



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

APR 12 2002

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, 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. 16 which increases the fixed price amount of the task order by \$171,900 from \$66,340 to \$238,240. 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. 16 shall be from October 1, 2001 through September 30, 2002, with a cost ceiling of \$238,240."

This task order obligates funds in the amount of \$171,900. The accounting data for Task Order No. 16, Modification No. 3, is as follows:

B&R No.:	27N-15-532-358
FIN No.:	L1965
Appropriation No.:	31X0200.27N
BOC No.:	252A
Obligated Amount:	\$171,900

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

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:

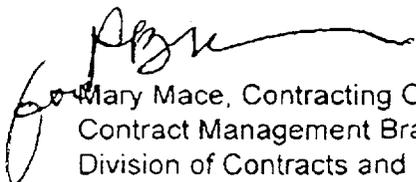
Technical Matters: Robert Rakowski, Project Officer, (301) 415-7340

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. NOTE: A signed faxed copy shall be sent to Ms. Smith at (301) 415-5761 prior to mailing the hard copy to NRC.

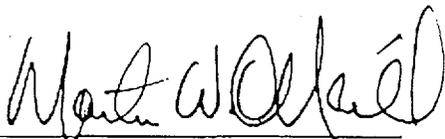
Sincerely,



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

Enclosures:
As stated

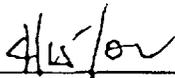
ACCEPTED:



Name



Title



Date

STATEMENT OF WORK
Modification No. 3 to Task Order No. 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.

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; performing internal control reviews; and reviewing and documenting operating procedures and policy. On November 4, 2002, the NRC implemented the Human Resources Management System (HRMS) which became the agency's system of record for human resources, time reporting, and payroll functions. Comprehensive documentation pertaining to some of the operational processes and procedures of the HRMS modules has not been completed. With the implementation, a number of new policies and procedures have been established and several existing policies and procedures have been modified. These must be documented and incorporated into NRC's policies and procedures that are contained in its Management Directives and accompanying handbooks, procedures that are contained in its Management Directives and accompanying handbooks, training handouts, web site, and desk procedures.

Work Requirements

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

A. Modify Existing Guidance and Develop New Documentation:

The contractor shall review NRC's Management Directives, policy manuals, desk, procedures, and agency guidance related to human resource and payroll processing. The contractor shall also interview subject matter experts identified by the project manager in order to obtain a detailed knowledge of NRC practices as related to the HEMS processes. Based on this review, the contractor shall develop documentation that is consistent with:

- Current NRC organization; and
- Changes necessitated by NRC's implementation of the HRMS.

Specific policies and procedures the contractor will document are as follows:

- Desk Procedures for Payroll - the contractor will complete the documentation of a comprehensive set of desk procedures for the system administrator. There are approximately 40 processes (list attached) that need to be documented. These procedures will identify roles and responsibilities and include a process description.
- Policies and Procedures for Time and Labor - The contractor will document NRC's current comprehensive time and labor policy, and accompanying handbook that includes related procedures and responsibilities for timekeepers, agency employees, time and labor coordinators, and approving officials. The contractor will also document the procedures for processing prior period adjustments.
- Security Procedures - The contractor will document NRC's current comprehensive set of security procedures for users that address all undocumented security aspects of the HRMS. The contractor will describe the current level of access, roles and responsibilities, and NRC's current process.
- Reconciliation Process - The contractor will document NRC's current set of procedures that address the following payroll reconciliation processes and any audit trail for identified discrepancies; time and labor hours to payroll hours, payroll hours to cost accounting datamart hours, payroll costs to cost accounting datamart costs.
- RPS Crosswalk - The RPS Crosswalk is a program that links the T&L activity to an Agency Planned Accomplishment. The contractor will document NRC's current procedures, which addresses the process of assigning activity codes to a planned accomplishment, and processes of updating the crosswalk to include all activities including the timing of all adjustments.

B. Develop Glossary Of Terms

The Contractor will develop a list of terms and definitions that are currently being used for the following NRC activities: budget formulation/execution, financial statements preparation, reporting required by the Government Performance and Results Act, and NRC's cost Accounting process.

The glossary will be consistent with terms and definitions contained in Office of Management and Budget Bulletins and Circulars, the Chief Financial Officer's Act of 1990, the Government Performance and Results Act of 1993, and the Federal Accounting Standards Advisory Board standards.

Period of Performance

Modification No. 3 to Task Order No. 16 shall commence on the effective date of the modification through September 30, 2002.

Deliverables

The contractor shall provide to the Project Officer draft procedures and policy documentation as they are completed. All specific documentation referenced in Part A under the Work Requirements section of the Statement of Work shall be provided in draft no later than June 30, 2002.

The Glossary of Terms shall be provided in draft to the Project Officer no later than September 30, 2002.

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."

Payroll System Administrator Processes

Garnishment Rules Table
GL Deposit/Collection Table
GL Payroll Transaction Table
Leave Accruals
Pay Calendar Information, Viewing
Retroactive Pay, Understanding
Retroactive Pay Process, Understanding
Retro Pay, Modifying
Retro Pay Request, Modifying
Annual Tax Reporting Processing, Understanding
Quarterly Tax Reporting, Understanding
Federal Tax Summary - TAX007
Create W-2 Federal Tape File - TAX910FD
Create W-2 Print File - TAX910PR
Create W-2 State Tape File - TAX910XX
Error Listing - TAX900
Tax Form Definition Table - TAX710
Tax Form Print Parameters Table - TAX712
Update W-2 Information - TAX504
Default Tax Data - TAX016
Tax Deposit Summary - TAX001
Tax Summary - TAX010
Benefit Deductions and Payroll, Understanding
Balance ID Table, Maintaining
SetID, Viewing (sub-procedure)
Earnings Table, Maintaining
Federal Settings, Entering (sub-procedure)
Holiday Schedule Table, Maintaining
Pay Calendar Table, Maintaining
Payroll Status, Viewing (sub-procedure)
Year Settings, Entering (sub-procedure)
Continue with Errors, Understanding
Rate Codes, Understanding
Correction to IRR, Entering
IRR Remarks Table, Entering
Nature of Action Table, Entering
Supplemental to IRR, Entering
Individual Retirement Records, Processing
IRR Fiscal Data Accumulation, Processing
Pay Calendar Creation, Processing
Individual Retirement Records, Viewing

ATTACHMENT 1