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UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

SEP 15 1999

Foxx and Company, CPAs  
ATTN: Mr. Martin W. O'Neill, Partner  
700 Goodall Complex, 324 West Ninth Street  
Cincinnati, OH 45202-1908

SUBJECT: MODIFICATION NO. 3 TO TASK ORDER NO. 6, ENTITLED "FINANCIAL  
MANAGEMENT ADVICE AND GUIDANCE" UNDER CONTRACT NO.  
NRC-09-97-205

Dear Mr. O'Neill:

In accordance with Subsection B.21(c), Task Order Procedures, of the subject contract, this letter definitizes Modification No. 3 to Task Order No. 6 which: (1) increases the fixed price amount of the task order by \$5,300 from \$84,440 to \$89,740. All work shall be performed in accordance with the enclosed Statement of Work. Accordingly, the task order is hereby revised as follows:

Modification No. 3 to Task Order No. 6 shall be in effect from the date of Modification No. 3 through September 30, 1999 with a cost ceiling of \$89,740.

The accounting data for Modification No. 3 to Task Order No. 6 is as follows:

B&R No.: 97N-15-532-105  
Job Code No.: L-1965  
Appropriation No.: 31X0200.97N  
BOC No.: 252A  
Obligated Amount: \$5,300

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

Patricia Foxx                      Frank Subalusky  
Martin W. O'Neill                Robert Warren  
C. William Moore

The Contractor agrees that such personnel shall not be removed from the effort under the task order without compliance with Contract Clause NRCAR 2052.215-70 entitled, "KEY PERSONNEL."

Your contacts during the course of this task order are:

Technical Matters:            Mr. Robert Rakowski  
   Project Officer  
   (301) 415-7340

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THE FOXX GROUP

Contract Matters: Ms. Paulette Smith  
Contract Specialist  
(301) 415-6594

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

Please indicate your acceptance of this task order by having an official, authorized to bind you organization, execute three (3) copies of this document in the space provided and return two (2) copies to the U.S. Nuclear Regulatory Commission, ATTN: Ms. Paulette Smith, Division of Contracts and Property Management, T-712, ADM/DCPM/CMB1, Washington, D.C. 20555. You should retain the third copy for your records.

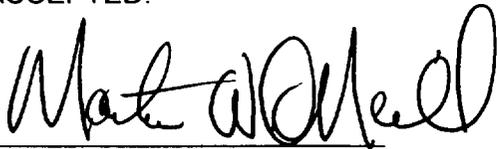
Sincerely,



Mary Mace, Contracting Officer  
Contract Management Branch 1  
Division of Contracts and  
Property Management  
Office of Administration

Enclosure:  
As stated

ACCEPTED:



Name



Title



Date

**STATEMENT OF WORK**  
**Modification No. 3 to Task Order No. 06 Under Job Code L1965**  
**Contract No. NRC-09-97-205**

Title: Financial Management Advice and Guidance

Background

Since the passage of the Chief Financial Officers Act of 1990, the Nuclear Regulatory Commission (NRC) must comply with new Federal financial accounting standards and reporting requirements. The Office of the Chief Financial Officer (OCFO) of the NRC requires financial management advice and guidance concerning accounting and audit issues that affect the NRC's annual financial statements, accounting policy, and operations. The OCFO also seeks assistance in the preparation of the annual financial statements and compilation documentation, account reconciliations, and other general financial and accounting support tasks.

Objective

The objective of this modification to the task order is to obtain from the contractor reviews of the People Soft System and the Biennial Review of Administrative Charges. The reviews should include an evaluation of internal controls, policies and procedures, and reports that highlight the findings along with recommendations for corrective action, if any.

In addition, the Pay/Pers review requested under modification No. 2 of this task order should be canceled in its entirety.

Work Requirements

The contractor shall provide qualified personnel to complete the following tasks:

- A. People Soft System:
1. Obtain an understanding of the People Soft System by attending and/or reading minutes of progress review sessions for each of the three elements of the System.
  2. Review all relevant documentation and the operational software for the implementation of the People Soft System.

3. Interview key NRC officials concerning their individual roles and responsibilities within the System.
4. Evaluate and test the System's general controls (e.g. organizational structure, access authorities, security and safeguard procedures and processes, system and program development, and disaster recovery/contingency planning.)
5. Evaluate the processes in the People Soft System to identify gaps that may exist with the current Pay/Pers System and determine their significance and extent of the OCFO's vulnerability.
6. Prepare a memorandum of the findings disclosed by the review along with appropriate recommendations for corrective actions.

B. Biennial Review of Administrative Charges

1. Review the legislative and regulatory requirements of the Federal Claims Collection Standards as the requirements relate to administrative costs which could be recovered by NRC.
2. Utilize cost finding techniques consisting primarily of interviewing personnel in the delinquent bill process to determine the direct labor, indirect costs, and other costs related to NRC's administrative costs.
3. Prepare a memo on the results of the review, including the estimated costs for each phase of the delinquent bill process.

Level of Effort

The level of effort is estimated at 120 hours for partner and 410 hours for manager, less 100 hours for partner, 160 hours for manager, 160 hours for senior, and 200 hours for staff that had been previously allocated to the Pay/Pers review.

Period of Performance

The period of performance is from the date of the modification through September 30, 1999.

### Deliverables

The contractor shall provide a report of their findings for each of the tasks with the following delivery dates:

- |    |   |                    |
|----|---|--------------------|
| A. | People Soft System (interim report)                         | September 30, 1999 |
| B. | Biennial Review of Administrative Charges<br>(final report) | September 30, 1999 |

### Meetings

The contractor shall attend approximately five (5) status meetings at NRC's Two White Flint North Building located at 11545 Rockville Pike, Rockville, Maryland. The date and time of each meeting will be coordinated between the contractor and the NRC Project Officer or designated alternates.

### NRC Furnished Materials/Equipment

The NRC shall provide the contractor with the following items for use under this task order:

- ▶ Computer reports, financial and accounting documents, and other documentation relevant to this task order.
- ▶ Personal computers, calculators, telephones, copy and facsimile machines will be provided to certain on-site contractor staff for support of this task order.

### Progress Payments

Payments under this task order shall be in accordance with contract clause B.24, "Progress Payments - Commercial Items."