



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

SEP 19 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. 16 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 the subject task order. This effort shall be performed in accordance with the enclosed Statement of Work.

The period of performance for Task Order No. 16 shall be from October 1, 2001 through December 15, 2001 at the fixed price amount of \$37,400.

This task order obligates funds in the amount of \$37,400. The accounting data for Task Order No. 16 is as follows:

B&R No.:	17N-15-532-105
FIN No.:	L1965
Appropriation No.:	31X0200.17N
BOC No.:	252A
Obligated Amount:	\$37,400

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

Contractual Matters: 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 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.

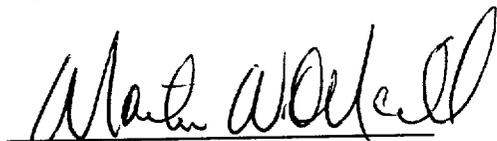
Sincerely,



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

Enclosures:  
As stated

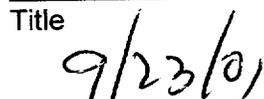
ACCEPTED:



Name



Title



Date

**STATEMENT OF WORK**  
**Task Order No. 16 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 task order is to obtain financial management advice and guidance concerning accounting and audit issues that affect the NRC's annual financial statements, accounting policy and operations. Contractor assistance will include the review of exposure drafts and revisions to Statements of Federal Financial Accounting Standards (SFFAS); the NRC Accounting Policy Manual; OMB Form and Content for Agency Financial Statements; implementing guidance published by federal oversight agencies; and operating procedures, etc. In addition, the Contractor will assist NRC in determining whether the fee charges for certain NRC services are appropriate by assessing the management controls and quality assurances for determining Part 170 Quarterly Billings. The review is limited to staff-hour licensing review costs incurred under TAC's issued during the period January 2001 to June 2001 by NMSS.

Work Requirements

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

- A. Financial Management Advice and Guidance:
1. Review exposure drafts and revisions to Statement of Federal Financial Accounting Standards (SFFAS); the NRC Accounting Policy Manual; OMB Form and Content for Agency Financial Statements; implementing

guidance published by federal oversight agencies; and operating procedures, etc.

Upon completion of the reviews mentioned above, advise the Division of Accounting and Finance (DAF) concerning audit issues that affect the NRC's annual financial statements, accounting policy and operations.

2. Provide written recommendations on how to correct identified financial weaknesses (e.g., audit findings and internal controls), advise and assist with the implementation of corrective actions. The NRC Project Officer or designated alternate may determine that written recommendations are unnecessary and an oral response is adequate.
3. Assist NRC's DAF with preparing accounting information requested by OMB as it related to the annual financial statement and accountability report.
4. Provide biweekly progress reports commencing with the month of October 2001 on all active task orders and monthly fixed priced areas that include commercial payments, federal payment voucher tracking and follow-up, and debt collection. The contractor shall follow the attached form for preparing the biweekly progress reports; however, this format is subject to change at the discretion of the NRC Project Officer.

The biweekly progress reports shall contain accomplishments, problems encountered, and additional work projects.

5. At the beginning of each month, provide a monthly listing, commencing with the month of October 2001, of all contractor staff, their current assignments, scheduled absences for the month, the reason for the absence, and the names of the individual to perform work in the person's absence.
- B. Assessment of Management Controls and Quality Assurance Measures for Part 170 Quarterly Bills.
1. Obtain an understanding of the established controls and procedures at both the program offices and the Division of Accounting and Finance (DAF) and perform an assessment to determine if the established procedures are adequate to provide reasonable assurance that costs related to the materials program are properly recorded and billed.
  2. Perform tests to ensure the established procedures are operational.

3. Interview NRC staff involved in the process to ascertain any billing anomalies that have come to the attention of management.
4. Perform statistical sampling (the sampling size will be determined by NRC at a later date) of new TAC's issued in the March 2001 and June 2001 quarters to assess the following facets of the process:
  - a. Is the TAC properly coded as billable or non-billable?
  - b. Is the billable/non-billable TAC status properly recorded in RITS?
  - c. Are the hours reflected in RITS supported by signed and approved time records?
  - d. Was the correct TAC used based on a review of the time sheet description of activities performed?
  - e. For billable TAC's was the billing to the docket/license correct?
  - f. For non-billable TAC's were the hours excluded from the invoices generated?

#### Level of Effort

The level of effort is estimated at 140 hours for partner and 310 hours for manager.

#### Period of Performance

Task Order No. 16 shall commence on October 1, 2001, and expire on December 15, 2001.

#### Deliverables

The contractor shall provide written advice, guidance and recommendations that are clear, organized and concise. The Project Officer or designated alternates may determine that written advice, guidance, and recommendations are unnecessary and an oral response is adequate for a particular task.

Provide a biweekly progress report on all active task orders and the monthly fixed price areas of the contract.

Provide a monthly listing of contractors staff and pertinent information as described under item No.5 above.

Provide an initial draft of observations and conclusions regarding the Assessment of Management Controls and Quality Assurance Measures for Part 170 Quarterly Bills by November 26, 2001.

Provide a final report of observations and conclusions by December 3, 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."