



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

JUN 04 2001

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

Dear Mr. O'Neill:

SUBJECT: TASK ORDER NO. 13, MODIFICATION NO. 3, ENTITLED, "FINANCIAL MANAGEMENT ADVICE AND GUIDANCE" UNDER CONTRACT NO. NRC-09-97-205

In accordance with Section B.21(c) of the subject contract entitled, "Task Order Award," this letter definitizes Modification No. 3 to Task Order No. 13 which (1) increases the fixed price amount of the task order by \$50,440 from \$30,480 to \$80,920. This effort shall be performed in accordance with the enclosed Statement of Work. Accordingly, the task order is hereby revised as follows:

The second paragraph of the definitization letter of the basic task order is deleted in its entirety and the following paragraph is substituted in lieu thereof.

"The period of performance for Task Order No. 13 shall be from October 1, 2000 through September 30, 2001, with a cost ceiling of \$80,920."

This task order obligates funds in the amount of \$50,440. The accounting data for Task Order No. 13, Modification No. 3, is as follows:

B&R No.: 17N-15-532-105
FIN No.: L1965
Appropriation No.: 31X0200.17N
BOC No.: 252A
Obligated Amount: \$50,440

order without compliance with contract clause, NRCAR 2052.210-70, EY
PERSONNEL."

Your contacts during the course of this task order are:

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

Contractual Matters: Paulette Smith, Contract Specialist
(301) 415-6594

TEMPLATE ADM001

ADM02

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

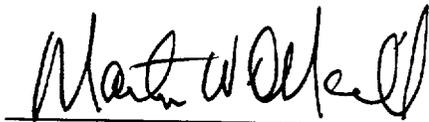
Please indicate your acceptance of this task order by having an official, authorized to bind your organization, execute three (3) copies of this document in the space provided and return two (2) copies to the U.S. Nuclear Regulatory Commission, ATTN: Paulette Smith, Division of Contracts and Property Management, Mail Stop: T-7-I-2, ADM/DCPM/CMB1, Washington, DC 20555. You should retain the third copy for your records.

Sincerely,

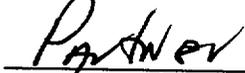

Mary Mace, Contracting Officer
Contract Management Branch 1
Division of Contracts and
Property Management
Office of Administration

Enclosures:
As stated

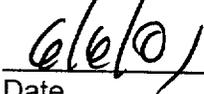
ACCEPTED:



Name



Title



Date

STATEMENT OF WORK
Modification No. 3 to Task Order No. 13 Under Job Code L1965
Contract No. NRC-09-97-205

Title: Financial Management Advice and Guidance

Technical Monitor: Robert E. Rakowski, OCFO - (301) 415-7340
Designated Alternates: Anthony C. Rossi, OCFO - (301) 415-7379
Barbara K. Gusack, OCFO - (301) 415-6054

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 the following: A.) Review of Procedures for Accounting for Internal Use Software; B.) Review of Procedures for Processing Delinquent Debt; and C.) Review of Recoverable Administrative Charges for Delinquent Debt and Reimbursable Work. The reviews should include, where applicable, an evaluation of internal controls, policies, and procedures. Final reports should highlight the findings along with recommendations for corrective action, if any.

Work Requirements

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

- A. Review of Procedures for Accounting for Internal Use Software:
1. Interview Project Managers, staff, certifying officials, and timekeepers to determine that those employees identified by NRC personnel as being connected with systems under development are properly charging time.
 2. On a sampling basis, compare IT labor hour reports to approved time sheets to determine if the reports are accurate, complete and correct.

3. Evaluate the agency's implementation of guidance issued, based primarily on the interviews conducted in the A.1
 4. Prepare a report summarizing the results of the review.
- B. Review of Procedures for Processing Delinquent Debt:
1. Assess the implementation of the revised desk procedures for processing delinquent debt.
 2. On a sampling basis, determine if the required file checklist is in each red collection file folder established after the implementation of the revised desk procedures (November 2000).
 3. Ensure that eligible debt over 180 days is referred to Treasury. Evaluate the process for reviewing and referring eligible debt to Treasury.
 4. Prepare a report summarizing the result of the review and include recommendations for correcting identified weaknesses and strengthening the applicable internal controls.
- C. Review of Recoverable Administrative Charges for Delinquent Debt and Reimbursable Work:
1. Review the legislative and regulatory requirements of the revised Federal Claims Collection Standards related to administrative costs which are recoverable by NRC. Review reimbursable work only for those agreements that are other than license fee hourly rate determined.
 2. Utilize cost finding techniques consisting primarily of interviewing NRC personnel to determine the direct labor, indirect costs, and other costs related to NRC's administrative costs.
 3. Prepare a report on the results of the review including the estimated costs for each phase of the process for those areas identified.

Period of Performance

The Period of performance is from the date of the modification through September 30, 2001.

Deliverables

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

- | | | |
|----|------------------------------------|-----------------|
| A. | Internal Use Software | June 30, 2001 |
| B. | Delinquent Debt | July 15, 2001 |
| C. | Recoverable Administrative Charges | August 31, 2001 |

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."