

ORDER FOR SUPPLIES OR SERVICES

IMPORTANT: Mark all packages and papers with contract and/or order numbers.

1. DATE OF ORDER <b>9/13/2005</b>		2. CONTRACT NO. (if any) <b>GS10P0202J</b>		8. SHIP TO:	
3. ORDER NO. <b>DR-05-05-403</b>		MODIFICATION NO.		4. NAME OF CONSIGNEE <b>U.S. Nuclear Regulatory Commission Attn: Ms. Susan Jones</b>	
5. ISSUING OFFICE (Address correspondence to) <b>U.S. Nuclear Regulatory Commission Div. of Contracts Attn: Mr. Michael Mills Mail Stop T-7-I-2 Washington, DC 20555</b>		6. REQUISITION/REFERENCE NO. <b>CFD-05-403</b>		5. STREET ADDRESS <b>Mail Stop T9C1</b>	
7. TO:		c. CITY <b>Washington</b>		d. STATE <b>DC</b>	e. ZIP CODE <b>20555</b>
9. NAME OF CONTRACTOR <b>BERT W SMITH JR &amp; CO CHARTERED</b>		10. SHIP VIA		6. TYPE OF ORDER	
b. COMPANY NAME		<input type="checkbox"/> a. PURCHASE		<input checked="" type="checkbox"/> b. DELIVERY	
c. STREET ADDRESS <b>1401 NEW YORK AVE NW # 540</b>		Reference your Please furnish the following on the terms and conditions specified on both sides of this order and on the attached sheet, if any, including delivery as indicated.		Except for Billing Instructions on the reverse this delivery order is subject to instructions contained on this side only of this form and is issued subject to the terms and conditions of the above-numbered contract.	
d. CITY <b>WASHINGTON</b>	e. STATE <b>DC</b>	f. ZIP CODE <b>200055210</b>	16. REQUISITIONING OFFICE <b>CFD</b>		
3. ACCOUNTING AND APPROPRIATION DATA <b>B&amp;R: 57N-15-5H2358, JC: M7234, BOC: 251A, 31X0200</b>		9120,000.00		10. REQUISITIONING OFFICE <b>CFD</b>	
11. BUSINESS CLASSIFICATION (Check appropriate box(es))		12. F.O.B. POINT <b>N/A</b>			
<input checked="" type="checkbox"/> a. SMALL		<input type="checkbox"/> b. OTHER THAN SMALL		<input checked="" type="checkbox"/> c. DISADVANTAGED	
<input type="checkbox"/> d. WOMEN-OWNED		<input type="checkbox"/> e. HUBZone		<input type="checkbox"/> f. EMERGING SMALL BUSINESS	
13. PLACE OF		14. GOVERNMENT BAL. NO.		15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date) <b>AS Stated Below</b>	
a. INSPECTION	b. ACCEPTANCE			16. DISCOUNT TERMS <b>Net 30</b>	

17. SCHEDULE (See reverse for REVISION)

ITEM NO. (A)	SUPPLIES OR SERVICES (B)	QUANTITY ORDERED (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)	QUANTITY ACCEPTED (G)
	<p>This delivery order for 'Internal Control Reviews' is subject to the terms and conditions set forth under GSA Federal Supply Schedule No. GS-10F-0202J, in accordance attached Statement of Work (Attachment A )</p> <p>Period of performance: Base Period - Date of signed acceptance of award through February 28, 2006. Option Period 1: March 1, 2006 through February 28, 2007 Option Period 2: March 1, 2007 through February 28, 2008</p> <p>Labor-Hour Delivery Order Hours and labor-rates are specified in Attachment B. Amount Obligated: \$120,000.00 Fixed Ceiling Price: \$402,978.93</p> <p>Instructions for Labor-Hour Type Contracts are attached. NRC point-of-contact - Ms. Ruth Spencer: 301-415-6056 Contractor-point-of-contact - Mr. Dan Costello: 202-393-5600</p>					

*[Signature]*  
Accepted

**9/16/05**  
Date

18. SHIPPING POINT		19. GROSS SHIPPING WEIGHT		20. INVOICE NO.	
21. MAIL INVOICE TO:					
a. NAME <b>U.S. Nuclear Regulatory Commission Division of Contracts</b>					
b. STREET ADDRESS (or P.O. Box) <b>Mail Stop T-7-I-2</b>					
c. CITY <b>Washington</b>		d. STATE <b>DC</b>	e. ZIP CODE <b>20555</b>		f. AMOUNT <b>\$120,000.00</b>
22. UNITED STATES OF AMERICA BY (Signature) <i>[Signature]</i>				23. NAME (Typed) <b>Stephen M Pool</b> TITLE: CONTRACTING/ORDERING OFFICER	

17(d)  
TOTAL  
(Cont.  
page)

17(f)  
GRAND  
TOTAL



**TASK ORDER TERMS AND CONDITIONS \_\_\_\_\_**  
**NOT SPECIFIED IN THE CONTRACT \_\_\_\_\_**

**A.1 2052.215-70 KEY PERSONNEL (JAN 1993)**

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

 - Engagement Partner

- Manager

The contractor agrees that personnel may not be removed from the contract work or replaced without compliance with paragraphs (b) and (c) of this section.

(b) If one or more of the key personnel, for whatever reason, becomes, or is expected to become, unavailable for work under this contract for a continuous period exceeding 30 work days, or is expected to devote substantially less effort to the work than indicated in the proposal or initially anticipated, the contractor shall immediately notify the contracting officer and shall, subject to the concurrence of the contracting officer, promptly replace the personnel with personnel of at least substantially equal ability and qualifications.

(c) Each request for approval of substitutions must be in writing and contain a detailed explanation of the circumstances necessitating the proposed substitutions. The request must also contain a complete resume for the proposed substitute and other information requested or needed by the contracting officer to evaluate the proposed substitution. The contracting officer and the project officer shall evaluate the contractor's request and the contracting officer shall promptly notify the contractor of his or her decision in writing.

(d) If the contracting officer determines that suitable and timely replacement of key personnel who have been reassigned, terminated, or have otherwise become unavailable for the contract work is not reasonably forthcoming, or that the resultant reduction of productive effort would be so substantial as to impair the successful completion of the contract or the service order, the contract may be terminated by the contracting officer for default or for the convenience of the Government, as appropriate. If the contracting officer finds the contractor at fault for the condition, the contract price or fixed fee may be equitably adjusted downward to compensate the Government for any resultant delay, loss, or damage.

**A.2 2052.215-71 PROJECT OFFICER AUTHORITY**

(a) The contracting officer's authorized representative hereinafter referred to as the project officer for this contract is:

Name: Ruth Spencer  
Address: U.S. Nuclear Regulatory Commission  
Attn: Ms. Ruth E. Spencer, MS T9C4  
Two White Flint North  
11545 Rockville Pike, Rockville MD  
Telephone Number: 301-415-6056

(b) Performance of the work under this contract is subject to the technical direction of the NRC project officer. The term "technical direction" is defined to include the following:

(1) Technical direction to the contractor which shifts work emphasis between areas of work or tasks, authorizes travel which was unanticipated in the Schedule (i.e., travel not contemplated in the Statement of Work or changes to specific travel identified in the Statement of Work), fills in details, or otherwise serves to accomplish the contractual statement of work.

(2) Provide advice and guidance to the contractor in the preparation of drawings, specifications, or technical portions of the work description.

(3) Review and, where required by the contract, approval of technical reports, drawings, specifications, and technical information to be delivered by the contractor to the Government under the contract.

(c) Technical direction must be within the general statement of work stated in the contract. The project officer does not have the authority to and may not issue any technical direction which:

(1) Constitutes an assignment of work outside the general scope of the contract.

(2) Constitutes a change as defined in the "Changes" clause of this contract.

(3) In any way causes an increase or decrease in the total estimated contract cost, the fixed fee, if any, or the time required for contract performance.

(4) Changes any of the expressed terms, conditions, or specifications of the contract.

(5) Terminates the contract, settles any claim or dispute arising under the contract, or issues any unilateral directive whatever.

(d) All technical directions must be issued in writing by the project officer or must be confirmed by the project officer in writing within ten (10) working days after verbal issuance. A copy of the written direction must be furnished to the contracting officer. A copy of NRC Form 445, Request for Approval of Official Foreign Travel, which has received final approval from the NRC must be furnished to the contracting officer.

(e) The contractor shall proceed promptly with the performance of technical directions duly issued by the project officer in the manner prescribed by this clause and within the project officer's authority under the provisions of this clause.

(f) If, in the opinion of the contractor, any instruction or direction issued by the project officer is within one of the categories as defined in paragraph (c) of this section, the contractor may not proceed but shall notify the contracting officer in writing within five (5) working days after the receipt of any instruction or direction and shall request the contracting officer to modify the contract accordingly. Upon receiving the notification from the contractor, the contracting officer shall issue an appropriate contract modification or advise the contractor in writing that, in the contracting officer's opinion, the technical direction is within the scope of this article and does not constitute a change under the "Changes" clause.

(g) Any unauthorized commitment or direction issued by the project officer may result in an unnecessary delay in the contractor's performance and may even result in the contractor expending funds for unallowable costs under the contract.

(h) A failure of the parties to agree upon the nature of the instruction or direction or upon the contract action to be taken with respect thereto is subject to 52.233-1 - Disputes.

(i) In addition to providing technical direction as defined in paragraph (b) of the section, the project officer shall:

(1) Monitor the contractor's technical progress, including surveillance and assessment of performance, and recommend to the contracting officer changes in requirements.

(2) Assist the contractor in the resolution of technical problems encountered during performance.

(3) Review all costs requested for reimbursement by the contractor and submit to the contracting officer recommendations for approval, disapproval, or suspension of payment for supplies and services required under this contract.

(4) Assist the contractor in obtaining the badges for the contractor personnel.

(5) Immediately notify the Personnel Security Branch, Division of Facilities and Security (PERSEC/DFS) (via e-mail) when a contractor employee no longer requires access authorization and return the individual's badge to PERSEC/DFS within three days after their termination.

### **A.3 52.232-19 AVAILABILITY OF FUNDS FOR THE NEXT FISCAL YEAR (APR 1984)**

Funds are not presently available for performance under this contract beyond \$120,000.00. The Government's obligation for performance of this contract beyond that date is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise for performance under this contract beyond \$120,000.00, until funds are made available to the Contracting Officer for performance and until the Contractor receives notice of availability, to be confirmed in writing by the Contracting Officer.

### **A.4 CONSIDERATION AND OBLIGATION--DELIVERY ORDERS (JUN 1988)**

(a) The total estimated amount of this contract (ceiling) for the products/services ordered, delivered, and accepted under this contract is \$402,978.83. The Contracting Officer may unilaterally increase this amount as

necessary for orders to be placed with the contractor during the contract period provided such orders are within any maximum ordering limitation prescribed under this contract.

(b) The amount presently obligated with respect to this contract is \$120,000.00. The Contracting Officer may issue orders for work up to the amount presently obligated. This obligated amount may be unilaterally increased from time to time by the Contracting Officer by written modification to this contract. The obligated amount shall, at no time, exceed the contract ceiling as specified in paragraph a above. When and if the amount(s) paid and payable to the Contractor hereunder shall equal the obligated amount, the Contractor shall not be obligated to continue performance of the work unless and until the Contracting Officer shall increase the amount obligated with respect to this contract. Any work undertaken by the Contractor in excess of the obligated amount specified above is done so at the Contractor's sole risk.

#### **A.5 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)**

(a) The Government may extend the term of this contract by written notice to the Contractor within 30 days; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 45 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed February 28, 2008.

#### **A.6 NRC ACQUISITION CLAUSES - (NRCAR) 48 CFR CH. 20**

#### **A.7 OTHER APPLICABLE CLAUSES**

See Addendum for the following in full text (if checked)

52.216-18, Ordering

52.216-19, Order Limitations

52.216-22, Indefinite Quantity

52.217-6, Option for Increased Quantity

52.217-7, Option for Increased Quantity Separately Priced Line Item

52.217-8, Option to Extend Services

52.217-9, Option to Extend the Term of the Contract

#### **A.8 COMPLIANCE WITH U.S. IMMIGRATION LAWS AND REGULATIONS**

NRC contractors are responsible to ensure that their alien personnel are not in violation of United States Immigration and Naturalization (INS) laws and regulations, including employment authorization documents and visa requirements. Each alien employee of the Contractor must be lawfully admitted for permanent residence as evidenced by Alien Registration Receipt Card Form 1-151 or must present other evidence from the Immigration and Naturalization Services that employment will not affect his/her immigration status. The INS Office of Business Liaison (OBL) provides information to contractors to help them understand the employment eligibility verification process for non-US citizens. This information can be found on the INS website, <http://www.ins.usdoj.gov/graphics/services/employerinfo/index.htm#obl>.

The NRC reserves the right to deny or withdraw Contractor use or access to NRC facilities or its equipment/services, and/or take any number of contract administrative actions (e.g., disallow costs, terminate for cause) should the Contractor violate the Contractor's responsibility under this clause.

(End of Clause)

#### **A.9 SEAT BELTS**

Contractors, subcontractors, and grantees, are encouraged to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented, or personally owned vehicles.

## Attachment A

### Statement of Work

Title: Internal Control Reviews

#### Background

The agency's policy is to establish and maintain cost-effective internal controls that reasonably ensure programs achieve their intended results; resources are used consistent with the agency mission; programs and resources are protected from fraud, waste, and mismanagement; laws and regulations are followed; and reliable and timely information is obtained, maintained, reported, and used for decision making.

The Office of the Chief Financial Officer (OCFO) is responsible for coordinating agency wide internal control activities, training, and technical support to assist NRC managers in establishing, assessing, and improving internal controls. In addition, the OCFO prepares the annual report to the President and Congress on the status of NRC's internal controls supported by the annual reasonable assurance statements submitted by all offices and regions.

Offices within the agency are required by NRC Management Directive 4.4 to develop and assess internal controls and to identify improvements and take timely corrective actions. Annually, offices submit their reasonable assurance statements to the CFO.

#### Objective

The objective of this procurement is to contract with a qualified vendor to provide internal control reviews in accordance with OMB Circular A-123, "Management's Responsibility for Internal Control."

#### Scope of Work

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

##### **Task 1** - Internal Control Reviews

1. The contractor shall conduct internal control reviews in accordance with OMB circular A-123, "Management's Responsibility for Internal Control." Up to five reviews shall be conducted during the base period, with up to ten additional reviews in each of the option periods. Reviews shall be conducted at the direction of the Project Officer, in line with agency determination of assessable units and risks, which is ongoing. The number of reviews is approximate due to the pending assessable units/risk determination.

In the base period, the reviews shall cover financial operations processes. In the option periods, the reviews shall cover both the financial and programmatic operation processes. Examples of agency financial operations process reviews include but are not limited to: time and labor; payroll; fees collection; and funds control. Examples of agency programmatic operation process reviews include but are not limited to:

management's implementation of OMB Circular A-123; appropriateness of performance measures; and agency systems. Agency systems could be existing (legacy) systems as well as newly-developed or implemented systems that would need to be evaluated for adequate internal controls.

2. The purpose of the reviews is to obtain an assessment of internal controls, identify weaknesses, and determine the level of risk.

3. The reviews shall take place beginning in July and should be completed by September 2005.

4. The contractor shall provide a report that documents the findings and provides realistic recommendations on how to correct the weaknesses. The agency will determine the actions necessary based on contractor recommendations.

#### **Task 2** - Monitoring of Corrective Actions

1. Work under this task shall be initiated via the technical direction of the Project Officer. Work may result from contractor recommendations, but shall not be undertaken without direction on this Task.

2. The contractor shall monitor the corrective actions implemented by the agency in response to the recommendations of the internal control reviews. The contractor shall ensure that the actions function to properly address the findings and recommendations of the internal control reviews. Monitoring may include review, as well as testing of the corrective action plan.

3. Monitoring of corrective actions will be for limited time periods following reviews (approximately six months). Monitoring of actions from prior reviews may occur in future contract periods (e.g. monitoring for reviews occurring in the base period may occur during the first option period, if exercised).

#### **Task 3** - Financial Management Advice and Guidance (on a work order basis)

1. The contractor shall advise the Division of Financial Management (DFM) concerning the effects on the annual financial statements of new and emerging issues (e.g. revisions to the Statements of Federal Financial Accounting Standards).

2. The contractor shall perform various reviews to include but not be limited to the following: Biennial review of administrative charges; and Assessment of Internal Controls for Part 170 Quarterly Bills. The NRC Project Officer shall provide direction on specific work to be performed after issuance of a work order by the Contracting Officer. These reviews may result in recommendations for improvements to internal controls and/or systems. Deliverables with specific due dates will be specified in each order.

#### **Labor Categories/ Personnel Qualifications**

It is expected that the following labor categories shall be required under this order

(1) partner, (2) manager, (3) senior auditor, and (4) auditor. The contractor shall provide personnel that meet the minimum qualifications stated below.

A. Partner. The partner shall possess a four-year degree in accounting and be a Certified Public Accountant. The partner shall have ten years experience in auditing, including experience in assessing internal controls, of which five years should have been gained in Federal Government Auditing.

B. Manager. The manager shall possess a four-year degree in accounting and be a Certified Public Accountant. The manager shall have five years experience in auditing, including experience in assessing internal controls, of which three years should have been gained in Federal Government Auditing.

C. Senior Auditor. The senior auditor shall possess a four-year degree in accounting and have two years experience in auditing, including experience in assessing internal controls.

D. Auditor. The auditor shall possess a four year degree in accounting and have no less than two years experience in auditing.

#### Period of Performance

The period of performance will be from the date of award through February 28, 2006, with two option periods of one year each, subject to availability of funds. The Government reserves the right to exercise two one-year options. For the option periods, the contractor shall perform work as specified under the base period.

#### Deliverables

The contractor shall provide monthly reports on the progress and status of all internal control reviews, recommendations, monitoring of corrective action plans, or other activities. This shall be provided by the 15<sup>th</sup> of each month.

The contractor shall deliver a report on the findings and recommendations of the reviews, including an assessment of risk. A draft report shall be delivered to the agency 2 weeks after the reviews are completed and the final report shall be delivered 4 weeks after the reviews are completed.

**BILLING INSTRUCTIONS FOR  
LABOR HOUR TYPE CONTRACTS**

**General:** The contractor shall prepare vouchers/invoices for reimbursement of costs in the manner and format described herein or a similar format. **FAILURE TO SUBMIT VOUCHERS/INVOICES IN ACCORDANCE WITH THESE INSTRUCTIONS WILL RESULT IN REJECTION OF THE VOUCHER/INVOICE AS IMPROPER.**

**Number of Copies:** An original and three copies, including supporting documentation shall be submitted. A copy of all supporting documents must be attached to each copy of your voucher/invoice. Failure to submit all the required copies will result in rejection of the voucher/invoice as improper.

**Designated Agency Billing Office:** Vouchers/invoices shall be submitted to the following address:

U.S. Nuclear Regulatory Commission  
Division of Contracts  
Mail Stop T-7-I-2  
Washington, D.C. 20555

**HAND DELIVERY OF VOUCHERS/INVOICES IS DISCOURAGED AND WILL NOT EXPEDITE PROCESSING BY NRC.** However, should you choose to deliver vouchers/invoices by hand, including delivery by any express mail services or special delivery services which use a courier or other person to deliver the voucher/invoice in person to the NRC, such vouchers/invoices must be addressed to the above Designated Agency Billing Office and will only be accepted at the following location:

U.S. Nuclear Regulatory Commission  
One White Flint North  
11555 Rockville Pike - Mail Room  
Rockville, MD 20852

**HAND-CARRIED SUBMISSIONS WILL NOT BE ACCEPTED AT OTHER THAN THE ABOVE ADDRESS.**

**Note that the official receipt date for hand-delivered vouchers/invoices will be the date it is received by the official agency billing office in the Division of Contracts.**

Agency Payment Office: Payment will be made by the following office:

U.S. Nuclear Regulatory Commission  
Division of Accounting and Finance GOV/COMM  
Mail Stop T-9-H4  
Washington, DC 20555

Frequency: The contractor shall submit claims for reimbursement once each month, unless otherwise authorized by the Contracting Officer.

Format: Claims should be submitted in the format depicted on the attached sample form entitled "Voucher/Invoice for Purchases and Services Other Than Personal" (see Attachment ) or a similar format. **THE SAMPLE FORMAT IS PROVIDED FOR GUIDANCE ONLY AND IS NOT REQUIRED FOR SUBMISSION OF A VOUCHER/INVOICE. ALTERNATE FORMATS ARE PERMISSIBLE PROVIDED ALL REQUIREMENTS OF THE BILLING INSTRUCTIONS ARE ADDRESSED.**

Billing of Costs After Expiration of Contract: If the costs are incurred during the contract period and claimed after the contract has expired, the period during which these costs were incurred must be cited. To be considered a proper voucher/invoice, the contractor shall clearly mark it "EXPIRATION VOUCHER" OR "EXPIRATION INVOICE".

Currency: Billings may be expressed in the currency normally used by the contractor in maintaining his accounting records; payments will be made in that currency. However, the U.S. dollar equivalent for all vouchers/invoices paid under the contract may not exceed the total U.S. dollars authorized in the contract.

ATTACHMENT

INVOICE/VOUCHER FOR PURCHASES  
AND  
SERVICES OTHER THAN PERSONAL

(SAMPLE FORMAT - COVER SHEET)

Official Agency Billing Office

(a) Contract No:

U.S. Nuclear Regulatory Commission

Division of Contracts

(b) Voucher/Invoice No:

Mail Stop: T-7-12

Washington, DC 20555-0001

(c) Date of Voucher/Invoice:

Payee's Name and Address

(d) Individual to Contact Regarding Voucher/Invoice

Name:

Telephone No:

(e) This voucher/invoice represents reimbursable costs for the billing period  
\_\_\_\_\_ to \_\_\_\_\_.

	<u>Amount Billed</u>	
	<u>Current Period</u>	<u>Cumulative</u>
(f) <u>Direct Costs:</u>		
(1) Direct Labor*	\$ _____	\$ _____
(2) Travel*	\$ _____	\$ _____
Total Direct Costs:	\$ _____	\$ _____

\* The contractor shall submit as an attachment to its invoice/voucher cover sheet a listing of labor categories, hours billed, fixed hourly rates, total dollars, and cumulative hours billed to date under each labor category, authorized under the contract. In addition, the contractor shall include travel costs incurred with the required supporting documentation, as well as, the cumulative total of travel costs billed to date by activity.