible methodologies for problem solution.

(b) The background section should also include explanations or constraints that are necessary to understand the requirement (such as how the requirement arose and its relationship to previous, concurrent, and future programs) and any details that reveal the purpose and significance of the requirement.

(c) A well-written, brief discussion of the various aspects of the technical problem sets the stage for the preparation of technical proposals.

(d) Statements on the importance of the work may be included, along with techniques that have been tried and the results achieved.

## 3. Objective

This section describes the expected results to be obtained and how the end product(s) will be used in the regulatory process.

## 4. References (if applicable)

List references to all applicable documents invoked elsewhere in the SOW. When applicable, mandatory Government regulations and codes are included. The references include the chapter and section in order to pinpoint what is applicable to the SOW.

## 5. Scope of Work

This section provides a concise description of the work required. Specific tasks to be performed should be delineated and should include required agency actions. The scope of work should explain if tasks are to be performed concurrently or sequentially. The SOW will state when the requested work is fee-billable. If the scope of work deals with required technical reporting, information technology, and/or nuclear waste, then the COR should consult Section II.J.4, "SOW Special Considerations," of this handbook.

## 6. Place of Performance/Site Access Required

This section specifies the following:

- (a) The place of performance,
- (b) An indication as to whether site access or unescorted site access will be required, and
- (c) Instructions on acquisition of the site access authorization (MD 12.3, "NRC Personnel Security Program").

## 7. Security Requirements

If this section is applicable, seek advice from the Office of Nuclear Security and Incident Response (NSIR) on the proper documentation and clauses for preparation and handling of documents containing safeguards or classified information.

## 8. Meetings and Travel

This section specifies both domestic and foreign travel and/or meetings necessary for the performance of the work. Specify the purpose of each meeting or trip, the destination, the number of people necessary, and the estimated length of time. If specific dates for meetings or trips are known, then they should be provided. State if a deliverable, such as a trip report, is required.

## 9. Deliverables and Milestones or Due Dates

- (a) This section includes itemized deliverables with milestones or due dates. The COR will prepare a consolidated list of all deliverable reports specifying the following:
  - (i) The title of the report,
  - (ii) The required level of contractor management review,

- (iii) The frequency or due date of the report,
  - (iv) A reference to the SOW section requiring the report,
  - (v) The content requirements of the report (e.g., “Monthly Letter Status Report Requirements”), and
  - (vi) A distribution list with format requirements (e.g., digital and/or hardcopy).
- (b) At a minimum, a final report and monthly or quarterly status reports are required. See Section IV.H, “Developing the Statement of Work,” of this handbook for further guidance.

#### 10. Level of Effort

- (a) The decision to provide staffing levels should be based on the COR’s ability to clearly define the requirement and the required level of quality for the project. If the servicing agency has performed the tasks previously, it may be prudent not to provide the COR’s estimate in order to see the servicing agency’s unbiased independent estimate based on its knowledge of the project. This would serve to encourage innovative approaches to the tasks and is in keeping with the philosophy of performance-based contracting.
- (b) If the project is less defined, in order to assist the servicing agency in preparation of its proposal and to facilitate NRC’s later evaluation of the proposal, the level of effort stated in staff hours should be broken down by task(s). If a particular expertise is required for performance of the work, this may also be specified. For example, the COR may include the following statements:
- (i) The level of effort for Task 1 is 100 staff hours of a geologist’s time.
  - (ii) The level of effort for Task 2 is 125 staff hours each of both a geologist’s and a seismologist’s time.

#### 11. Period of Performance

- (a) This section sets out the period of performance which is the start date and end date of the project. It is NRC’s policy that the IAAs do not normally exceed 5 years. If it is necessary to extend a project beyond the initial 5 years for programmatic reasons, the written rationale should be approved by the office director or designee.

- (b) If the actual start date is unknown, then the start date should be listed as “the date of award of the agreement.” The completion date would then be stated in relation to the award date (e.g., months or years after the award date).

#### 12. NRC-Furnished Property

This section identifies specific reports, journals, documents, equipment, or other items that NRC will provide to the agency. The COR will specify the date this property will be provided by the NRC.

#### 13. Organizational Conflict of Interest (OCOI)

- (a) The OCOI clause must be incorporated into all IAAs established under the authority of the Energy Reorganization Act. It is not applicable to IAAs established under the Economy Act.
- (b) OCOI is described in detail in Section IV.E of this handbook.
- (c) The OCOI clause is in the standard terms and conditions document, which is located in the MD 11.8 Documents library.
- (d) The OCOI clause requires the servicing agency and its contractors to provide:
  - (i) A description of its present, planned, or past work for other organizations in the same technical area, as well as work done involving the same or similar matter as the NRC project scope of work.
  - (ii) The name of the organization for which the work was done. Other organizations include but are not limited to NRC licensees, vendors, industry groups, or research institutes that represent or are substantially composed of nuclear utilities.
  - (iii) An estimated dollar value of the work identified.
  - (iv) The period of performance of the work identified.
  - (v) Usually, the servicing agency and its contractors are required to include their work from the last 5 years.
- (e) The requirement to obtain information describing applicable work extends to all subcontractors.

### **K. Independent Government Cost Estimate (IGCE)**

1. After the SOW tasks and deliverables are defined, the IGCE is prepared. The IGCE estimate is not based on the budget estimate but on the scope of work defined in the SOW. If the estimate exceeds the budget and no additional funding is available, the project should be restructured to stay within the budget. In no event should a project be awarded where the COR knows the project will exceed the budget. The purpose of the IGCE is to compare it to the servicing agency's cost proposal during the proposal evaluation process to ensure costs are appropriate.
2. An IGCE is required when costs are estimated to be \$100,000 or more for new orders (Form 7600B). Additionally, an IGCE is prepared for each SOW modification which will increase or decrease the estimated costs by \$100,000. An IGCE may be prepared for an order with an estimated cost of less than \$100,000.
3. There are two basic methods used to analyze prices or costs. Price analysis is generally used for supplies, equipment, and simple services that are routinely available on the open market at competitive or catalog prices. Cost analysis requires a breakdown of project costs by element. Additional cost and pricing guidance is available at FAR 15.404-1.
4. The IGCE is developed to aid the COR in evaluating the servicing the agency's price or cost proposal. There are several methods used to develop an IGCE. The most appropriate methods for developing an IGCE for an IAA are the cost comparison method and the detailed cost method.
  - (a) The cost comparison method is used for estimating standardized services where the agency has fixed charges (fixed price) for a service. A previous service similar to the current requirement is selected. The known costs are adjusted by adding or subtracting elements of material, time, and economic or inflationary changes as necessary. This method is used when relatively few adjustments are needed to develop the estimate. Whenever a record of costs previously paid for the requirement is available, the COR uses the actual costs charged by the servicing agency for past services to project what the future services should cost. This type of IGCE may be documented in a memo to the file. The COR should ensure that the memo clearly marks that it is the IGCE for the IAA.

(b) The detailed cost method is used to estimate projects that require a detailed SOW to define the requirement. This method requires the COR to estimate the cost elements of the requirement. These cost elements include direct costs (such as labor, supplies, equipment, or transportation) and indirect costs (such as labor overhead, material overhead, and general and administrative (G&A) expenses).

5. When developing the IGCE, the COR is required to document the following:

(a) Source of Information

The COR must gather pertinent information for developing the IGCE. The source of the data must be documented on the IGCE. The following are example of sources that the COR may use to develop direct and indirect rates for developing the IGCE for cost type work.

- (i) The COR may use the previously reported cost data in the status reports as the basis for estimating future year requirements for similar work.
- (ii) For follow on projects, the COR should use the actual costs to project future costs.
- (iii) If Federal employees are to do the actual work, use General Service pay scales to estimate direct labor rates. To determine the overhead and G&A rates use the current rates that NRC uses to estimate its "Work for Others."
- (iv) If a servicing agency's FFRDC is going to provide the services, the rates developed for the various DOE FFRDC laboratories may help in developing direct and indirect rates for similar efforts with other FFRDCs.

(b) Information Estimating Tools Used

There are two tools that the COR may find useful in developing the IGCE.

- (i) The first tool is the "IGCE-Cost Proposal Comparison" workbook which is a template for developing the IGCEs. The workbook provides DOE Laboratory rate information which the COR might find helpful in developing estimated rates for other Federal agencies for the same or similar work provided by DOE Laboratories. The spreadsheet calculates the IGCE based on the rates the COR determines to be applicable to the project. This workbook is available in the MD 11.8 Documents library.

- (ii) The second tool is the Employment Cost Index developed by the Bureau of Labor Statistics (BLS) which is helpful in developing the escalation rates for future years. The 12-month Employment Cost Index for private industry may be accessed at <http://data.bls.gov/cgi-bin/surveymost>. The data may be downloaded to a spreadsheet.

(c) Assumptions

The COR must document the assumptions and method used to estimate the costs of the IAA. The following are examples of assumptions the COR may make.

- (i) If the direct and indirect rates of another agency are used to estimate some or all of the cost elements for a detailed cost estimate, the COR must document why that data is applicable to the project. The rationale may be that similar scientific or engineering skills are needed and/or the location of a given source is close to where the servicing agency will be performing the services.
- (ii) If the COR escalates the project direct labor over a 5-year period, the COR must show how the rate was derived and used. One approach to develop escalation rates is to average the last 5-year BLS indices and use the result to escalate the labor rates for each of the project years.

(d) Documentation Requirements

- (i) The COR may use the NRC Form 554B, "Independent Government Cost Estimate (IGCE) for Interagency Agreements," or the IGCE/Cost Proposal spreadsheets to prepare the IGCE. Both documents are available in the MD 11.8 Documents library. The IGCE must be structured to identify costs by fiscal year to aid in the cost proposal evaluation. The date prepared and the name of the estimator should also be included. The IGCE must be prepared before release of the RFP.
- (ii) All IGCEs must be signed and dated by the COR. A brief narrative of how the costs were developed, the source material used, and assumptions made to develop the IGCE must be included in the file with the IGCE. Never release or discuss an IGCE with entities outside of the NRC. NRC staff should discuss an IGCE on a need-to-know basis.

#### **L. Advance Payments for IAAs**

It is the NRC's policy not to pay in advance of services rendered or goods provided for IAAs. Advanced payments are not authorized unless required by statute. The Controller, Division of the Controller/Office of the Chief Financial Officer (DOC/OCFO) must approve in writing any proposed IAA that provides for making advance payments. The IAA shall include the following (see Part VI of the handbook to MD 4.2, "Administrative Control of Funds," for further information on advance payments):

1. Adequate procedures for making the advance payments.
2. Cost reports submitted quarterly, at a minimum.
3. A stipulation that a refund will be made to the NRC promptly when the advance payments exceed the actual cost of goods and services later provided.

### **V. REQUEST FOR PROPOSAL (RFP) PREPARATION AND ISSUANCE**

#### **A. Preparation of the IAA RFP**

1. The U.S. Department of Treasury, FMS, Form 7600 titled, "United States Government, Interagency Agreement – Agreement Between Federal Agencies," is the NRC recommended form for establishing IAAs.
2. In determining how to structure the IAA, the COR must consider the requirement and type of agreement that best meets the NRC's needs. The IAA form used by NRC is the modified Form 7600. The Form 7600 is divided into two sections: Part A and B.
  - (a) Part A is the General Terms and Conditions (GT&C). This section serves as the Memorandum of Understanding (MOU) with the servicing agency.
  - (b) Part B is the order section. This section's primary purpose is to define the NRC requirements, fund the servicing agency, and authorize the commencement of work.
  - (c) To be considered a valid IAA both sections must be executed by both parties (NRC and the servicing agency).

- (d) The following preparation instructions are available in the MD 11.8 Documents library.
  - (i) The “Interagency Agreement Instructions” are the instructions for completing Form 7600.
  - (ii) The “NRC Addendum to the Interagency Agreement Instructions for the Form 7600” (hereafter referred to as the NRC Addendum) provides supplemental information/guidance pertinent to the NRC for establishing the IAA and completing the Form 7600.
- 3. For a new IAA, the COR completes Form 7600 for the requesting agency (the NRC). If the GT&C section (Part A) has been approved previously for multiple orders, then the COR would complete the order section (Part B) only and reference the applicable GT&Cs (Part A). See Section IV.G of this handbook for discussion of single and multiple order IAAs.
- 4. For complex technical projects, the COR should include the instructions for “Servicing Agency Project and Cost Proposal for NRC Work as Part of the Request for Proposal (RFP).” The instruction, located in the MD 11.8 Documents library, provides the guidance for preparing both the technical and cost proposals. At a minimum the servicing agency should be asked to address all deliverables which include the status report discussed in Section IV.J of this handbook.

## **B. Issuance of the RFP**

- 1. The RFP is issued by the office director or designee. The RFP includes the applicable Form 7600 Part A and B and the proposal preparation instructions, if applicable. These documents are attached to the RFP letter or e-mail to the servicing agency for its consideration. The RFP letter or e-mail should include proposal delivery instructions and the proposal due date. A sample RFP letter and e-mail are available in the MD 11.8 Documents library.
- 2. The RFP for a new agreement is issued after the approval of the SSJ or the Economy Act D&F, if required by DH 11.8 sections IV.C and D. If the estimated cost exceeds the senior management review threshold, the RFP shall not be released until authorized in accordance with current guidance available in the MD 11.8 Documents library.

### **C. Receipt of Proposals**

The servicing agency shall complete the Form 7600 and prepare a written technical and cost proposal, if required by the RFP. The proposal package is submitted to the NRC for review and evaluation. The initial review should identify any missing data required by the Form 7600. If data is missing, the Form 7600 should be returned to the identified servicing agency point of contact with a request for the missing data.

## **VI. PROPOSAL EVALUATION AND DISCUSSION**

### **A. Evaluation of Servicing Agency's Proposal**

1. Upon receipt of the servicing agency's proposal, which will include Form 7600 completed by the servicing agency, the NRC COR evaluates the proposal and ensures the results are documented in the project file. NRC Form 558A, "Summary of Proposal Evaluation, Interagency Agreement," is available in the MD 11.8 Documents library for office use and includes a series of technical and cost questions designed to facilitate a thorough review for complex projects. For a non-complex evaluation, the COR may document the evaluation in a memorandum to the file. Optional form 555/558 combines the NRC Forms 555A and 558A and is available for the COR's use in the MD 11.8 Documents library.
2. The COR should first evaluate the technical proposal, if provided. The purpose of the evaluation is to determine if the proposed technical approach, level of effort, and the level of personnel expertise proposed is consistent with the project objectives.
3. After the technical evaluation is completed, the COR must compare the proposed cost/price with the IGCE and the SOW. To document the comparison, the COR should prepare a spreadsheet that shows the IGCE and the proposal. Any differences must be noted and resolved during discussions. The "IGCE Cost Proposal Comparison" spreadsheet is a template that the COR may use to document the comparison and is available in the MD 11.8 Documents library.
4. Past performance of the servicing agency shall be considered before award, if available. Refer to DH 11.8 Section VIII.G for a possible source of past performance information. The results of this review should be documented in the technical evaluation.

5. If there are any exceptions taken to the NRC T&Cs attached to block 19 of the IAA GT&C (Part A Form 7600), the COR should assess the impact, and, if appropriate, questions should be prepared and any differences resolved. Any changes to the T&Cs should be reviewed by ADM/DC and OGC before accepting the other agency's position.
6. If the servicing agency attached clauses to block 20 of the IAA GT&C (Part A Form 7600), the COR should assess the impact, and, if appropriate, questions should be prepared and any differences resolved. Additional guidance may be requested from DC and OGC.

#### **B. Discussions**

1. Based on the proposal evaluation, the COR should develop any specific technical and cost questions that must be addressed by the servicing agency during the discussions. The servicing agency's response to the questions should convey the degree of understanding it has of the project scope, the reasonableness of the technical approach, staffing requirements, and the overall project cost, given its technical approach.
2. The objective of discussions is to ensure that the NRC and the servicing agency personnel reach an agreement regarding, at a minimum, technical approach, proposed personnel skill mix, and technical and cost issues, as well as all terms and conditions set forth in the GT&C (Part A Form 7600) of the IAA.
3. After discussions, the servicing agency should submit a revised proposal clearly annotating the changes. The COR shall evaluate any revised proposals in the same manner as the original proposal.

#### **C. Summary of Discussions**

The COR shall summarize the salient aspects of the discussions in a memorandum to the file or NRC Form 555A, "Summary of Negotiation." The COR should document the resolution of all questions. In deciding the level of detail to be documented, the COR should provide enough information that a new COR or independent reviewer would understand the issues and the rationale for decisions made. Optional form 555/558 is available in the MD 11.8 Documents library which combines the NRC Forms 555A and 558A for the COR's use.

## VII. WORK AUTHORIZATION AND INITIATION

### A. Establishing the IAA

1. Following evaluation of the proposal and subsequent discussions, if required, the GT&C (Part A Form 7600) must be completed and signed by the office director or designee and forwarded to the servicing agency for signature.
2. If the initial order (Part B Form 7600) is negotiated at the same time as the GT&C (Part A Form 7600), both sections are completed per the Form 7600 instructions and the NRC Addendum located in the MD 11.8 Documents library.
3. Before the office director or designee signs the IAA order (Part B Form 7600), the funds must be certified by the office funds certifying official (FCO). The signed order is forwarded to the appropriate servicing agency official. A sample transmittal letter is provided in the MD 11.8 Documents library. The forwarding letter or e-mail should direct the servicing agency to sign and return the accepted Form 7600 to the NRC Office of the Chief Financial Officer, Division of the Controller (OCFO/DOC), with a signed copy to the COR. The COR must include signed copies of both sections of Form 7600 in the official IAA file.
4. If the order (Part B Form 7600) is issued pursuant to a previously executed GT&C (Part A Form 7600), the COR is to file the order with the GT&C section or with a copy of the GT&C section if the orders are managed and filed separately.

### B. Awarded IAA Content

The awarded IAA consists of the GT&C (Part A Form 7600) section and the order section (Part B Form 7600) prepared in accordance with the "Interagency Agreement Instructions" (available in the MD 11.8 Documents library) and NRC Addendum and signed by both parties. The COR shall ensure that the SOW, the servicing agency's proposal, Form 7600 (Parts A&B) for the initial award of the IAA, all amendments to the GT&C section, and all modifications to the order section are placed in the agency document management electronic system, currently ADAMS, unless the information is classified, sensitive, or safeguards, in accordance with office procedures.

### **C. Work Initiation for Urgent Requirements on an Order**

1. The cognizant NRC office director or designee approves whether work is required on an urgent basis. This written approval explains how the mission would be impacted if the work does not begin immediately. The GT&C (Part A Form 7600) must be executed (signed by both parties) before issuing an order (Part B Form 7600) on an urgent basis.
2. Since total project costs will be determined after work begins, the estimated amount may not be accurately known. If the amount is anticipated to exceed the budgeted amount, funds should be provided or appropriately transferred to cover the necessary costs in advance of work initiation. If the estimated amount proposed by the servicing agency exceeds the anticipated amount and available funding, the NRC will either restructure the SOW or partially or totally terminate the work. There are no assurances to the servicing agency to fund the project beyond the initial funding per the "Limitation of Funds" clause.
3. The "Limitation of Funds" clause shall be incorporated into the urgent agreement as follows:
  - (i) If this is a new IAA, the COR shall attach the "Limitation of Funds" clause to the GT&C (Part A Form 7600) per the NRC Addendum to the "Interagency Agreement Instructions." The COR completes Part A and B of Form 7600.
  - (ii) If this is a new order on an existing GT&C (Part A Form 7600) and the "Limitation of Funds" clause is not included in Part A, the COR shall attach the "Limitation of Funds" clause to the order (Part B Form 7600) per the NRC Addendum to the "Interagency Agreement Instructions."
  - (iii) If this is a modification to an existing order, the COR shall attach the "Limitation of Funds" clause if not previously incorporated into the agreement.
  - (iv) The "Limitation of Funds" clause, the "Interagency Agreement Instructions," and the NRC Addendum are available in the MD 11.8 Documents library.
4. The order or order modification (Part B Form 7600) for urgent work must contain the following information:
  - (i) The SOW,
  - (ii) An estimate of the level of effort required,

- (iii) A statement that the work is urgently required,
  - (iv) Funding estimated to provide adequate funds for work performance while the proposal is being prepared and evaluated,
  - (v) The due date for the proposal, and
  - (vi) A statement that there are no assurances to the servicing agency beyond the amount of incremental funding provided per "Limitation of Funds" clause.
5. The office director or designee signs Part A, if not previously executed, and Part B of Form 7600. The signed documents are forwarded to the servicing agency for acceptance. Upon acceptance by the servicing agency, the work begins.
  6. As soon as practicable after work initiation, the COR shall generate the required SSJ or D&F, the IGCE, and obtain any authorizations and approvals as required for initiation of a project or order in accordance with this MD. Proposal preparation should not hamper commencement of the urgent work.
  7. Upon receipt of the servicing agency's proposal, the COR shall evaluate the proposal in accordance with Section VI of this handbook.

## **VIII. INTERAGENCY AGREEMENT ADMINISTRATION**

### **A. NRC-Furnished Property**

1. If the NRC is required to furnish property, which includes documents and/or materials or equipment, then the COR should ensure that these are provided to the servicing agency in accordance with the SOW milestone schedule. See 48 CFR Part 45, "Government Property."
2. Failure to provide these items in a timely manner may impact the servicing agency's ability to proceed with the work.
3. If this happens, the COR should contact the servicing agency and discuss any necessary schedule changes and modify the period of performance accordingly.

## **B. Technical Direction Guidelines**

1. Technical direction given to the servicing agency by the COR must be consistent with the NRC SOW and the servicing agency proposal.
  - (a) Technical direction must be documented in writing and forwarded to the servicing agency and a copy must be placed in the official NRC project file.
  - (b) If technical direction will be provided by anyone other than the COR, then the individual's authority must be stated in the IAA SOW and included in the order section, Part B of the Form 7600.
2. Technical direction may include the following:
  - (a) Approval of approaches, solutions, designs, or refinements;
  - (b) Interpretation of specifications; or
  - (c) Shifting of emphasis among work areas or tasks.
3. Technical direction does not constitute new assignments of work. Therefore, technical direction will not change the estimated project cost or the scope or specifications contained in the current SOW.

## **C. Project Monitoring Overview**

1. Once the NRC office director or designee and the servicing agency's authorized official have signed Part A and B of Form 7600, project work can be initiated and funds can be expended.
  - (a) Project monitoring is designed to ensure that a project is performed in accordance with the requirements of the SOW and the technical approach stated in the servicing agency's proposal.
  - (b) Project monitoring shall ensure that work remains on schedule and within the agreed-upon cost. To carry out this function, the NRC COR monitors the work as it proceeds and conducts reviews of the servicing agency's actions in compliance with project requirements.
2. Effective project monitoring results from:
  - (a) Reviewing the status report.

- (b) Communicating frequently with servicing agency project personnel.
- (c) Conducting meetings with servicing agency technical staff on project progress in order to be active in providing technical oversight.
- (d) Documenting substantive conversations with the servicing agency, as well as actions taken to keep the project on schedule, within cost limitations, and in conformance with the SOW.
- (e) Prompt invoicing and financial reconciliation.

#### **D. Review and Analysis of the IAA Status Report**

1. For IAAs, the primary tool for monitoring is the status report. The status report should provide adequate information for the NRC requiring office to fully understand the technical progress of the project and to identify any potential problems that may impede progress or lead to undesirable results.
2. To analyze the status report, the COR shall review—
  - (a) Labor hours
  - (b) Cost elements, including:
    - (i) Direct labor,
    - (ii) Travel,
    - (iii) Equipment,
    - (iv) Subcontracting costs (including uncosted values pending invoicing),
    - (v) Materials, and
    - (vi) Indirect costs.
  - (c) Technical performance including:
    - (i) Staffing levels by category. Determine the composite rate that the Federal agency is charging the project. If there is a significant difference between the rate proposed and the rate currently charged, the COR should determine if the difference represents a cost or technical risk to the project. For guidance

on developing composite rates, consult "Developing Composite Rates" in the MD 11.8 Documents library.

- (ii) Changes in personnel.
  - (iii) Agreement milestones or due dates.
  - (iv) Acceptance of deliverables.
  - (v) SOW problems.
  - (vi) Any reportable items identified in the agreement.
3. The COR shall take the following steps to address any concerns identified as a result of the Status Report review:
- (a) Discuss all inconsistencies and problems with the servicing agency.
  - (b) Determine the impact of problems, such as:
    - (i) Increased costs,
    - (ii) Revised milestones or due dates, or
    - (iii) Failures in attaining technical objectives.
  - (c) Determine if the impact of problems is acceptable to the NRC.
  - (d) Take appropriate action to ensure that delays on agreements are minimized. When the servicing agency indicates either verbally or by a written notification, such as in the status report, that the project is experiencing a delay, the NRC COR shall take prompt action to resolve all issues or, if appropriate, take action to terminate the agreement if the servicing agency has not made necessary efforts to resolve the issue(s) causing the delay.
  - (e) Determine if the impact of problems and/or any proposed solutions will require the agreement to be modified.
  - (f) Document the review, including resolution of issues and problems, in a memorandum to the file or on NRC Form 552A, "Status Report Review," which is located in the MD 11.8 Documents library.

**E. Amendments to the General Terms and Conditions (GT&C) (Part A Form 7600)**

1. Any change to the GT&C (Part A Form 7600) of the IAA is accomplished by executing an amendment as required by the Form 7600 instructions. The COR is required to review the GT&Cs annually to ensure they are current. If not current, the COR is required to prepare an amendment to update the section.
2. All amendments to the GT&C (Part A Form 7600) must be signed by the office director or designee in accordance with the delegated contracting authority.

**F. Modifications to Orders (Part B Form 7600)**

1. Modification refers to a change made to an IAA order (Part B Form 7600). Modifications range from administrative in nature, such as incremental funding actions pursuant to the "Limitation of Funds" clause and no cost extensions of agreements, to more complex technical changes or actions, such as modifying the SOW to add additional work. Modifications involving the simpler actions may be accomplished without requesting a proposal when agreement cost is not affected. The order modification signed by the NRC and servicing agency effects the change. Some modifications such as a request for change in key personnel may require a technical proposal even though costs may not be affected.
2. Modifications that affect agreement costs require a proposal. For example, if an additional task is added to the SOW, the servicing agency must prepare a proposal. The COR shall evaluate the proposal and hold discussions if necessary. Once the order modification is agreed to by both parties and funds are certified, the office director or designee will sign the order modification. In no event will the COR authorize the commencement of work without the office director or designee approval.
3. The COR is not authorized to omit, skip, or delete a task and/or deliverable without modifying the IAA order (Part B Form 7600). Only the office director or designee may modify the IAA to decrease the scope of the agreement.
4. If for programmatic reasons, it is necessary to modify the order period of performance (POP) beyond the Agreement Period (block 5) in the GT&Cs (Part A Form 7600), the GT&C must be amended. If either the modification to the order or the amendment to the GT&C exceeds 5 years, the programmatic reasons must be documented and signed by the office director or designee. The signed document must be included in the IAA file.

5. For urgent modifications, see the process described in Section VII.C of this handbook.
6. All order (Part B Form 7600) modifications must be signed by the office director or designee in accordance with the delegated contracting authority.

#### **G. Performance Evaluations**

1. An evaluation of servicing agency performance shall be prepared for all active agreements. An optional evaluation form titled, "Annual Performance Report for Interagency Agreements," is available in the MD 11.8 Documents library for the COR to use.
2. Such evaluations normally must be prepared by the COR annually for multiple year agreements and at project completion.
3. These evaluations shall be provided to the servicing agency for its review and comment.
4. The agreement file shall reflect when the evaluation was provided to the servicing agency and any servicing agency response to the evaluation must be included in the agreement file.

#### **H. Interagency Billing Review Process**

1. The servicing agency shall ensure that the status reports are sent to the COR in a timely manner to enable the COR to compare the status report costs against the amount on the NRC "Approval Forms for Interagency Billings" (a sample is available in the MD 11.8 Documents library). The status reports are due on the 20th of the month following the month or quarter (if billings are quarterly) being reported. The NRC may charge back billed costs to the servicing agency if the status reports are not received in time for the COR to perform a timely review of the interagency bill.
2. The servicing agency shall ensure that a consolidated bill is prepared each month or quarter for each agreement including all orders.
  - (a) In most instances, the amount billed should closely approximate or equal the cost reported in the status report.
  - (b) If the status report constitutes the bill received from the servicing agency, a copy of the status report's financial report shall be submitted with the Intergovernmental Payment and Collection System (IPAC). If the status report costs differ from the IPAC amount, the servicing agency shall provide an explanation of the difference.

3. The COR shall compare the IPAC amount with the costs reported in the status report. In comparing the amounts, the COR determines the following:
  - (a) Whether or not the charges are within the scope of the SOW,
  - (b) Whether the charges accurately reflect the work performed (including their individual elements reported in the Status Report, if required by the IAA), and
  - (c) Whether the charges in the IPAC are supported by deliverables, status reports, or other applicable documents that have been received.
4. If the conditions articulated in Section VIII.G.3 of this handbook have been met, then the COR shall approve the payment and return the "Approval Form for Interagency Billings" within 20 calendar days of the date on the OCFO's transmittal document. A copy of the e-mail forwarding the COR's approval shall be maintained in the file.
5. Amounts billed that are lower than the status report may be a partial billing, reflect a credit, or be due to a mathematical error.
  - (a) In the case of a partial billing, the COR shall check to see that the difference is billed on the next month's interagency bill.
  - (b) The COR shall ensure that the amount(s) credited is (are) accurate.
  - (c) Amounts billed that are different from the status report and are due to mathematical errors shall be brought to the attention of the servicing agency immediately.
  - (d) The servicing agency shall correct all mathematical errors in the following status report and either credit or bill the difference in the next monthly bill. The COR shall annotate the approval form and ensure that the servicing agency follows through with this procedure.
6. The interagency bill should be filed accompanied by a Voucher/Expenditure Log or other record in which the COR may keep a running tally of obligations and expenditures to ensure that the total amount approved for payment to the servicing agency does not exceed the obligated amount for a specific order. Each order (Form 7600B) requires a separate Voucher/Expenditure Log or other record. A sample of a Voucher/Expenditure Log is provided in the MD 11.8 Documents library.

7. The COR shall not approve costs:
  - (a) Involving a discrepancy, other than mathematical, found between the interagency bill and the work performed and costs reported in the corresponding period's status report.
  - (b) When the reasonableness of costs cannot be confirmed by additional documentation provided by the servicing agency with the interagency bill.
  - (c) When costs and work reported for the payment period do not appear to be within the parameters of the SOW.
8. If possible, the COR must resolve any discrepancies by contacting the servicing agency and obtaining additional documentation that clarifies or supports the billed costs.
  - (a) When more time is needed to resolve the billing discrepancies, the COR shall request a time extension from the OCFO in accordance with office procedures.
  - (b) The COR shall annotate the agreement file stating the reason for the delay.
9. When the COR cannot resolve the differences between the billed amount and the status report within a reasonable amount of time, the COR will be responsible for the following:
  - (a) Indicating the disapproved amount,
  - (b) Checking one of the disapproval blocks,
  - (c) Providing an explanation to support the disapproval,
  - (d) Providing the servicing agency contact name and telephone number,
  - (e) Signing the form,
  - (f) Returning the form to the OCFO in accordance with office procedures,
  - (g) Informing the servicing agency that a chargeback will be processed by the NRC to recoup the disputed payment, and
  - (h) Annotating the agreement file to show that this step has been completed.

10. Upon receipt of an Approval Form for Interagency Billings on which the COR has disapproved all or part of the amounts billed, the OCFO will contact the servicing agency involved to resolve the difference.
  - (a) If the difference can be fully or partially resolved, the OCFO will provide the information in writing to the COR and request written approval of the billed costs.
  - (b) If the disputed costs cannot be resolved in part or in total, then the OCFO will do the following:
    - (i) Charge back the disputed amount to the appropriate servicing agency,
    - (ii) Provide a copy of the chargeback to the COR, and
    - (iii) Enter the credit into the NRC financial accounting system.
  - (c) The servicing agency shall include the chargeback amount in the next status report.
  - (d) Upon receipt of an NRC "Approval Form for Interagency Billings" with a chargeback amount listed, the COR shall verify that the amount is properly credited in the status report and document the file.
12. The servicing agency shall reflect any chargeback (including disputed costs) in the status report. Before rebilling any disputed costs, the servicing agency shall provide written justification to the COR.

#### **I. Foreign Travel**

1. Foreign travel for servicing agency personnel requires a 60-day lead time for NRC approval.
2. For prior approval of foreign travel, the servicing agency shall submit an NRC Form 445, "Request for Approval of Official Foreign Travel," available on the NRC Web site.
3. Foreign travel is approved by the EDO.

#### **J. Post Award Approval to Purchase Additional NRC-Funded Software or Property**

After award of the agreement, the servicing agency may wish to develop additional NRC-funded software or purchase additional property with an estimated acquisition cost of \$500 or more.

1. The servicing agency shall submit a written request to the COR for approval.

2. The COR shall approve or disapprove the acquisition or development of any additional items in writing.

#### **K. Funds Management**

1. Only an office director or designee is authorized to obligate the NRC in accordance with the Delegations of Authority by the Senior Procurement Executive. The COR is not so authorized.
2. For additional information, see MD 4.1, "Accounting Policy and Practices," and MD 4.2, "Administrative Control of Funds."

#### **L. Reporting Suspected Wrongdoings to the Office of the Inspector General (OIG)**

1. The NRC policy for reporting suspected wrongdoings is set forth in MD 7.4, "Reporting Suspected Wrongdoing and Processing OIG Referrals," which states:  
  
"Employees are required to report to OIG all suspected violation of law, rules, or regulations; mismanagement or substantial and specific danger to health and safety; incidences of fraud, waste, and abuse; diversion of NRC assets by NRC employees or contractors; and other wrongdoing covered under the Inspector General Act. Contractors and other individuals employed in NRC programs and/or present in NRC spaces are encouraged to report these matters."  
  
2. In the event that an employee or contractor suspects wrongdoings, they should consult MD 7.4 and follow the procedures outlined therein.

### **IX. WORK TERMINATION AND CLOSEOUT**

#### **A. Remedies for Failure to Make Satisfactory Progress on the Interagency Agreement (IAA)**

1. Circumstances may arise that adversely affect the servicing agency's progress on an IAA. For example, technological advances or external events may diminish the value of a project's goals. Perhaps data gathered under a project indicate that continuing pursuit of the SOW objectives is not worth the agency's investment, the servicing agency's efforts on a task have not produced the desired result, or the servicing agency's staff dedicated to the project is not making satisfactory progress.
2. When instances of this nature occur, the NRC office shall take decisive action to either satisfactorily resolve the problem(s) or terminate the IAA in part or in its entirety. The office is encouraged to consult with ADM/DC, OGC; and the servicing

agency, as appropriate, to assess the estimated impact of stopping or terminating the work. A stop-work order or termination of an IAA requires a written authorization from the NRC office director or designee.

#### **B. Use of a Stop-Work Order**

1. During the course of an IAA, it may become necessary to stop the technical work to resolve a problem or determine a course of action, so as to limit further expenditure of NRC funds and resources. Reasons for stop-work orders include, but are not limited to, the following:
  - (a) A change in technical needs or focus on the part of the NRC or
  - (b) The lack of progress by the servicing agency.
2. A stop-work order may be in effect up to 90 days. The period of the stop-work order may be extended when justified.
3. The NRC office director or designee is the official who determines whether there is a need to issue a stop-work order.
4. A stop-work order is issued as an order (Part B Form 7600) modification.

#### **C. Cancellation of a Stop-Work Order**

1. When the issues are resolved and the order is to be continued, the office director or designee shall cancel the stop-work order by issuing a modification to the order (Part B Form 7600) in accordance with the Form 7600 Instructions and the NRC Addendum.
2. If a scope change is required, the COR provides the revised SOW, the associated level of effort, and a request for a proposal with the modification to the order (Part B Form 7600). If this is an urgent requirement, the procedures in Section VII.C of this handbook apply.
3. In cases in which the stop-work order was issued for a reason that does not affect the SOW, the modification to the order (Part B Form 7600) issued to reinstate the work will request the servicing agency to submit a cost impact statement. If this is an urgent requirement, the procedures in Section VII.C of this handbook apply.

#### **D. Termination of the IAA**

1. In accordance with the "Termination" clause in the GT&C (Part A Form 7600), the IAA may be terminated unilaterally by either party. If the NRC office director or designee decides to terminate the IAA or an order, the provisions of the termination clause must be followed.
2. The cognizant office director or designee shall send the GT&C amendment (Part A Form 7600) with "Cancellation" checked in Block 4 to the servicing agency for review and execution. If a dispute arises between the parties concerning the termination action, the cognizant office director or designee shall resolve the matter.
3. After both the NRC and the servicing agency agree to terminate the IAA, then the NRC requests that the servicing agency develop and submit a termination settlement proposal, if appropriate. The COR shall ensure that costs are evaluated to determine if they are allowable up to the effective date of cancellation.
4. After final costs are agreed to and reflected in a modification to the order (Part B Form 7600) for a termination and signed by both parties, the COR shall begin the closeout process discussed below and shall send a copy of the modification (Part B Form 7600) to OCFO.

#### **E. Closing Out the IAA**

1. The COR shall ensure that interim and final reports are placed into the agency document management electronic records system, currently ADAMS, unless the information is classified, sensitive, or safeguards, in accordance with office procedures.
2. The COR shall begin action to close out the IAA upon expiration or termination. The closeout process begins with evaluating the servicing agency's performance using the NRC Form 559A, "NRC/Interagency Project Closeout." See Section IX.F of this handbook for guidance.
3. CORs should promptly identify completed IAA orders with unexpended obligations.
  - (a) NRC shall deobligate unexpended funds by issuing an office director or designee signed modification to the order (Part B Form 7600) to the servicing agency for acceptance.

- (b) Upon signature by the appropriate servicing agency official, an order Modification represents a deobligation of funds and is recorded in the NRC accounting system.
  - (c) This deobligation process will generally be completed within 90 days of the expiration of the agreement or completion of the work.
4. Whenever no billing has occurred for 6 months or more, the order should be reviewed for the potential for closeout and deobligation of excess funds. Closeout procedures for orders with no billing for 12 months should be begun unless a compelling reason exists to keep the order active.
  5. IAAs requiring a final audit of a commercial subcontractor should not be closed out until the final audit is completed. Within 90 days of order completion, the servicing agency shall notify the NRC COR of the amount considered necessary for retention on the order pending final subcontractor audit. The NRC COR shall promptly initiate deobligation procedures for any unused funds over this amount.
  6. Following final audit completion, the servicing agency shall notify the NRC COR of any remaining funds that may be deobligated.
    - (a) The NRC shall deobligate remaining funds and complete closeout of the order.
    - (b) Conversely, if additional funds are needed after final audit completion, the servicing agency shall notify the NRC in writing of the additional amount required.
  7. The COR shall conduct an intra-office utilization screening review to determine if the property utilized under the IAA can be used by another office. See Section X, "Procedures for Managing Property Acquired under Interagency Agreements," of this handbook.
  8. The COR shall reconcile project funds. The COR shall prepare a modification to the order (Part B Form 7600) stating that the agreement is completed or closed. Any additional funds required must be certified by the FCO and the modification must be signed by the office director or designee.
  9. Closeout should be completed within 12 months of the expiration date of the IAA or orders for multiple order IAAs except in cases in which a subcontractor audit is required.
  10. The office should indicate completion dates on NRC Form 559A, "NRC/IAA Project Closeout," and in accordance with office procedures, include a copy of this document in the agency document management electronic records system, currently ADAMS, unless the information is classified, sensitive, or safeguard.

#### **F. Final Performance Evaluation**

1. A final evaluation shall be prepared for all expiring IAAs within 30 days after receipt of the final invoice.
2. Such information will be used by other CORs before award of new agreements. Careful evaluation of the servicing agency's performance after completion of the agreement is very important as it serves as a valuable guide in determining the servicing agency's suitability for future work.
3. The evaluation must be provided to the servicing agency for its comments. The forwarding letter or e-mail should be included in the file. Any comments received from the servicing agency should be included in the file.
4. The office director or designee shall sign the performance evaluation.

### **X. PROCEDURES FOR MANAGING PROPERTY ACQUIRED UNDER INTERAGENCY AGREEMENTS (IAA)**

#### **A. Procedures for Servicing Agency-Acquired Property**

1. The servicing agency is responsible for ensuring that property, excluding software, reported in the status report that is sensitive or has an acquisition cost of \$5,000 or more is consistent with the servicing agency's property records. The NRC COR shall ensure that the property or NRC-funded software listed in the status report was previously approved for the order by the NRC. When this is not the case, the COR shall ensure that the unauthorized purchase is charged back to the servicing agency. If no property was acquired or NRC-funded software development completed during the reporting period, the servicing agency shall include a statement to that effect in the status report.
2. Property and software reported in the status report that has an acquisition cost of \$50,000 or more and that has a useful life of 5 or more years needs to be reported to the OCFO, DOC, for proper accounting treatment as prescribed by Statements of Federal Accounting Standards 6 and 10.

#### **B. Final Reporting and Disposition of Property**

1. In the final status report for the agreement, the servicing agency shall provide a closeout property report to the COR certifying that sensitive property, excluding software, acquired by the servicing agency under the NRC agreement with an

acquisition cost of \$5,000 or more is included in the servicing agency's official property records and that the list is complete.

2. Sensitive property consists of items, regardless of value, that are considered susceptible to being appropriated for personal use or that can be readily converted to cash. Sensitive property could include such items as personal computers, printers, and cameras. For each item listed, the report shall contain the same elements as described above for status reports. The closeout property report shall also identify any ongoing or contemplated NRC projects on which the property could be used. If no property was acquired under an agreement, the servicing agency will provide a negative report. All servicing agency-acquired property requiring special handling for security, health, safety, or other reasons shall be noted as part of the report.
3. Upon receipt of the servicing agency-certified closeout property report for each order, the COR shall circulate the report within the office to determine whether or not the office needs the property. The internal office review should be completed within 2 weeks of receipt of the servicing agency's report.
4. Upon completion of the office review, the office shall notify DC of the results. The Disposition of Federal Agency-Acquired Property (optional) template, available in the MD 11.8 Documents library, may be used.
5. Upon receipt of the results of the office's review, DC may request other offices to review the report to determine if the property can be used. The agency review shall be completed within 30 days.
6. Within 2 weeks after receiving the results of the review of the other offices, DC shall notify the initiating office of the review results.
  - (a) Other office(s) desiring to use identified property for other projects shall submit a completed NRC Form 493, "Property Transfer Request," to DC and the initiating office.
  - (b) The initiating office shall issue a modification to the order (Part B Form 7600) to the servicing agency identifying any property needed internally or for another project and relinquishing NRC rights for first use to the balance of the property.
  - (c) After the order modification is issued to the servicing agency, it is the responsibility of the office assuming ownership of the property to take action associated with affecting the property transfer, including the provision of any funds that may be needed to complete the transfer.

(d) If the servicing agency does not receive an order modification identifying property transfer within 8 weeks of submittal of the servicing agency-certified closeout property report to the NRC, the servicing agency should notify the NRC COR and DC.

7. Property No Longer Required

The servicing agency and the NRC COR shall monitor sensitive property and property, excluding software, acquired under an agreement with an acquisition cost of \$5,000 or more on a regular basis. When property is no longer required for an agreement, it must be identified as such in the next status report.

8. Utilization Review and Transfer for Ongoing Projects

NRC offices shall follow the above procedures for utilization reviews and transfer of the property conducted at closeout.

9. DC Property Tracking

DC maintains a database of information compiled from annual reports submitted by the servicing agencies reflecting the inventory of servicing agency property valued at \$5,000 or more as provided. DC will also coordinate data regarding NRC-funded software with OIS to ensure that accurate and complete inventory information is provided to the OCFO for capitalization purposes.

## **XI. DOCUMENTATION AND FILING**

### **A. Official Office File**

The NRC COR is responsible for establishing and maintaining the official agency record for an agreement with all required documentation and memoranda, both technical and administrative in nature, generated in the planning, execution, administration, and closeout of the agreement. Administrative documents and records pertinent to work performed under IAAs shall be filed in accordance with the following provisions.

### **B. Specific Office File Content**

The documents listed below shall be filed in reverse chronological order with the latest information on top. Certain documents such as the status report or the Interagency Billing Approval Form should be filed together under a separate tab or folder. IAA files

must contain the following documentation with the exceptions of agreements for required sources discussed in Section III.C of this handbook:

1. Project description summaries
2. Program reviews
3. User request and endorsement memoranda
4. SOWs
5. Sources-Sought Announcement and evaluation of sources-sought responses, as well as any other market research documentation
6. Approvals, including but not limited to:
  - (a) Urgency
  - (b) SSJ (NRC Form 367)
  - (c) The D&F required by the Economy Act
  - (d) Appropriate senior management reviews
  - (e) OCFO approval of advance payments, if applicable
7. OCOI Waivers
8. Waiver of Commission Policy Requests
9. IT Reviews and Approval if applicable
10. Security Requirements (NRC Form 187, "Contract Security and/or Classification Requirements")
11. "Independent Government Cost Estimate (IGCE) for Interagency Agreements" (NRC Form 554B) or IGCE/Cost Proposal spreadsheets
12. Requests for Proposal
13. IAA Proposals
14. Forms 7600 including all GT&C and amendments (Part A); orders and modifications (Part B)

15. Summary of Negotiations and Summary of Proposal Evaluation (NRC Form 555, NRC Form 558, or similar format)
16. COR's negotiation/discussion notes
17. Record of Past Performance Check (should be included in NRC Form 558)
18. All attachments to the IAA
19. Memoranda that document meetings, telephone conversations, technical direction and guidance, changes to work scope, schedule, cost estimates, trip reports, and meeting agenda
20. Correspondence, including memoranda, letters, e-mails (interagency or interoffice)
21. Status reports
22. Status Report Review (NRC Form 552A)
23. "Approval Forms for Interagency Billings" signed by the COR
24. Voucher/Expenditure Log or similar format
25. Servicing Agency 75 percent of funding expenditure notice to the NRC
26. Annual performance assessments for multiple year projects
27. Final performance assessment
28. Project File Closeout (NRC Form 559)
29. Publication releases (NRC Form 426, "Authorization to Publish a Manuscript in the NUREG Series")
30. The ADAMS Accession Number for interim and draft reports, unless the information is classified, sensitive, or safeguards
31. The ADAMS Accession Number for final deliverables
32. All supporting documentation

**C. Office Project File Disposition**

1. The official NRC file for each IAA shall be maintained for the active period of the IAA. Upon completion of the closeout process, the file shall be forwarded to the NRC Records Officer for disposition in accordance with the current versions of:
  - (a) U.S. General Records Schedule, NUREG-0910, "NRC Comprehensive Records Disposition Schedule," Rev. 4, and
  - (b) MD 3.53, "NRC Records and Document Management Program."
2. Official documents are placed in agency document management electronic records system, currently ADAMS, unless the information is classified, sensitive, or safeguards, includes the following:
  - (a) All SOWs,
  - (b) Signed Form 7600 Part A & B pertaining to the project, and
  - (c) The final NUREG documents.

## EXHIBITS

### Exhibit 1 Definitions

#### Acquisition

Acquisition includes purchasing, renting, leasing, or otherwise obtaining supplies and/or services for Government use.

#### Allocable

To be allocable, a cost must be either a direct cost, which is specifically incurred for performance of the work, or an indirect cost that benefits several aspects of the operation or is necessary for the overall conduct of the business even though it cannot be shown to benefit any specific elements of the business.

#### Allowable

To be an allowable cost under the agreement, the cost must be reasonable, allocable, properly accounted for, and not limited or excluded by the terms of the agreement.

#### Amendment

As used in this handbook, an amendment is a formal revision to the General Terms and Conditions (GT&C) section (Part A Form 7600) of the Interagency Agreement (IAA).

#### Assisted acquisition

A contract, delivery, or task order awarded by a servicing agency on behalf of a requesting agency. The agency providing the assistance may also administer the contract action.

#### Budget and reporting (B&R) classification

NRC's budget and reporting (B&R) classification structure provides a framework for controlling funds in a manner consistent with the structure in the NRC budget. In addition, the B&R structure defines responsibilities of allowance holders for funding obligations for particular purposes.

### **Budget object classification (BOC) code**

A code which classifies budget activity by type of cost (e.g., supplies, equipment). The basic function of BOC codes is to provide a mechanism for reporting obligations and costs across the agency for similar goods or services. BOC codes are not a basis for capturing office-specific information.

### **Certification of funds availability**

The formal acknowledgment by the funds certifying official (FCO) that sufficient funds are available in the current allowance for entering into obligations. This acknowledgment is evidenced by the signature of the FCO on an appropriate commitment document before execution of an obligation. The certification of funds is the act of committing funds.

### **Chief Information Officer (CIO)**

The Chief Information Officer (CIO) is the senior NRC individual reporting to the Executive Director for Operations (EDO) who is responsible for the agency's information technology (IT) resources program.

### **Closeout**

Closeout is a process used after expiration or termination of an agreement to ensure that the servicing agency has satisfactorily performed the work, property utilization screening has been accomplished, project funds have been reconciled, overhead rate adjustments have been completed, and the funds remaining after the payment of all vouchers have been deobligated.

### **Contracting Officer's Representative (COR)**

As used in this management directive (MD), the term Contracting Officer's Representative (COR) is consistent with Governmentwide use of this term. The COR is the NRC employee responsible for all aspects of a project, including technical, administrative, and fiduciary aspects.

### **Cost overrun**

A cost overrun occurs when expended costs for a project exceed the agreed to costs for the scope of work.

### **Deobligation**

The cancellation or downward adjustment of a previously recorded obligation. Deobligation may be attributable to the cancellation of a project or contract, price revisions, or corrections of estimated amounts previously recorded as obligations.

### **Determination and Findings (D&F)**

A special form of written approval by an authorized official that is required by statute or regulation as a prerequisite to taking certain contract actions. Determination is a conclusion or decision supported by the findings. Findings are statements of fact or rationale essential to support the determination and must cover each requirement of the statute or regulation.

### **Documentation**

Documentation includes any formal or informal notes, forms, letters, and memoranda that provide a record of the project, the deliverables required and received, and the funding obligated and paid.

### **Electronic and Information Technology (EIT)**

“Electronic and information technology (EIT)” has the same meaning as “information technology” except EIT also includes any equipment or interconnected system or subsystem of equipment that is used in the creation, conversion, or duplication of data or information. The term EIT, includes, but is not limited to, telecommunication products (such as telephones), information kiosks and transaction machines, worldwide Web sites, multimedia, and office equipment (such as copiers and fax machines).

### **Encumbered costs**

Encumbered costs consist of uncosted balances of purchase orders issued, contracts and subcontracts awarded, and other agreements for the acquisition of goods and services not yet received.

### **Federal agency**

A Federal agency is any executive agency or any independent establishment in the legislative or judicial branch of the U.S. Government (except the Senate, the House of Representatives, the Architect of the Capitol, and any activities under the Architect’s direction).

### **Funding Official**

The Funding Official, as defined in the Form 7600, is the individual that has authority to obligate the agency. For NRC this is the individual who has been delegated contracting authority. Copies of the Delegation of Authority letters are available in the MD 11.8 Documents Library.

### **Funds Certifying Official (FCO)**

Performs the daily tasks necessary for controlling funds. The FCO is delegated the authority to certify that sufficient funds are available in the current allowance for entering into obligations. The FCO acknowledges this certification by signing the appropriate commitment document before the creation of an obligation on behalf of NRC. The allowance holders, allowance financial managers, and other staff members delegated responsibility for the certification of funds are referred to as FCOs.

### **Government-furnished property (GFP)**

Government-furnished property (GFP) is property owned by or acquired on behalf of the Government that is furnished to a contractor for the performance of a contract or agreement.

### **Governmentwide acquisition contracts (GWACs) and multiple award contracts for IT equipment and services**

Governmentwide acquisition contracts and multiple award IT contracts are vehicles for placing orders for IT equipment and services under another agency's contract. Under the Information Technology Management Reform Act (also known as the Clinger/Cohen Act), OMB designates an agency to serve as an executive agency with the authority to enter into a contract for IT equipment and services. Refer to the Office of Administration (ADM), Division of Contracts (DC), and the Office of Information Services (OIS) for these requirements. (NOTE: The authority to issue these task orders resides in DC.)

### **Independent Government cost estimate (IGCE)**

An IGCE is developed by the COR to estimate the cost of work specified in a statement of work (SOW).

### **Information technology (IT)**

Any equipment, or interconnected system(s) or subsystem(s) of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency. See FAR Subpart 2.101, "Definitions," for complete definition of information technology.

### **Inherently Governmental function**

1. As a matter of policy, an inherently governmental function is a function that is so intimately related to the public interest as to mandate performance by Government employees.
2. These functions include those activities that require either the exercise of discretion in applying Government authority or the making of value judgments in making decisions for the Government.
3. Governmental functions normally fall into two categories:
  - (a) The act of governing (for example, the discretionary exercise of Government authority) and
  - (b) Monetary transactions and entitlements.

### **Interagency agreement (IAA)**

1. An Interagency Agreement (IAA) is an agreement between two Federal agencies under which the servicing agency provides goods and services to the requesting agency, in exchange for payment.
2. The IAA (Form 7600) must contain one general Terms and conditions (GT&C) section (Part A) and at least one order requirements and funding information (order) section (Part B).

### **Job code**

A financial code that defines a specific NRC project. All NRC commitment and obligation transactions require the designation of a job code. Each job code ties to a unique B&R classification.

### **Key personnel**

Key personnel are those individuals identified by the parties to perform work identified in the order SOW who are considered to be essential to the successful completion of the work. A change in key personnel requires a modification to the general terms and conditions (GT&C) section (Part A Form 7600) and/or the order section (Part B Form 7600) of the interagency agreement (IAA), as applicable.

### **Modification**

As used in this handbook, a modification is any formal revision to the order section (Part B Form 7600) of an interagency agreement (IAA).

### **Negotiation**

Negotiation consists of written or oral discussions before the award of an IAA or order based on the technical/cost relationship that is most advantageous to NRC.

### **North American Industry Classification System (NAICS)**

North American Industry Classification System (NAICS) is used by business and Government to classify business establishments according to type of economic activity.

### **Obligation**

An action that creates a liability or definite promise on the part of the Government to make a payment at some later time. It is also defined as a binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally. The initial recognition of an obligation occurs when the order is placed or the contract is executed, even though the actual payment may not take place until the following fiscal year. Obligations must be supported by appropriate documentation, such as written binding agreements, purchase orders, travel authorizations, grant awards, and so forth, and retained in the agency records to facilitate audit and reconciliation.

### **Office Associate Competition Advocate (OACA)**

An Office Associate Competition Advocate (OACA) is an individual, appointed by the office director or designee, who reviews source selection justifications (SSJs) to place work with Federal agencies and acts as an office advocate for seeking alternative sources to Federal agencies, when appropriate.

### **Organizational conflict of interest (OCOI)**

An organizational conflict of interest (OCOI) exists when the results of a project could be biased or an economic advantage could accrue by having a servicing agency perform work both for NRC and industry in the same or similar technical areas.

### **Pass-through subcontracting prohibition**

1. "Pass-through" subcontracting is prohibited.
2. It occurs when the roles of the prime contractor who should be performing the majority of the required work and a subcontractor become reversed; the subcontractor ends up doing most of the work or performs the majority of the effort, and the servicing agency acts as an overseer and as a mere conduit for subcontract administration and does not contribute significantly to the technical results.
3. It is not considered pass-through subcontracting if the Director of DC determines that assisted acquisition is in the best interest of the Government because the servicing agency has unique contracting skills for the type of service or product required by NRC.

### **Payment**

A payment consists of an amount disbursed to the servicing agency through the U.S. Treasury Intergovernmental Payment and Collection System (IPAC).

### **Principal investigator**

The principal investigator is a technical servicing agency employee charged with the responsibility of ensuring that the project is satisfactorily performed.

### **Procurement**

Procurement includes purchasing, renting, leasing, or otherwise obtaining supplies and/or services for Government use.

### **Project**

A project is a definable, programmatic effort or a specific acquisition of goods and/or technical services, which is assigned a unique job code and satisfies the attainment of either a single or homogeneous group of objectives.

### **Property**

Property is all property owned by the Government that is acquired through use of NRC funds. This includes all personal and real property, such as equipment and furniture.

### **Reimbursable agreement**

An interagency agreement (IAA) for which NRC is either the servicing agency or the requesting agency. The requesting agency reimburses (pays) the servicing agency for services it provides. This MD is applicable when NRC is the requesting agency.

### **Requesting agency**

A requesting agency is a Federal agency that has a bona-fide requirement (need) that can be provided (fulfilled) by another Federal agency (servicing agency) in exchange for payment.

### **Senior procurement executive (SPE)**

The individual appointed pursuant to section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)) who is responsible for management direction of the acquisition system of the executive agency, including implementation of the unique acquisition policies, regulations, and standards of the executive agency.

### **Servicing agency**

The servicing agency is a Federal agency that has the unique skills or knowledge that can meet the needs of another Federal agency (requesting agency) in exchange for payment.

### **Sources sought announcement**

An announcement published on the Federal Business Opportunities Web site referred to as FedBizOpps (FBO) which is located at <https://www.fbo.gov/>. This announcement requests that interested parties provide technical capability statements to demonstrate their understanding of the technical requirements stated in the announcement.

**Exhibit 2      Acronyms**

ADAMS	Agencywide Documents Access and Management System
ADM	Office of Administration
APP	Advance Procurement Plan
B&R	budget and reporting
BOC	budget object classification (BOC) code
CAO	Chief Acquisition Officer
CFO	Chief Financial Officer
CFR	<i>Code of Federal Regulations</i>
CIO	Chief Information Officer
COR	Contracting Officer's Representative
CSO	Computer Security Office
D&F	Determination and Findings
DAS	Division of Administrative Services, Office of Administration
DC	Division of Contracts, Office of Administration
DEDCM	Deputy Executive Director for Corporate Management
DFS	Division of Facilities and Security, Office of Administration
DOC	Division of Controller, Office of the Chief Financial Officer
DOE	U.S. Department of Energy
DPB	Division of Planning and Budget, Office of the Chief Financial Officer
DSO	Division of Security Operations, Office of Nuclear Security and Incident Response
EDO	Executive Director for Operations

EDTA	Ethylenedinitrilo tetraatic Acid
EIS	environmental impact statement
EIT	Electronic and Information Technology (EIT)
FAC-COR	Federal Acquisition Certification for Contracting Officer Technical Representative
FAR	Federal Acquisition Regulation
FBI	Federal Bureau of Investigation
FCO	Funds Certifying Official
FFRDC	Federally Funded Research and Development Center
FPDS-NG	Federal Procurement Data System-Next Generation
FISMA	Federal Information Security Management Act
FMS	Financial Management Service
FSME	Office of Federal and State Materials and Environmental Management
G&A	general and administrative [expenses]
GAO	Government Accountability Office
GFP	Government-furnished property
GPO	Government Printing Office
GSA	General Services Administration
GT&C	General Terms and Conditions (Part A Form 7600)
GWAC	Government-wide acquisition contract
IA	International agreement
IAA	Interagency agreement
IGCE	Independent Government Cost Estimate

IPAC	Intergovernmental Payment and Collection System
IRD	Information and Records Services Division, Office of Information Services
IT	information technology
LMFBR	liquid metal fast breeder reactors
MD	Management Directive
MOU	Memorandum of Understanding
NAIC	North American Industry Classification Code
NAICS	North American Industry Classification System
NISPOM	National Industrial Security Program Operating Manual
NRC	U.S. Nuclear Regulatory Commission
NSIR	Office of Nuclear Security and Incident Response
NUREG	NUREG-series publication
OACA	Office Associate Competition Advocate
OCFO	Office of the Chief Financial Officer
OCOI	organizational conflict of interest
OFPP	Office of Federal Procurement Policy
OGC	Office of General Counsel
OIG	Office of the Inspector General
OIS	Office of Information Services
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PC	Portfolio Council
PBPM	Planning, Budgeting, and Performance Management Process

PMM	project management methodology
POP	period of performance
PR	purchase request
RFP	request for proposal
RFPA	Request for Procurement Action
SER	safety evaluation report
SGI	Safeguards Information
SOW	statement of work
SPE	Senior Procurement Executive
SSJ	source selection justification
SUNSI	Sensitive Unclassified Non-Safeguards Information
TAC	technical assignment control [number]
TER	technical evaluation report
TM	technical monitor
USACE	U.S. Army Corps of Engineers
USGS	U.S. Geological Survey