

**NRC/NSIR August 2004 Monthly Review and Approval of
DOE/Commercial Work Prior to Payment**

JCN: M-1124 (formerly A-9082, M-0396 and M-1120)
TITLE: NMMSS (Nuclear Materials Management and Safeguards System)
TASK ORDER NO./TITLE:

IF YOU ANSWER "NO" TO ANY OF QUESTIONS 1 THROUGH 5, OR "YES" TO 6, PROVIDE EXPLANATION IN THE COMMENTS SECTION OR ON A SEPARATE ATTACHMENT

QUESTIONS	YES	NO	N/A
1. Did contractor submit required deliverables and meet scheduled milestones during the billing period?	X		
2. Are the labor hours, travel, subcontract, equipment, and other direct costs reasonable and commensurate for the type and nature of work completed during the billing period?	X		
3. Is the contractor using personnel with required skills to ensure efficient and effective performance? (Not applicable to fixed price contracts.)	x		
4. Is the quality of the deliverables and/or service acceptable and in compliance with the terms of the contract?	X		
5. Has the NRC met its contractual obligations during the billing period including provision of government furnished property and timely review and comment on reports/deliverables?	X		
6. Are you aware of any present or future problems that may adversely affect contractor performance and/or costs?	X		

Comments:

- 1) The August 2004 technical Monthly Letter Status Report (MLSR) and associated fiscal MLSR were provided in a timely manner.

- 6) During an August 30, telephone discussion, NRC and DOE legal staff further discussed a potential conflict of interest issue with the DOE contracting officials. This issue is still being worked by both organizations. We look forward to resolution of this issue that satisfies DOE and NRC.

- 6) As mentioned in the June and July MLSR review, we ask that DOE strive to provide the NRC a draft FY-05 spending plan as soon as possible for the NMMSS contract. FY-05 operations start in less than two weeks and we have not received a DOE spending plan.

- 6) The NRC was not aware that there is a projected \$20,000 FY-04 cost over run projected for the NRC share of the NMMSS operations. The NRC learned of this only by reading the fiscal MLSR and through several e-mail exchanges with the NMMSS operator. We ask for DOE to confirm whether it expects that the FY-04 NMMSS bills to the NRC for NMMSS operations will be approximately \$20,000 more than funded by the NRC in FY-04.

1. Signature - Technical Project Manager (TPM), Brian G. Horn /RA/ Date 09 / 21 / 2004

2. Signature - Section Chief, Vonna Ordaz /RA/ Date 09 / 22 / 2004